

Stock Market

Dhaka stocks drop as financial scrips face sell-offs

New Age, February 25, 2019

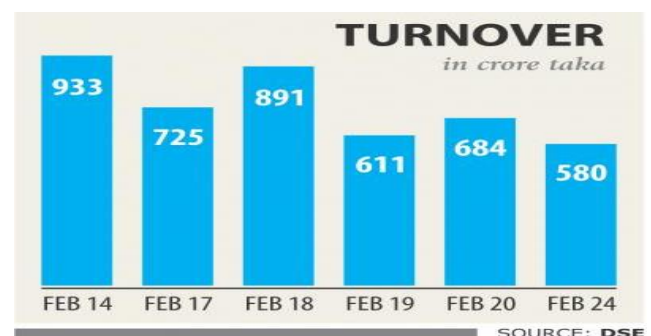
- Dhaka stocks dropped on Sunday after a slight gain in the previous two sessions as investors went for selling financial shares in cautious trading. DSEX, the key index of Dhaka Stock Exchange, lost 0.54 %, or 31.56 points, to close at 5,714.27 points on Sunday after gaining 21 points in the previous two sessions.
- The turnover on the bourse plunged to BDT 580.70 crore on Sunday from BDT 684.48 crore in the previous trading session. Sunday's turnover was the lowest after January 1 when it was BDT 530.17 crore. The average share prices of bank and non-bank financial institution slumped by 1.20 % and 1.15 % respectively.
- Out of the 30 traded bank scrips, 23 declined, just one advanced and six remained unchanged while out of the 23 NBFIs, 17 declined, three advanced and three remained unchanged. Besides, share prices of textile, cement and energy sectors also dropped by 1.06 %, 0.57 % and 0.54 % respectively.
- On the other hand, share prices of general insurance, telecommunication and pharmaceutical sectors advanced by 0.7 %, 0.2 % and 0.1 % respectively. Out of the 347 issues traded on the day, 225 declined, 77 advanced and 41 remained unchanged.
- DSE blue-chip index DS30 shed 0.26 %, or 5.39 points, to close at 1,996.78 points. Shariah index DSES declined by 0.02 %, or 0.33 points, to finish at 1,312.57 points. Bangladesh Submarine Cable Company led the turnover leaders with its shares worth BDT 48.90 crore changing hands on the day.
- Khulna Power Company, Monno Ceramics, Fortune Shoes, United Power Generation Company, Legacy Footwear, Square Pharmaceutical, Alif Industries, National Polymer and Monno Jute Staffler were the other turnover leaders. Karnaphuli Insurance gained the most on the day with a 9.60-% increase in its share prices while Savar Refectories was the worst loser, shedding 9.88 %.

<http://www.newagebd.net/article/65721/dhaka-stocks-drop-as-financial-scrips-face-sell-offs>

DSE turnover hits 1.5-month low

The Daily Star, February 25, 2019

- Turnover on Dhaka Stock Exchange (DSE) yesterday sank to its lowest in the last one and a half months as institutional investors pulled out from the market. At the close of trading it stood at BDT 580.70 crore, down 15.17 % from the previous day, with 11.98 crore shares and mutual fund units changing hands on the DSE.
- The DSEX, the benchmark index of the DSE, dropped 31.56 points, or 0.54 %, to close the day at 5,714.27. Of the traded issues, 77 advanced and 225 declined, while 41 securities remained unchanged on the premier bourse. UCB Capital, one of the leading stock brokers, said in its daily market commentary that the shares that were offloaded were mostly bank, NBFIs and textile ones.
- However, investors were bullish about a few selected stocks such as Bangladesh Submarine Cables and Khulna Power Generation. Bangladesh Submarine Cables dominated the turnover chart with its transactions of 28.57 lakh shares worth BDT 48.90 crore, followed by Khulna Power, Monno Ceramics, Fortune Shoes and United Power Generation.



Karnaphuli Insurance was the day's best performer with its 9.56 % gain, while Savar Refractories was the worst loser, shedding 9.99 %.

