

Stock Market

Dhaka stocks' slump halted but turnover dips to 4-month low

New Age, October 24, 2018

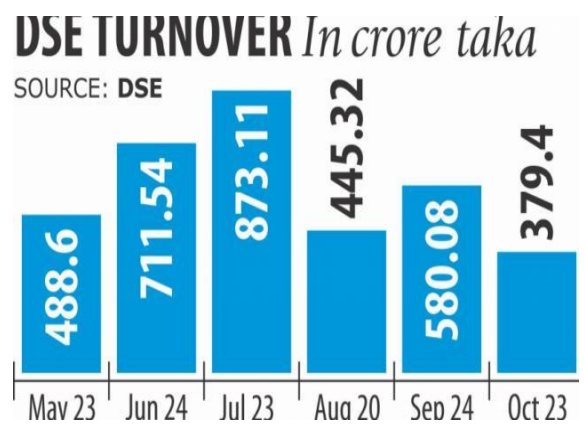
- Dhaka stocks ended flat on Tuesday after a steep fall in the previous two sessions as investors, encouraged by a regulatory intervention to check the plunge, went for bargain hunting, market operators said. DSEX, the key index of DSE, added just 0.01%, or 0.71 points, to close at 5,252.67 points on Tuesday after losing 130 points in the previous two sessions.
- The market went through a choppy trading session on Tuesday but finished in positive territory as the regulators intervened to stem the market plunge. The share prices of Grameenphone soared by 1.62% on the day as the company posted 27.63% profit growth in the July-September period compared with that in the same period of the previous year. The average share prices of telecommunication, cement and bank increased by 1.88%, 1.67% and 0.11% respectively.
- The turnover on DSE dropped further to BDT 379.40 crore on Tuesday compared with that of BDT 439.59 crore in the previous trading session. Tuesday's turnover was the lowest after May 31 when it was at BDT 361.8 crore. The media reported that the newly announced alliance of opposition parties, Jatiya Oikya Front, will hold its first rally in Sylhet today. The platform also declared to hold joint programmes in the coming days to press for its seven-point demand for holding a free and fair national election
- Of the 336 companies and mutual funds traded on Tuesday, 154 declined, 135 advanced, and 53 remained unchanged. DS30, the blue-chip index of DSE, also gained 0.24%, or 4.63 points, to close at 1,863.96 points. Shariah index DSES added 0.20%, or 2.45 points, to finish at 1,211.95 points. Delta Life Insurance Company led the turnover chart with its shares worth BDT 26.66 crore changing hands.
- Khulna Power Company, Summit Power, Grameenphone, Dragon Sweater, Square Pharmaceuticals, BBS Cables, United Power Generation Company, Bangladesh Export Import Company and Monno Ceramics were the other turnover leaders. Delta Life Insurance Company gained the most on the day with a 7.88-per cent increase in its share prices, while the IBN SINA Pharmaceutical Industry was the worst loser, shedding 12.07%.

<http://www.newagebd.net/article/53985/dhaka-stocks-slump-halted-but-turnover-dips-to-4-month-low>

Stay calm, no valid reason for price drop

The Daily Star, October 24, 2018

- The stock market regulator yesterday urged investors to stay composed as there is virtually no reason behind the recent drop of the key index. The key index of the Dhaka Stock Exchange, DSEX, fell 194.45 points, or 3.57%, in the last seven days, bringing the index down to an almost 22-month low of 5,251.95 points.
- There is no political turmoil or any chaos in the country, so it is illogical to be panicked now, said Saifur Rahman, executive director of Bangladesh Securities and Exchange Commission. Rahman's comments came after a meeting with capital market stakeholders at the headquarters of the Investment Corporation of Bangladesh (ICB) in Dhaka to get to the bottom of the DSE's current sinking trend.



