

Stock Market

Stocks flat for 3rd day as investors keep shedding financial scrips

New Age, July 24, 2018

- Dhaka stocks finished flat for the third consecutive session on Sunday as investors kept selling financial shares amid apprehension about the performance of banks and non-bank financial institutions for the April-June period. DSEX, the key index of the Dhaka Stock Exchange, added 0.03 per cent, or 1.75 points, to close at 5,339.18 points. The key index gained only 13.45 points in last three trading sessions. The market was upbeat in the beginning of the day but slowed in the last two hours of the session to end flat as investors kept selling financial stocks ahead of their second quarter forecast.
- The ongoing crisis in the financial sector eroded investors' confidence in the sector and they feared profit fall declaration by the most of the banks for another quarter. On the other hand, investors turned their focus to other sectors. So, the share prices of engineering, miscellaneous, cement and pharmaceuticals advanced by 2.4 per cent, 0.7 per cent, 0.6 % and 0.59 % respectively that kept the market afloat. Among the large capitalised scrips, the share prices of IFAD Autos, RAK Ceramics, Renata and Olympic Industries soared on Sunday.
- Turnover on the DSE increased to BDT 1,054.93 crore on Sunday compared with that of BDT 912.23 crore in the previous trading session. Of the 337 companies and mutual funds traded, 171 declined, 142 advanced and 26 remained unchanged. DS30, the blue-chip index of the DSE, gained 0.21 per cent, or 4.06 points, to close at 1,908.52 points. Shariah index DSES gained 0.11 per cent, or 1.48 points, to finish at 1,274.57 points.

<http://www.newagebd.net/article/46649/stocks-flat-for-3rd-day-as-investors-keep-shedding-financial-scrips>

Stocks end flat for 4th day as banks rebound

New Age, July 24, 2018

- Dhaka stocks ended flat for the fourth consecutive session on Monday as investors diverted their funds to the financial scrips amid profit booking from the other sectors. DSEX, the key index of Dhaka Stock Exchange, added 0.16 per cent, or 8.88 points, to close at 5,348.06 points on Monday. The key index gained only 22 points in last four trading sessions. The market was chaotic, beginning the day with a 30-points increase and finished with a little gain through a few ups and downs as bargain hunters turned their attention to the financial sectors that witnessed fall in recent days, market operators said.
- United Commercial Bank and Trust Bank declared profit fall for the second quarter (April-June) compared with that in the same period in the previous year. However, investors' sentiment regarding the market oscillated between optimism and watchfulness in the current market scenario ahead of earnings and yearly disclosures as some recent declarations of the stocks haven't been able to impress investors, said EBL Securities in its daily market commentary. The average share prices of textile, engineering and pharmaceuticals sectors declined by 1.8 per cent, 1.5 % and 0.9 % respectively as investors went for profit-taking shares sales.
- The share prices of out-of-operation companies continued falling on Monday as the DSE on July 18 delisted two 'Z' category companies — Rahima Food Corporation and Modern Dying — as the two companies remained out of production for long. Turnover on the DSE plunged to BDT 873.11 crore on Monday compared with that of BDT 1,054.93 crore in the previous trading session. Of the 337 companies and mutual funds traded, 168 declined, 130 advanced and 41 remained unchanged. DS30, the blue-chip index of the DSE, gained 0.23 per cent, or 4.53 points, to close at 1,913.05 points. Shariah index DSES, however, shed 0.46 per cent, or 5.88 points, to finish at 1,268.69 points. BBS Cables led the turnover chart with its shares worth BDT 37.22 crore changing hands.

<http://www.newagebd.net/article/46739/stocks-end-flat-for-4th-day-as-banks-rebound>

Economy

BDT 1 lakh for each project

The Daily Star, July 24, 2018

- Some 64 projects, many of which are important infrastructure ones, got just BDT 1 lakh each this fiscal year in a bizarre move by the government that has presented its most expansive development budget yet of BDT 1.80 lakh crore. People do not benefit from these token allocations as it will further delay the implementation of the projects, said Ahsan H Mansur, executive director of the Policy Research Institute.
- Of the 64 projects, 57 are five to eight years old and they were scheduled for completion this June, four are ongoing and the remaining three did not even start work, according to data from the planning ministry. But the government has indiscriminately allocated BDT 1 lakh to each of these projects without considering their deadline or their importance. Take the case of the BDT 2,008 crore Shikalbaha 225 megawatt (MW) dual fuel combined cycle power plant, which as of February this year has spent BDT 1,282 crore or 64 % of its allocation. But the government has given just BDT 1 lakh to it this fiscal year.
- Similarly, the construction of the Bangladesh Railway's new line for Ishwardi-Pabna-Dhalar Char has got a mere BDT 1 lakh despite the completion of 91 % of the work as of February. Another striking case was the construction of the Muradpur-2 Gate and GEC Junction Flyover in Chittagong, a BDT 970 crore project. As of February, the project is 63 % through and yet the government gave it only BDT 1 lakh this year.