- Among the major sectors, telecommunication rose 0.1 %, while banks fell 1.2 %. Chittagong stocks also plummeted, with the bourse's benchmark index, the CSCX, losing 41.40 points, or 0.38 %, to finish the day at 10,601.11. Loser beat gainers as 169 declined and 62 advanced, while 25 finished unchanged on Chittagong Stock Exchange. The port city bourse traded 51.04 lakh shares and mutual fund units worth BDT 15.67 crore.

<https://www.thedailystar.net/business/news/dse-turnover-hits-15-month-low-1706926>

United Finance to issue bond of BDT 5.0 bn

It recommends 10pc dividend

The Financial Express, February 24, 2019

- The board of directors of United Finance has decided to issue non-convertible zero coupon bonds worth up to BDT 5.0 bn (in face value) to strengthen its capital base, said an official disclosure on Sunday. The company will issue the bond through private placement (unsecured, unlisted), in multiple tranches if required, with tenure up to five years from the issue date, according to the disclosure.
- The bond issue, however, subject to the approval of the regulatory authorities like Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC). The board of directors of the United Finance has also recommended 10 % cash dividend for the year ended on December 31, 2018.
- The final approval of the dividend will come during the annual general meetings (AGM) scheduled to be held on April 24 at 10:00am in Dhaka, said another official disclosure of the company. The record date is March 18. The company has also reported EPS of BDT 1.48, NAV per share of BDT 16.67, and NOCFPS of minus BDT 6.72 for the year ended on December 31, 2018 as against BDT 1.44, BDT 16.95, and BDT 0.45 respectively for the same period of the previous year.
- There will be no price limit on the trading of the shares of the company today (Sunday) following its corporate declaration. United Finance, which was listed on the DSE in 1994, disbursed 10 % cash and 5.0 % stock dividend for the year ended on December 31, 2017. Each share of the company closed at BDT 23.30 on Wednesday last at Dhaka Stock Exchange.

<http://thefinancialexpress.com.bd/stock/united-finance-to-issue-bond-of-BDT-50-bn-1550987860>

Prices of 20 listed cos down

Many of them witnessed significant hike after the listing

The Financial Express, February 25, 2019

- The share prices of 20 listed companies went down below their respective offer prices despite many of the companies witnessed significant price hike after the listing. The share prices of the companies declined up to 63 % from the offer prices as of Sunday. Of 21 companies, 14 went public with premiums, while the remaining six were listed with face value of BDT 10 each. Four companies have already been placed in 'Z' category and another three were shifted in 'B' category.
- Hamid Fabrics was listed in 2014 with an offer price of BDT 35, including a premium of BDT 25. The company's share price rose 60.28 % from its offer price and closed at BDT 56.1 on the debut trading day. The Peninsula Chittagong was listed with an offer price BDT 30 per share and the company's price closed at BDT 28.20 on Sunday.

- GBB Power went public with an offer price of BDT 40, and later the price declined gradually and on Sunday closed at BDT 10.70 which was 73 % less than the offer price. After listing, the share price of Zahintex Industries declined 59.20 % from the offer price of BDT 25 and closed at BDT 10.20 each on Sunday.
- Of other companies, the market price of GSP Finance Company declined 19.20 %, Argon Denims 23.42 %, Orion Pharmaceuticals 38.83 %, Appollo Ispat Complex 63.63 %, Western Marine Shipyard 42.28 %, Tosrifa Industries 19.61 %, Regent Textile Mills 30.80 % from their respective offer prices.
- Of other companies, Mobil Jamuna Lubricants went public with an offer price of BDT 115 each and on Sunday the company's share price closed at BDT 100.30 which was 12.78 % less than the offer price. MI Cement Factory went public with an offer price of BDT 111.60 and the share price closed at BDT 74.60 each on Sunday.
- Baraka Power, formerly known as Barkotullah Electro Dynamics, went public with an offer price of BDT 60. The company's share price closed at BDT 31.10 on Sunday. Unique Hotel & Resorts went public with an offer price of BDT 75 and the company's share price closed at BDT 53.80 each on Sunday.
- The share price of Familytex (BD) closed at BDT 4.90, Fareast Finance & Investment BDT 5.60, Tung Hai Knitting & Dyeing 4.50, C & A Textile BDT 4.0, and Generation Next Fashions BDT 6.80 on Sunday. Of these companies, C & A Textile, Tung Hai Knitting & Dyeing, and Fareast Finance & Investment have already been placed in 'Z' category.

