

## Stock Market

### Stocks soar for 2nd day on Bangladesh Bank move

New Age, September 24, 2019

- Dhaka stocks soared for the second day on Monday as investors continued buying shares with expectations that liquidity condition at the country's stock market would improve following the Bangladesh Bank's move to lend banks funds for investing in the market.
- DSEX, the prime index of Dhaka Stock Exchange, advanced by 1.61 %, or 79.26 points, to close at 5,000.23 points on Monday after gaining 79.26 points in the previous session. Before the two-day gains, the DSEX had lost 103 points in three sessions.
- The average share prices of non-bank financial institution gained by 3.6 %, bank 3.2 %, textile 2.2 % and telecommunication 0.6 %. The government move came after the market had dwindled to a 33-month low after relentless fall in share prices in recent months.
- Turnover on the bourse on Monday soared to BDT 517.34 crore from BDT 304.72 crore in the previous session. Out of the 352 scrips traded on the day, 282 advanced, 53 declined and 18 remained unchanged. DSE Shariah index DSES increased by 0.69 %, or 7.97 points, to close at 1,158.15 points.
- Blue-chip index DS30 soared by 1.32 %, or 23.44 points, to close at 1,789.97 points. Grameenphone led the turnover chart with its shares worth BDT 20.17 crore changing hands on the day. National Tubes, Summit Power, VFS Thread Dyeing, Fortune Shoes, Premier Bank, BRAC Bank, Renata, Square Pharmaceuticals and United Power Generation Company were the other turnover leaders.
- International Leasing and Financial Services gained the most on the day with a 9.61-% increase in its share prices while National Polymer Industries was the worst loser, shedding 9.93 %.

<http://www.newagebd.net/article/85480/stocks-soar-for-2nd-day-on-bangladesh-bank-move>

### Omera, Beximco to export LPG to India

The Daily Star 24, September 22, 2019

- Two Bangladeshi companies are set to export liquefied petroleum gas (LPG) to the landlocked northeastern states of India. Omera Petroleum and Beximco LPG will export LPG to state-owned Indian Oil Corporation (IOC), which will bottle and sell to consumers.
- The consignment will be shipped to Bishalgarh, a town in Sepahijala district of Tripura in India, through Bibirbazar border point in Cumilla. Omera will initially export 1,000 tonnes of LPG per month, with the quantity going up to 3,000 tonnes over the next six months.
- Northeast India comprises eight states -- Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. Of India's 130 crore people, the eight states account for nearly 4 %. Their combined LPG demand could be 10,000 tonnes per month, according to industry players in Bangladesh.
- Northeast India is the eastern-most region connected with mainstream India through a narrow corridor in Siliguri of West Bengal. Transporting goods to this region from mainland takes days and cost escalates to a level that is not viable for businesses.

- Last year, the IOC decided to supply LPG to the northeastern states either from the Paradip port in Odisha or the Haldia port in West Bengal through the Chittagong port in Bangladesh. Later, it was supposed to move by road to bordering Indian states like Tripura, Assam and Meghalaya.
- As that was not commercially viable, the IOC talked to Bangladeshi companies for LPG supply and this year the IOC partnered with Omera and Beximco for the fuel. There are 19 importers and bottlers of LPG in Bangladesh and their combined production capacity is nearly 20 lakh tonnes against a demand of only nine lakh tonnes.

