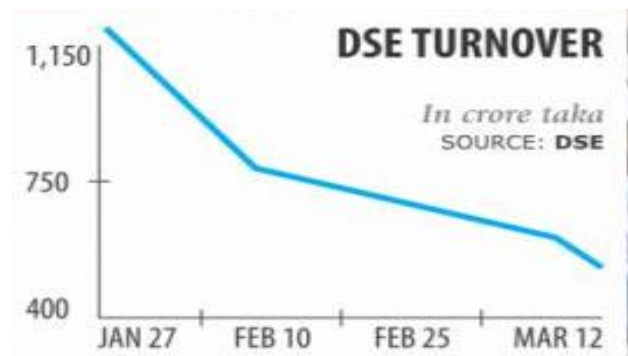


Stock Market

DSE loses BDT 8,856cr in two months

The Daily Star, March 25, 2019

- The Dhaka Stock Exchange saw BDT 8,856 crore -- or 2.10 % -- wiped off its market capitalisation in the last two months as institutional investors bided their time on the sidelines while general investors went for panic sell-off.
- The DSEX, the benchmark index of the premier bourse, declined 58.07 points, or 1.04 %, yesterday to finish the day at 5,512 -- the lowest since January 2. In the last three trading sessions, it lost 119.22 points. Turnover, another important indicator of the market, also dropped 9.37 % to BDT 354.35 crore, a three-month low.
- The weighted average interest rate on deposits crept up from 5.26 % in December last year to 5.34 % in January, according to data from the Bangladesh Bank. Data for the last two months are not available yet but bankers of some private banks say the interest rate is on the rise.
- Some banks have announced lower dividends despite higher earnings per shares (EPS), a development that has affected investor confidence, said the head of portfolio of an asset management company. Brac Bank, one of the blue-chip stocks, declared 15 % stock dividend for 2018 when its EPS was BDT 5.17. Its stocks fell 7.34 % to BDT 75.7 yesterday.
- Brac Bank dominated the turnover chart with its transactions of 28.70 lakh shares worth BDT 21.85 crore, followed by United Power Generation, Dutch-Bangla Bank, Grameenphone and British American Tobacco Bangladesh. Alltex Industries was the day's best performer posting 9.82 % gain, while Bank Asia was the worst loser, shedding 10.52 %.



<https://www.thedailystar.net/business>

BSEC rejects Infinity Technology's IPO

The Daily Star, March 25, 2019

- The stock market regulator has rejected the proposal for initial public offering (IPO) of Infinity Technology International, as the company sought permission to issue bonus shares before getting go-ahead for the IPO, which is a breach of law.
- On April 12 last year, Infinity applied for issuance of 3 crore shares worth BDT 30 crore and sought approval on February 6 this year to raise BDT 9 crore in capital by issuing bonus shares to existing shareholders.

<https://www.thedailystar.net/business/news/bsec-rejects-infinity-technologys-ipo-1720021>

Turkey's Arçelik to buy 57% stake in Singer Bangladesh

Dhaka Tribune, March 24, 2019

- Arçelik will pay \$75 mn for a majority stake of the company currently owned by Netherlands-based Retail Holdings. Turkey's leading appliance maker Arçelik is to buy 57% stake in the Singer Bangladesh Limited, a leading home appliance manufacturer and retailer in Bangladesh.
- Arçelik will pay \$75 mn for a majority stake of the company currently owned by Netherlands-based Retail Holdings. Singer Bangladesh posted an official disclosure at the Dhaka Stock Exchange (DSE) yesterday. According to the disclosure, Arçelik and Retail Holdings NV on Friday announced they signed an agreement under which Ardutch BV—a wholly owned subsidiary of Arçelik—would acquire Retail Holdings BV, which owns 57% of Singer Bangladesh shares.
- With an extensive product portfolio consisting of refrigerators, washing machines, televisions, and air conditioners, Singer Bangladesh has the largest retail distribution network in the Bangladeshi appliance market. Singer Bangladesh has 1,507 employees and reported revenues of \$164 mn in 2018, and their net profits after taxes were approximately \$11 mn.
- The company's shares closed 1.93% higher at BDT268.90 on Thursday, on the Dhaka Stock Exchange. According to DSE data, Singer Bangladesh, which was listed on the Dhaka bourse in 1983, has recommended 30% stock dividends for the year ended on December 31, 2018.