- The stakeholders also urged the BSEC to work with the Bangladesh Bank to redefine exposure limit of banks and financial institutions so that they can invest more. Despite the reassurance, the key index of the DSE remained unchanged yesterday. Turnover, an important indicator of the market, declined 12.80% to BDT 379.40 crore, which is the lowest in almost six months.
- Some 10.28 crore shares and mutual fund units changed hands on the DSE. Of the traded issues, 135 advanced, 154 declined and 53 remained unchanged on the premier bourse. Delta Life Insurance dominated the turnover chart with its transaction of 22.04 lakh shares worth BDT 26.66 crore. It was followed by Khulna Power Generation, Summit Power Generation, Grameenphone and Dragon Sweater.
- Information Services Network was the best performer with its 9.80% gain, while IBN SINA Pharmaceuticals was the biggest loser, shedding 13.01%. Chittagong stocks also fell yesterday, with the bourse's benchmark index, CSCX, declining 26.62 points, or 0.27%, to finish the day at 9,773.87 points.

<https://www.thedailystar.net/business/news/stay-calm-no-valid-reason-price-drop-1650946>

Kabir becomes chair, Shahidul vice-chair of Sonar Bangla Ins

New Age, October 24, 2018

- Sheikh Kabir Hossain has been re-elected as chairperson and Shahidul Islam Niru as vice-chairperson of Sonar Bangla Insurance at the company's 120th meeting of board of directors, said a press release. Kabir is the president of Bangladesh Insurance Association (BIA). He is also the chairman of Fareast International University board of trustee and Bangladesh Private University Association, the release also said.
- He is also the managing director of his own business organisation M/s Kabico Ltd. He is the member of governors of Open University Bangladesh. Kabir is the vice-chairman of Islamia Eye Hospital and a director of FBCCI. Shahidul is the chairman of Ecotech Solution and a director of Bangladesh Chamber of Industry (BCI) and Ecochem Bangladesh, the same release said. He is a general body member of FBCCI.

<http://www.newagebd.net/article/53989/kabir-becomes-chair-shahidul-vice-chair-of-sonar-bangla-ins>

S Alam Group buys sponsor portion of Padma Islami Ins shares

The Financial Express, October 23, 2018

- Padma Islami Life Insurance has restructured its board following the transfer of 44.78% shares by its former sponsor-directors to the sister concerns of S. Alam Group, the company officials said. The company's board was restructured on Sunday after transferring 17.41 mn shares through the block board.
- According to a company disclosure, the new board is comprised of Prof. N R M Borhan Uddin, nominated director, Dewan Nurul Islam, nominated director, Md. Zahirul Islam, nominated director, Mohammad Nayeem Abdullah, public shareholder director, Humayun Bokhteyar, nominated director, Md. Belal Hussain, independent director, Dr. Md. Nurul Aktar Chowdhury, public shareholder director, Dr. Serajul Hoque, public shareholder director and Ms. Zaman Ara Begum, nominated director.
- Of them, Prof. N R M Borhan Uddin has been appointed chairman, while Dewan Nurul Islam, the incumbent president of ICAB has been elected vice chairman of the Padma Islami Life Insurance, a company release said. Padma Islami Life Insurance, presently a 'Z'-category company, was listed on the stock exchanges in 2012. According to DSE information, general shareholders hold 43.28% shares of Padma Islami Life Insurance as of September 30, 2018. The company's share price closed at BDT 24.60 each on Monday with a loss of 4.30% or BDT 1.10 on the DSE.

<http://thefinancialexpress.com.bd/stock/s-alam-group-buys-sponsor-portion-of-padma-islami-ins-shares-1540279514>

