

Stock Market

Dhaka stocks rout continues on Kamal comments

New Age, April 25, 2019

- Dhaka stocks on Wednesday dropped for the second day as panicked investors continued with heavy sell-offs following finance minister's comments that there was no problem in the capital market.
- The key index of Dhaka Stock Exchange, DSEX, dropped 0.38 %, or 20.49 points, to close at 5,240.36 points on Wednesday after losing 62.87 points in the previous session. The position of DSEX on Wednesday was lowest after December 18 last year when it was at 5,233.59 points.
- In line with the previous day, the market began to fall from the very beginning of the day's trading and ended up in the negative zone as investors continued with panic driven share sales following finance minister's remarks made on Monday, market operators said.
- Finance minister AHM Mustafa Kamal, after a meeting with officials of Bangladesh Securities and Exchange Commission, said that he found no problem at the capital market despite the record 12-week slump in stock prices at DSE.
- DSEX lost over 700 points in the 13-week fall till Wednesday because of a number of issues including liquidity shortage and rampant share sales by placement shareholders, and wiped out BDT 30,528 crore from the market capitalisation in the period.
- United Power Generation Company led the chart of turnover leaders with its shares worth BDT 23.56 crore changing hands on the day. National Tubes, Monno Ceramic Industries, Fortune Shoes, Bangladesh Submarine Cable Company, BRAC Bank, Fine Foods, Grameenphone, BBS Cables and Doreen Power were the other turnover leaders.

<http://www.newagebd.net/article/70747/dhaka-stocks-rout-continues-on-kamal-comments>

ICB seeks BDT 9.0b under refinancing scheme

The Financial Express, April 24, 2019

- The state-run Investment Corporation of Bangladesh (ICB) has sought the fund of BDT 9.0 bn which was earlier disbursed under the refinancing scheme of the capital market. The corporation has sought the fund to provide 'instant' support to the capital market which recently has witnessed continuous correction amid lack of confidence.
- In 2013, the ICB received BDT 9.0 bn from the central bank through three installments under the capital market refinancing scheme. The government provided the fund to reduce the suffering of small investors affected during 2010-11 stock market debacle.
- Initially, merchant banks and brokerage firms disbursed the funds against the portfolios of affected investors at an interest of 9.0 %. Later, the interest rate was reduced following the plea of merchant banks and brokerage firms.
- Finally, the borrowers received funds at an interest of 5.0 % and they disbursed the fund against investors' portfolios at an interest of 7.0 %. On completion of disbursement, the concern committee has already recovered above BDT 8.0 bn which is yet to be deposited to the government's exchequer, the ICB officials said.

<http://thefinancialexpress.com.bd/stock/icb-seeks-BDT-90b-under-refinancing-scheme-1556080807>

GP bound to pay outstanding BDT 12,579cr, says BTRC

New Age, April 24, 2019

- Bangladesh Telecommunication Regulatory Commission (BTRC) said that the country's leading mobile phone operator Grameenphone had no alternative to paying Taka 12,579 crore dues unearthed through an audit. Talking to BSS, BTRC chairman Md Jahurul Haque on Wednesday said that the Grameenphone was legally bound to make the payment of the outstanding amount unearthed by conducting an audit.

- Officials said that the telecom regulator was mulling to force the operator to pay the outstanding amount following legal procedures such as stopping issuance of NOC, putting cap on customer base and temporary ban of license.
- They said that the regulator in the first week of the current month (April) sent a notice to Grameenphone asking to pay Taka 12,579.95 crore as dues and the operator was given two weeks to pay the unpaid amount. Of the total unpaid amount, Grameenphone owes Taka 8,494 crore to BTRC while the remaining Taka 4,085 crore to National Board of Revenue (NBR).
- Officials said that BTRC had sought the unpaid amount from the Grameenphone conducting an audit to the operator's books from its inception until June 2015. Back in 2011, the telecom regulator carried out first audit to the books of the operator and unearthed financial discrepancies amounting to Taka 3,034 crore since its inception in 1996 through to March 2011, they added.
- Grameenphone, however, disputed the then appointment process of the auditing firm, that's why in October 2015 another firm, Toha Khan Zaman & Co, was hired to scrutinise all the documents of the leading operator since its inception until June 2015.