<https://www.dhakatribune.com/business/2019/03/24/turkey-s-ar-elik-to-buy-57-stake-in-singer-bangladesh>

Bangladesh Bank to conduct special audits of eight more banks

Dhaka Tribune, March 24, 2019

- The eight banks are: One Bank, Eastern Bank, Mercantile Bank, NCC Bank, Shahjalal Islami Bank, BRAC Bank, Southeast Bank and Mutual Trust Bank.
- As part of the ongoing probe to reform the country's ailing banking sector, Bangladesh Bank will conduct special audits of eight more banks, after Janata Bank, AB Bank, and Al-Arafah Islami Bank.
- The eight banks are: One Bank, Eastern Bank, Mercantile Bank, NCC Bank, Shahjalal Islami Bank, BRAC Bank, Southeast Bank and Mutual Trust Bank. Early this month, Bangladesh Bank conducted an audit to unearth loan irregularities at Janata, AB, and Al-Arafah.
- Separate committees have already been formed last week with officials of the central bank's Inspection Division to conduct special inspections at all eight banks. The committees have been instructed to submit their reports by this month, said a senior Bangladesh Bank official.
- The banks concerned will be audited on a set model that includes identifying each bank's top five lenders, top five bank loan renewals, top five interest waivers, and top five loan defaulters.
- The combined bad loans of the eight banks concerned stood at BDT 6,873.62 crore as of December 31, 2018. At the beginning of this month, Bangladesh Bank formed several committees, including a high profile one led by one of its deputy governors, in a bid to reform the country's ailing banking sector.

<https://www.dhakatribune.com/business/2019/03/24/bangladesh-bank-to-conduct-special-audits-of-eight-more-banks>

Economy

Private Banks sweating out over deposits

The Daily Star, March 25, 2019

- Private banks saw a decline in deposit growth in December last year despite offering higher interest rates, highlighting the ongoing liquidity crisis in the banking system. In December, the average deposit growth of private banks stood at 11.59 %, in contrast to 12.58 % in December 2017 and 12.73 % in June last year, according to data from Bangladesh Bank.
- The decline in deposit growth pushed the average loan-deposit ratio of private banks beyond the ceiling set by the central bank. In September, the advance-deposit ratio (ADR) of private banks had come down to the ceiling of 85 % from 85.56 % in June. In December, it crossed the limit reaching 85.96 %.
- Most banks are offering more than 9 % interest for deposits. A dozen banks are also taking deposits at up to 10 %, according to industry insiders. However, the banking sector's deposit growth rose in December, thanks to an increase of funds held by the state-owned banks.
- The overall deposit growth stood at 11.19 % in December last year, in contrast to 10.25 % in September the same year and 11.29 % in December 2017, BB data showed. Though the overall deposit growth showed a steady rise, the banking sector is, in fact, facing a dearth of funds as the growth was inflated, according to bankers.



<https://www.thedailystar.net/business/news/private-banks-sweating-out-over-deposits-1720033>

NBFI booths barred from handling deposit, loan

New Age, March 25, 2019

- Bangladesh Bank has barred non-bank financial institutions from conducting any sort of direct transaction including deposit collection and issuing credit through their business development centres amid surfacing of huge corruptions and irregularities in the sector.
- The central bank on March 21 issued a circular in this connection to all the chief executives and managing directors of the scheduled NBFIs. The circular will be a supplement to BB's earlier circular issued in 2010 in this regard.
- According to the circular, the business development centres of NBFIs cannot perform any financial transactions like deposit or credit or lease. To get BB approval, the entities must apply to the central bank in a BB-specified format.
- Expedient function of the NBFIs' business development centres, customer service centres, call centres, unit office and/or sales office is the main reason for the imposition of new clause.