<https://www.thedailystar.net/business/omera-beximco-export-lpg-india-1804270>

## Economy

### Loans without security make up 6.37pc of NBFIs' portfolio

New Age, September 24, 2019

- Non-bank financial institutions have sanctioned 6.37 % of their outstanding loans without taking any security, according to a report prepared by the Bangladesh Bank's research division. The report showed that the amount of loans disbursed by the country's 36 NBFIs stood at BDT 69,328.65 crore at the end of March this year.
- Of the amount, the entities disbursed BDT 4,413.84 crore in advances without taking any security from the borrowers. The volume of such loan was BDT 3,609.78 crore at the end of December, 2018. The BB data also showed that the NBFIs disbursed highest 39.73 % of their loans or BDT 27,541.81 crore against real estate — land, building and flat.
- The second highest — 13.17 % or BDT 9,503.39 crore in loans — were issued against personal guarantee. Apart from these securities, the NBFIs issued 7.68 % or BDT 5,322.95 crore in loans against financial obligations including insurance policies, savings certificates, cheques and fixed deposit receipts.
- Besides, the NBFIs also financed against gold, shares and securities, commodities, machinery or fixed assets, and vehicles, among others. The BB data showed that the total loan disbursement by the NBFIs increased by 1.63 % or BDT 1,111.71 crore in January-March this year from BDT 68,216.94 crore at the end December 31, 2018.
- However, the average advance per account dropped to BDT 25.19 lakh at the end of March this year from BDT 25.26 lakh three months ago. Although the average deposit per account with NBFIs dropped in the period, total deposits in the NBFIs witnessed a marginal rise.

<http://www.newagebd.net/article/85474/loans-without-security-make-up-637pc-of-nbfis-portfolio>

### Japan to cut rate on BD loans from Oct

The Financial Express, September 24, 2019

- Japan is likely to reduce the interest rate on its lending to Bangladesh by 0.30 percentage points to 0.65 % from next month (October), officials said on Monday. In October 2017, the Japan International Cooperation Agency (JICA) increased its loan interest rate to 0.95 % from 0.01 %.

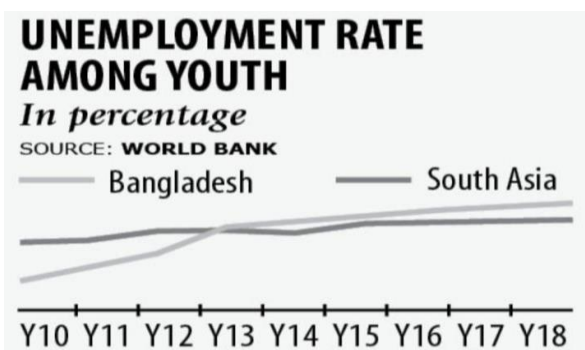
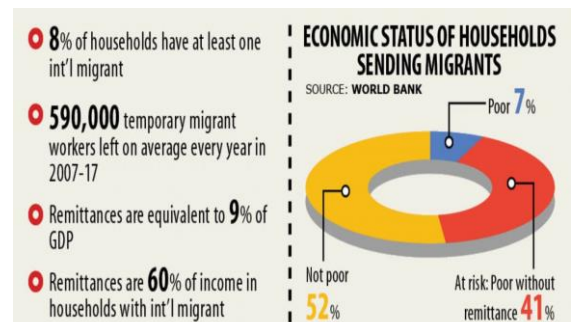
- The MoF official said other terms and conditions for Bangladesh to get Japanese loans will remain almost the same. The repayment period for the Japanese loans is 30 years with a grace period of 10 years. Before October 2017, the JICA's loan repayment period was 40 years with 10 years of grace period.
- In addition, the Japanese donor agency charged front-end fee and insurance premium for its loans. Over the last few years, the volume of Japanese yearly aid packages has crossed US\$ one bn-mark, facilitating various development projects in the country. Japan provided assistance worth \$ 1.83 bn (BDT 153.26 bn) under its 39th ODA package in June 2018 to bankroll six development projects in Bangladesh.
- Besides, Yen 79.27 bn (BDT 60.63 bn) is being provided for the Dhaka MRT (metro rail) line-6 construction (phase-III) project, and Yen 7.36 bn (BDT 5.62 bn) for Dhaka MRT line-5 feasibility study project. It is lending Yen 67.31 bn (BDT 51.48 bn) for the Matarbari ultra-super critical coal-fired power plant (phase-IV) project, and Yen 37.22 bn (BDT 28.46 bn) for the Jamuna railway bridge project.