GP profit rises 26pc in Jan-Sep

The Daily Star, October 24, 2018

- Net profit of Grameenphone rose 26.6% to BDT 2,610 crore in the first nine months of the year, compared to the same period a year ago, on the back of higher growth of data and voice revenues. The figure was slightly lower than the full-year profit of BDT 2,740 crore in 2017 but higher than the profit recorded in any other previous years.
- The leading mobile phone operator logged BDT 889 crore in profit in the third quarter, up 27.72% from BDT 696 crore in the same period a year ago, the company said in a statement. Earnings per share for January-September were BDT 19.32. It was BDT 15.88 during the same period a year ago. The EPS was BDT 6.58 in the third quarter against BDT 5.16 in the same period in the previous year.
- The operator ended the third quarter with 7.14 crore active subscribers, registering an 11.8% year-on-year growth. With 3.63 crore data subscribers, 50.9% of the total subscribers on the GP network are using internet services, according to the statement. GP reported revenue of BDT 9,810 crore for January-September, up 1.9% from the same period last year
- GP invested BDT 3,007 crore for 4G licence and spectrum acquisition, tech-neutrality conversion fee and network coverage, as well as capacity enhancement. In the third quarter, the company contributed BDT 2,140 crore to the national exchequer, which accounted for 62.4% of the total revenue. Cumulative contribution for the year stands at BDT 6,910 crore. Listed on the Dhaka Stock Exchange, GP's shares rose 1.62% to close at BDT 370.20 yesterday.

<https://www.thedailystar.net/business/telecom/news/gp-profit-rises-26pc-jan-sep-1650928>

Domestic fridge, AC makers given a fillip

NBR waives VAT, duty on import of raw materials for compressors

The Daily Star, October 24, 2018

- The revenue authority has waived value-added tax and supplementary duty on the import of raw materials to make compressors of refrigerator and air conditioners with a view to facilitating local manufacturing. The VAT exemptions on production of compressors, refrigerators and AC have been awarded until June 30, 2021, according to two notifications issued by the National Board of Revenue on Sunday.
- The revenue authority took the decision more than one year after it had waived VAT and SD on import of raw materials and components of refrigerator and air conditioners on July 1, 2017. The benefit, where compressors of both the appliances were not included at that time, was set to expire on June 30, 2019.
- Now, domestic manufacturers of refrigerators, AC and compressors will get two years more to import components of these appliances without paying VAT and SD. VAT and SD exemption benefit has been extended for the import of components of compressors of refrigerators and AC following applications from manufacturers.
- The revenue administration's move comes as a number of domestic companies and foreign brands have started assembling and making components of refrigerators and ACs to cater to the soaring demand for the appliances thanks to rising income, increased electricity production and expanded electricity network.
- More than half a dozen companies such as Walton, Marcel, Jamuna and Minister make components of refrigerators and AC that are mainly sold in the local market. Two global electronics giants Samsung and LG have also entered the market and teamed up with Transcom Group and Fair Electronics as well as Butterfly respectively to make televisions, refrigerators and air conditioners.

<https://www.thedailystar.net/business/news/domestic-fridge-ac-makers-given-fillip-1650955>

Economy

Indo-Bangla port use deals in the offing

The Daily Star, October 24, 2018

- Dhaka and New Delhi will ink a number of agreements, including one that will allow Bangladesh to use a number of Indian ports to carry goods and vice versa. The two sides will also finalise the standard operating procedures for use of Mongla and Chattogram ports by India to ferry cargoes to its north-eastern states when shipping secretaries of the two countries meet here tomorrow.
- They will discuss the development of stretches of the Kushiara and Jamuna rivers during the two-day high-level meeting on Inland Water Transit and Trade and Shipping. A port of call is a port where a ship docks in the course of a voyage, especially to load or unload passengers or cargo, to obtain supplies, or to undergo repairs.
- Indian shipping ministry officials said under the deal, Indian goods can be transported through four entry points: Akhaura in Bangladesh and Agartala in Tripura, Tamabil in Sylhet and Dawki in Meghalaya, Sheola in Sylhet and Sutarkandi in Assam, and Bibirbazar in Cumilla and Srimantapur in Tripura. Under the deal already approved by the Bangladesh cabinet last month, India will have to use Bangladeshi vehicles for transporting goods through Bangladesh territory.