<http://thefinancialexpress.com.bd/stock/prices-of-20-listed-cos-down-1551066476>

Banks' paid-up set to get raise by a quarter

Lols for newly-approved banks by end of this week

The Financial Express, February 25, 2019

- The central bank is set to raise paid-up capital of scheduled banks to BDT 5.0 bn from the existing BDT 4.0 bn over the next two years, officials said. Currently a total of 17 banks, including seven fourth generation private commercial banks (PCBs), do now have paid-up capital below BDT 5.0 bn, according to another central banker.
- The newly-approved three private banks will have to comply with the new paid-up capital rule within the stipulated timeframe. On February 17, the BB board approved the three private banks after securitising all relevant documents, the process of which began in 2017.
- The central bank is likely to issue the Letters of Intent (Lols) to the proposed banks by the end of this week after completing all official formalities. The three approved banks are: Bengal Commercial Bank Limited, Peoples Bank Limited and Citizen Bank Limited.
- Currently a total of 58 banks are operating across the country, of which nine are government-owned, 40 private banks and nine foreign banks. Earlier on August 14, 2008, the BB had instructed all scheduled banks for doubling their paid-up to BDT 4.0 bn from BDT 2.0 bn by August 11, 2011.



<http://thefinancialexpress.com.bd/trade/banks-paid-up-set-to-get-raise-by-a-quarter-1551064386>

Economy

BB to widen reach of digital wallets

The Daily Star, February 25, 2019

- The central bank is set to come up with a guideline for electronic money in further proof of its commitment to building a cashless society. The draft guideline has been sent to stakeholders for vetting, after which it will be issued at the earliest.
- At present, there is only one digital company, iPay, to provide e-money service in Bangladesh, but many are waiting in the wings. The finalisation of the guideline will help them get the licence. An individual can transact a maximum of BDT 50,000 a day through the system, according to the central bank's instructions to iPay when giving the licence.
- The monthly ceiling for withdrawal and deposits is BDT 2 lakh. The digital wallet can have a maximum balance of BDT 4 lakh. The digital wallet must be linked with one's bank account, from where the money will be sent, according to the draft regulations. Once loaded, the customer can: send funds to another digital wallet, make payments for purchases at point-of-sale, pay utility bills, taxes, tuition fees and transport fares.
- Employers too can pay salaries to their employees' digital wallets, while pensioners, freedom fighters and those under the coverage of the government social safety net programmes can receive their monthly allowance in them. The digital wallet can be accessed through the mobile apps of the respective vendors.
- The vendors, which would be called e-money service (EMS) providers, would have to cough up BDT 20 crore in paid-up capital to get the green light from the Bangladesh Bank. They will have to take licence from the Registrar of Joint Stock Companies and Firms. The EMS providers will have to maintain their total e-money balance in a trust-settlement account of a bank. The balance in the trust account will not be lower than the value of outstanding e-money at the end of the day. At least 20 % of the balance of the trust account must be invested in government securities.

<https://www.thedailystar.net/business/news/bb-widen-reach-digital-wallets-1706929>

Farm loan drops by 4.73pc in July-Jan

New Age, February 25, 2019

- Disbursement of farm loans by banks dropped by 4.73 % or BDT 601 crore in seven months (July-January) of the current fiscal year (2018-19) compared with that in the same period of the previous fiscal year. State-run, private and foreign banks disbursed BDT 12,101.04 crore in farm loans in the seven months of FY19 against BDT 12,702.17 crore they had disbursed in the same period of FY18, according the latest BB data.
- In July-January of FY18, the banks had managed to disburse 62.27 % of the target for the entire fiscal year but their loan disbursement in the first seven months of FY19 dropped to 55.51 % of the annual target. The central bank has set BDT 21,800 crore as farm loan disbursement target for FY19 for the banks. The target was BDT 20,400 crore for FY18.
- Considering the slow growth in loan disbursement, the central bank in December, 2018, extended policy support by allowing the banks to reschedule short-term farm loans even without any down payment. With the policy support, the total overdue amount in the farm loan segment, however, dropped to BDT 6,581.45 crore or 16.33 % of BDT 40,305.75 crore in outstanding loans in the sector at the end of January, 2019.
- According to last year's report, the overdue amount was BDT 6,765.21 crore or 16.76 % of BDT 40,368.16 crore in outstanding loans in the sector. Eight state-owned banks — Agrani Bank, BASIC Bank, BDBL, Bangladesh Krishi Bank, Janata Bank, Rajshahi Krishi Unnayan Bank, Rupali Bank and Sonali Bank —disbursed BDT 5,872.04 crore in farm loans in July-January of FY19. The amount is 59.46 % of their BDT 9,875 crore annual target.