<https://www.thedailystar.net/business/BDT-1-lakh-each-project-1610041>

UK wants to invest in infrastructure

New Age, July 24, 2018

- The United Kingdom wants to invest in a big way in Bangladesh to help achieve its middle-income country status saying the next generation of British Bangladeshis can make the difference with their cemented ties with Bangladesh, says a British trade envoy. She listed the energy sector, especially renewable energy, and technological cooperation, education and skill sharing as some of the potential areas for cooperation. British High Commissioner in Dhaka Alison Blake was, among others, present during Rushanara's interview with a select group of media.
- The British trade envoy said there was a real recognition that basic things such as rail, roads, bridges and airports need investment and partnership with countries to help Bangladesh achieve its ambition of becoming a middle-income country. Saying that these are related to economic development, Rushanara also laid emphasis on "inclusive development" in Bangladesh.
- In February, over 100 British parliamentarians, including Rushanara, said it was time for the UK to state that Myanmar's military should be referred to the International Criminal Court (ICC) for their appalling "security operations" against the Rohingya, described as ethnic cleansing and possibly genocide by the United Nations. The parliamentarians wrote to the then British foreign secretary seeking measures in line with their call and calling for an ICC referral for Myanmar's military general.

<https://www.thedailystar.net/business/uk-wants-invest-infrastructure-1610026>

Ensure foreign taxpayers have NBR certificates before allowing DTAA benefits

New Age, July 24, 2018

- Bangladesh Bank on Monday asked all banks to ensure that foreigners have clearance certificates from the National Board of Revenue before allowing them tax benefits under double taxation avoidance agreement. Foreign Currency Policy Department of the central bank in a letter to the head offices of approved dealer banks suggested that the banks make sure that the taxpayers had NBR certificates before allowing them to send money back to their home countries under the agreement.
- Earlier, on July 5, international tax wing of the NBR requested the BB to take necessary measures in this regard. NBR member Kalipada Halder in the letter to the BB governor said Bangladesh have DTA agreements with 33 countries and taxpayers, organisations and companies of the countries get some reciprocal benefits in income tax including waiver and reduced rate tax under the agreements.
- The government through the Finance Act-2018 made the NBR certificate mandatory for taxpayers for getting any tax benefit under the agreements, suspecting that many of them misuse the benefit. In many cases, banks allow non-resident taxpayers to remit money with tax benefit depending on documents, mainly photocopy of the agreement, provided by the taxpayers without crosschecking with the NBR whether the benefit will be applicable for the taxpayers or not.

<http://www.newagebd.net/article/46738/ensure-foreign-taxpayers-have-nbr-certificates-before-allowing-dtaa-benefits>

International

China rejects Trump accusations of currency manipulation

The Daily Star, July 24, 2018

- China on Monday rejected accusations by US President Donald Trump that it was manipulating the yuan to give its exporters an edge, saying Washington appeared "bent on provoking a trade war". Trump launched his latest trade salvo on Friday, accusing China and the European Union of currency manipulation and saying he was ready to impose tariffs on all Chinese imports coming into the United States. But China's Foreign Ministry denied the charge during a daily briefing in Beijing, saying the yuan's rate was determined by market forces.
- While it does let market forces play a role, China keeps the yuan within a narrow trading band that it adjusts daily and is widely known to intervene, which has triggered past US allegations of manipulation, including from Trump. "As to the US being bent on provoking a trade war, China does not want a trade war but is not afraid of a trade war," Geng said, when asked about Trump's threat to impose across-the-board tariffs on Chinese goods.
- The world's two largest economies face a potential full-blown trade war after the United States earlier this month imposed 25 %tariffs on USD34 billion of Chinese products, drawing a tit-for-tat response from Beijing. Washington has since threatened tariffs on another USD200 billion in Chinese exports, prompting Beijing to vow further retaliation. With the trade conflict escalating, fears of a parallel currency war have emerged as the yuan has tumbled over the last several weeks, sparking Trump's ire.

<https://www.thedailystar.net/business/global-business/china-rejects-trump-accusations-currency-manipulation-1610029>

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BASL Research Team

Mr. Shariful Alam Chowdhury Head of Research & Investments	tushar@basl-bd.com, tusharbd@bloomberg.net
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com, shohidulbd@bloomberg.net
Mr. Md. Monirul Islam Research Associate	abir@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Branches

Head Office Hadi Mansion (7th Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 Fax: +88-02-9567884	Modhumita Extension Office 158-160 Modhumita Building (5th Floor) Motijheel C/A, Dhaka-1000 Phone: +88-01819118893	Dhanmondi Branch Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-8624874-5	Mirpur Branch Nishi Plaza, plot # 01, Avenue-04, Section-06, Block- C Mirpur, Dhaka - 1216 Phone: +88-02-9013841
Uttara Branch House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka- 1230 Phone: +88-02-8958371	Banani Branch Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +8801716180767	Khulna Branch 28, Sir Iqbal Road (1st Floor) Khulna Phone: +88-041-731208-9	

For International Trade & Sales, please contact **Mr. Sumon Das, Chief Executive Officer**. Please call at +8801993111666, +880 02 9515826, Ext:101 at Business hour.

For further query, write to us at research@basl-bd.com.