<https://www.thedailystar.net/business/news/indo-bangla-port-use-deals-the-offing-1650934>

India eases norms for Bangladeshi LPG tankers

The Daily Star, October 24, 2018

- India has decided to ease norms for allowing Bangladeshi tankers carrying bulk LPG to enter its territory and carry the same to Bishalgarh bottling plant in Tripura state. The Indian road transport ministry has relaxed the norms for the vehicles registered in Bangladesh to ply in India for the purpose and they would not require any compliance with Indian norms, official sources here said.
- However, the new norms will be applicable to only vehicles that will be identified through an MoU between the registered petroleum products refining and supply company, which is India's state-owned Oil Corporation, and a registered company in Bangladesh.
- Earlier, tankers needed to travel about 1,500 km to ferry bulk LPG from Haldia port in West Bengal to Tripura and the distance posed a problem in times of shortage and monsoon when the road in Tripura is in bad shape. A notification issued by the transport ministry said the drivers of the tankers coming from Bangladesh will have to carry the required documents issued by authorities, like driving licence and registration certificate.

<https://www.thedailystar.net/business/news/india-eases-norms-bangladeshi-lpg-tankers-1650931>

Bangladesh brand value rises, ranked 38th in globe

New Age, October 24, 2018

- Bangladesh has been ranked 38th most valuable nation brand in 2018 as it jumped by six steps from 44th position in 2017, according to a global report on the most valuable nation brands. London-based Brand Finance in its latest report published on October 10 said that brand value of Bangladesh as a nation increased by 24% to \$257 bn in 2018 from that of \$208 bn in 2017.
- In the top 100 most valuable nation brands, India ranked at the 9th position with \$2,159 bn in the year slipping by one step from 2017 when the brand value of the country was \$2,046 bn. Pakistan (51) and Sri Lanka (61) also slipped

by one notch and two notches respectively in the ranking in 2018 though the brand value of both the countries increased.

- Brand Finance, the world's leading independent branded business valuation and strategy consultancy, having presence in over 20 countries, said that in a global marketplace, brand value was one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants.

<http://www.newagebd.net/article/53980/bangladesh-brand-value-rises-ranked-38th-in-globe>

International

Saudi sees deals worth \$50 bn at investment confce despite boycotts

New Age, October 24, 2018

- Saudi Arabia was set to sign deals worth \$50 bn on Tuesday at the opening of an investment conference despite being overshadowed by the killing of journalist Jamal Khashoggi which prompted a boycott by Western politicians, top world bankers and company executives.
- Hundreds of bankers and company executives joined officials at a palatial Riyadh hotel for the Future Investment Initiative. But while last year's inaugural conference drew the global business elite, this year's event has been marred by the pullout of more than two dozen high-level speakers. Turkey's president said in parliament in Ankara on Tuesday that there was strong evidence the killing was savage and planned. Saudi Arabia's stock index was down 1.7% in afternoon trading on persistent investor concern.
- US treasury secretary Steven Mnuchin and senior ministers from Britain and France pulled out of the event along with chief executives or chairmen of about a dozen big financial firms such as JP Morgan Chase and HSBC, and International Monetary Fund chief Christine Lagarde.
- However, Saudi Arabia is set to sign deals worth more than \$50 bn on the opening day in the oil, gas, industries and infrastructure sectors with firms such as Trafigura, Total, Hyundai, Norinco, Schlumberger, Halliburton and Baker Hughes. Oil giant Saudi Aramco said it signed 15 memoranda of understandings worth \$34 bn.
- Russia sent a large delegation led by Direct Investment Fund head Kirill Dmitriev, who said Saudi Arabia's economic transformation was 'important for the world' and that partnership between sovereign wealth funds was a 'great opportunity'. Many Western banks and other companies, fearful of losing business such as fees from arranging deals for Saudi Arabia's \$250 bn sovereign wealth fund, sent lower-level executives even as their top people stayed away.

<http://www.newagebd.net/article/53988/saudi-sees-deals-worth-50-bn-at-investment-confce-despite-boycotts>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

About Bank Asia Securities Ltd

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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
Tanzin Naher Research Associate	tanzin@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Networks

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.