- Rupali Bank's farm loan distribution rate in July-January of FY19 remained the lowest — 9.99 % of its annual target of BDT 400 crore, while Sonali Bank was the second lowest as it disbursed 31.72 % of its annual target of BDT 1,200 crore.
- Private commercial banks and foreign commercial banks disbursed BDT 6,229 crore in farm loans in July-January of FY19, which is 52.23 % of their target of BDT 11,925 crore in farm loans for the fiscal year. In the first seven months of FY18, farm loan disbursement by private and foreign commercial banks had totalled at BDT 7,402.76 crore, which is 68.48 % of their annual target.

<http://www.newagebd.net/article/65732/farm-loan-drops-by-473pc-in-july-jan>

Draft leather policy eyes \$5b annual export by 2021

New Age, February 25, 2019

- The government has finalised the draft of leather policy with an aim to achieve \$5 bn export earnings target from the sector by 2021 and to increase the contribution of leather sector to Gross Domestic Product to 2.5 % from existing 0.5 %.
- According to the draft, the name of the policy would be 'Leather and Leather Products Development Policy 2019' and it would be reviewed every five years. The draft included a time-bound action plan to implement the policy in phases. The draft also emphasised the implementation of labour laws and safety standards in tanneries to present a bright image of the sector before the global brands and retailers.
- To ensure compliance, the draft policy also emphasised the introduction of corporate insurance social benefits to workers and to comply with environmental laws. The policy focuses on the establishment of modern slaughtering house and not allowing slaughter of animal out of the house for proper waste management.
- It is also for introducing bonded warehouse facilities for the leather sector. Under the policy, the government would support the sector to arrange regular showcase of leather and leather products in the country to attract foreign investors. The policy would support the sector to get cash incentive and facilities like readymade garment sector including loan from export development fund.

<http://www.newagebd.net/article/65739/draft-leather-policy-eyes-5b-annual-export-by-2021>

International

US, China sprint to seal deal ahead of Trump's deadline

New Age, February 25, 2019

- US and Chinese negotiators met for over seven hours on Saturday to resolve their trade dispute and avoid an escalation of the tit-for-tat tariffs that have already disrupted global commerce, slowed the world economy and roiled financial markets.
- The two sides will meet again on Sunday morning as they race to seal an agreement before a March 1 deadline imposed by US president Donald Trump, who has threatened to dramatically hike tariffs on Chinese goods unless there is a deal. Saturday marked the fifth straight day of the negotiations between the world's two biggest economies. Talks were extended through the weekend after both sides reported progress in narrowing their differences.
- The Chinese delegation is scheduled to leave for Beijing on Monday, according to a person familiar with their itinerary. This is the fourth round of negotiations since Washington and Beijing agreed to a ceasefire in their trade war. Trump and US treasury secretary Steven Mnuchin said US and Chinese officials had reached an agreement on

currency issues, but did not give details. US officials have long argued that China's yuan is undervalued, giving it a trade advantage and partly offsetting US tariffs.

- China has also committed to buy an additional 10 mn metric tons of US soybeans. Reuters reported exclusively on Wednesday that both sides were drafting memorandums of understanding (MoUs) on cyber theft, intellectual property rights, services, agriculture and non-tariff barriers to trade, including subsidies.
- On Friday, Trump said he did not like MoUs because they are short-term in nature, and he wanted a long-term deal. An industry source briefed on the talks said both sides have narrowed their differences on intellectual property rights, market access and narrowing a nearly \$400 bn US trade deficit with China. But bigger differences remain on changes to China's treatment of state-owned enterprises, subsidies, forced technology transfers and cyber theft.

<http://www.newagebd.net/article/65711/us-china-sprint-to-seal-deal-ahead-of-trumps-deadline>

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