<http://thefinancialexpress.com.bd/trade/japan-to-cut-rate-on-bd-loans-from-oct-1569297405>

## 41pc households with migrants to be poor without remittance: WB

The Daily Star 24, September 23, 2019

- Forty-one % of households with at least one family member engaged as a migrant worker would be in poverty without remittance, said a senior World Bank official yesterday.
- International migration helps many households come out of poverty but challenges for migration are greater for the poor, said Stefano Paternostro, practice manager for social protection and jobs for South Asia at the Washington-based multilateral lender.
- Unemployment among youth increased to 11.6 % in 2018 from just over 6 % in 2010 and is higher than the South Asian average of 10.6 %, according to a presentation by Paternostro. Of the employed youth, most work in low-paid and low-productive informal sector, especially in urban areas.
- Less educated youth, especially those from poorer households, tend to be in informal and low productivity jobs in the domestic labour market. Poor youth are often unable to access the many programmes that are available for improving incomes because of many factors, said the bank in a summary of the event.
- Paternostro said 590,000 migrant workers left Bangladesh on an average every year from 2007 to 2017 and 8 % of the households have at least one international migrant. Remittances account for 60 % of income in households with international migrant.



<https://www.thedailystar.net/business/news/41pc-households-migrants-be-poor-without-remittance-wb-1803970>

## **BB drafts law to check counterfeit currency**

The Financial Express, September 24, 2019

- The central bank has prepared the draft of a first-ever law designed to prevent production, supply and use of counterfeit currency. The draft proposes the maximum life-time imprisonment for the offences.
- The offences under the law will be 'cognizable, non-bailable and non-compoundable'. Cognizable offence means a police officer has the authority to arrest an offender without any warrant as well as to start investigation with or without the permission of court.
- According to the draft law, the Bangladesh Bank (BB) and relevant law-enforcing agencies will be able to take actions against the counterfeit currency makers and suppliers. The BB has completed drafting of the law, titled Counterfeit Currency Control and Prevention Act 2017. The law has been submitted to the Finance Division under the Ministry of Finance.
- Currently, there is no comprehensive law in the country to check production, supply and use of fake currency. Some provisions of the proposed law supersede the provisions of Penal Code 1860 (Act XLV of 1860), Special Powers Act 1974 (Act XIV of 1974), and other relevant laws now in force.
- The law has given a total of 16 definitions of counterfeit currencies, including tempered, punched, bleached and mismatched. Currently, the BB takes punitive actions against the persons or organisations involved in counterfeit currency circulation under a number of laws including the criminal ones.
- Currently, some 0.03 % of the currencies in circulation in the country is thought to be fake. However, the size might increase with the expansion of economy.
- The draft law has given certification authority to the designated currency examiners of the BB or the Bangladesh Police. There will be opportunities for self-defence for aggrieved persons or organisations. They will be able to opt for alternative dispute resolution (ADR) to defend themselves.

<http://thefinancialexpress.com.bd/economy/bangladesh/bb-drafts-law-to-check-counterfeit-currency-1569126909>

## **International**

### **South Korea's ICT export posts double-digit fall in August**

The Financial Express, September 24, 2019

- South Korea's export of information and communications technology (ICT) products fell in double digits last month on weak demand and lower product price, a government report showed Monday. The ICT export declined 24.5 % over the year to 15.23 bn US dollars in August, according to the country's Ministry of Trade, Industry and Energy.
- The import edged down 1.9 % to \$8.82 bn last month, sending the trade surplus in the ICT sector to \$6.41 bn. It almost quadrupled \$1.72 bn of trade surplus in all industries in the month. The export fall came as demand weakened for ICT products amid the global economic slump, adding to the concern about the continued slide in product price, reports Xinhua.

- Semiconductor export plunged 30.5 % from a year earlier to \$8.09 bn in August on lower memory chip price and weak demand for system chips. Display panel shipment diminished 26.7 % to \$2.18 bn on lower LCD panel price and soft demand for OLED panels.
- Mobile phone shipment fell 18.2 % to \$1.06 bn on weak global demand and the increased production in overseas factories. The ICT export to China tumbled 32.6 % to \$7.35 bn in the cited period on weak demand for chips and display panels, with those to the United States and the European Union shrinking in double figures.

<http://thefinancialexpress.com.bd/economy/global/south-koreas-ict-export-posts-double-digit-fall-in-august-1569222933>

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