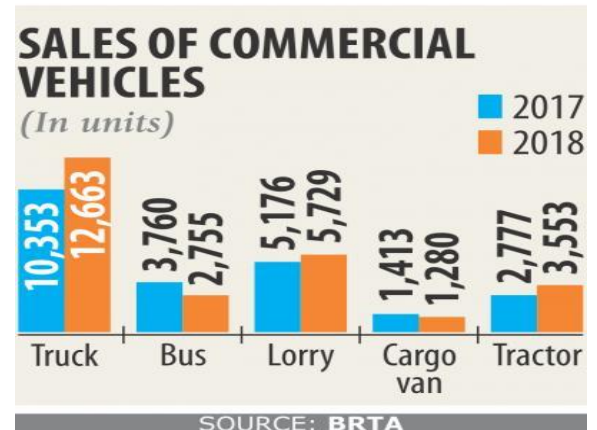
<http://www.newagebd.net/article/68312/nbfi-booths-barred-from-handling-deposit-loan>

COMMERCIAL VEHICLES

Sales pick up on economic boom

The Daily Star, March 25, 2019

- Sales of commercial vehicles rose 10.65 % year-on-year to 25,980 units in 2018 fuelled by rising economic activities amid stable political situation, according to data from Bangladesh Road transport Authority. Sales of truck led the growth of the commercial vehicle segment in the broader automobile industry: 12,663 trucks were sold last year, up 22.31 % from 10,363 in 2017.
- Sales of covered vans were up 10.68 % year-on-year to 5,729 units and that of tractors rose 28 % to 3,553 units. Bus sales were, however, down 26.72 % to 2,755 units and cargo van sales dropped 9.41 % to 1,280 units.
- The market size of the commercial vehicle segment was about BDT 4,200 crore in 2017 from about BDT 2,000 crore a decade ago. It is expected to reach BDT 5,000 crore in 2018, said Abdul Matlub Ahmad, chairman of Nitol Tata, distributor of Indian auto giant Tata.
- The market grew 15 % to 20 % every year in the last one decade, which also saw a shift in market leadership in the segment. Currently, Indian automakers Tata, Eicher, Ashok Leyland and Mahindra are the leaders in the segment.



<https://www.thedailystar.net/business/news/sales-pick-economic-boom-1720030>

ICAB suggests 2.0pc cut in corporate tax

The Financial Express, March 25, 2019

- The Institute of Chartered Accountants of Bangladesh (ICAB) Sunday suggested 2.0 % cut in the corporate tax in the budget for the next financial year (FY). Investors would be encouraged to invest more funds following such cut and help generate additional employment opportunities.
- Corporate tax rate in Bangladesh is one of the highest in this region, contributing to flight of capital abroad. The apex body of chartered accountants shared its thoughts on the National Budget 2019-20 at a press conference on its premises.
- The ICAB also proposed to introduce a new tax slab at a rate of 5.0 % for an individual taxpayers and set the maximum slab at 25 % for them. Currently, the tax slab for an individual taxpayer starts from 10 % and ends at a maximum of 30 %.
- To simplify tax rebate calculation process, the institute proposed the taxman to offer 15 % tax rebate directly on 25 % of income. It suggested analysing sector-wise GDP (gross domestic product) growth to compare revenue collection growth.
- The ICAB also proposed to contact e-TIN (electronic taxpayer's identification number) holders to encourage them to submit tax returns. Even small and new entrepreneurs should be allowed to enjoy tax-free facility on their earnings up to BDT 5.0 mn, it argued.

<http://thefinancialexpress.com.bd/economy/icab-suggests-20pc-cut-in-corporate-tax-1553484586>

International

Sri Lanka opens work on \$3.85b refinery near strategic port

New Age, March 25, 2019

- Sri Lanka began construction Sunday of a nearly \$4 bn oil refinery it hopes will revive foreign interest in its shipping facilities after Beijing's takeover of a nearby port spooked international investors.
- Prime minister Ranil Wickremesinghe said Hambantota, a district in Sri Lanka's south which lies on one of the world's busiest shipping lanes, would become a global investment hub with the addition of the oil refinery and storage complex.
- The \$3.85 bn project is the single largest foreign investment in Sri Lanka's history. It is jointly funded by Oman and Singapore-registered Silver Park International, a company owned by an Indian business family.
- The oil facility is near the port of Hambantota, which was controversially leased to a Chinese state-owned firm in 2017 for 99 years after Sri Lanka failed to service a loan from Beijing. The circumstances surrounding China's acquisition of the port generated concern in neighbouring India and beyond over Beijing's expanding presence in the Indian Ocean.
- But the government pointed to this new line of cash pouring into the region as proof foreign investors were not deterred by that experience.

<http://www.newagebd.net/article/68282/sri-lanka-opens-work-on-385b-refinery-near-strategic-port>

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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).

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