<http://www.newagebd.net/article/70745/gp-bound-to-pay-outstanding-BDT-12579cr-says-btrc>

GP posts 40pc profit growth in Q1

New Age, April 24, 2019

- Leading mobile operator Grameenphone's net profit has increased by 39.6 % or BDT 253.18 crore in January to March quarter of the year 2019 year-on-year. Net profit of GP, a company of BDT 1,350.3 crore paid-up capital, increased to BDT 892.61 crore in Q1 of 2019 from BDT 639.43 crore during the same quarter last year.
- The mobile phone operator in its presentation on Q1 report highlighted BDT 12,579 crore audit claim made by the Bangladesh Telecommunication Regulatory Commission, regulatory move on imposing condition on GP as significant market power and reports on quality of service disclosed by the telecom regulator.
- Earnings per share (EPS) for the period stood at BDT 6.61 in July-March quarter this year from BDT 4.74 in Q1 last year. GP's EPS was BDT 6.72 in October-December quarter last year.
- With an increase in operating profit by BDT 361.8 crore, the teleco's revenue rose to BDT 3,486.2 crore in January-March quarter of 2019 from BDT 3,124.4 crore during same period last year.
- Operating profit revenue ratio of GP increased to 50.8 % in January-March this year from 37.6 % during same period last year. Supported with 18.4 % subscriber growth, GP's data revenue increased by 18.9 % to BDT 690 crore from BDT 580 crore.

<http://www.newagebd.net/article/70744/gp-posts-40pc-profit-growth-in-q1>

Steel production cost to rise BDT 4,000 a tonne: millers

PROPOSED GAS PRICE HIKE

- The construction sector will be affected and the cost of infrastructure projects will go up significantly if the proposed gas price hike for industries comes into effect, steel millers said yesterday.
- "The cost of all infrastructure projects will increase because of the price hike of steel products. This will affect the overall economy," said Manwar Hossain, chairman of the Bangladesh Auto Re-Rolling & Steel Mills Association. According to the millers, the production cost of steel will increase BDT 4,000 per tonne if the gas price is hiked.
- The government has proposed to increase the gas price to BDT 18.88 per cubic metre from the existing BDT 7.76, a 132 % hike.
- Hossain, also the managing director of the Anwar Group of Industries, said the sector became stagnant in the first quarter of 2019 as the government allowed some foreign companies to import steel products duty-free. This is affecting the sector, he said.

<https://www.thedailystar.net/business/global-business/news/steel-production-cost-rise-BDT-4000-tonne-millers-1734301>

Rumee Ali, new chairman of AB Bank

The Daily Star, April 25, 2019

- AB Bank has appointed Muhammad A (Rumee) Ali as chairman as part of the lender's effort to improve its financial health. As per the decision of the AB Bank board, the appointment of Ali came into effect on April 20, the first generation bank said in a statement yesterday.
- Ali is a veteran banker with extensive and wide-ranging experience as chief executive officer, board member and chairman of several institutions. He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his master's in economics from Dhaka University.
- In 1997, he was the first Bangladeshi to become the CEO of the foreign bank's Bangladesh operations. When Standard Chartered Group acquired ANZ Grindlays in 2000, Ali was appointed the CEO of the combined operations as Standard Chartered Bangladesh.
- In November 2002, he joined the central bank as deputy governor and was responsible for driving regulatory reforms in the country's banking sector.
- Ali had served as managing director for enterprise and investment at Brac, the world's largest non-government organisation, and as chairman of Brac Bank. He was the founder chairman of bKash Ltd, the first mobile financial service provider in Bangladesh.

<https://www.thedailystar.net/business/global-business/news/rumee-ali-new-chairman-ab-bank-1734313>

Economy

Govt to project GDP growth at 8.2pc in new budget

New Age, April 25, 2019

- The government is likely to project growth in gross domestic product at 8.2 % and the rate of inflation at 5.5 % for financial year 2019-2020, officials said on Wednesday. The projection on GDP and inflation, two vital economic indicators, was proposed at a coordination meeting of country's macro-economy and budget monitoring at the finance ministry.
- Finance minister AHM Mustafa Kamal who presided over the meeting endorsed the projections, but expressed disappointment to slow progress in implementation of his previous directives on scanners and electronic cash register, said officials. The officials said the GDP projection for the next FY was slightly higher from the provisional estimate of 8.13 % in the outgoing fiscal.
- World Bank, International Monetary Fund and Centre for Policy Dialogue have already raised questions about the provisional growth estimate for the outgoing fiscal. On Tuesday at a briefing in Dhaka, CPD pointed out that the estimate of the GDP deflator growth at 4.23 % was significantly lower than the inflation rate of 5.48 % in 2018-19.
- On CPD's observation, Mustafa, after a meeting of the cabinet committee on economic affairs in the afternoon at the cabinet division, quipped that the government was superior to CPD.

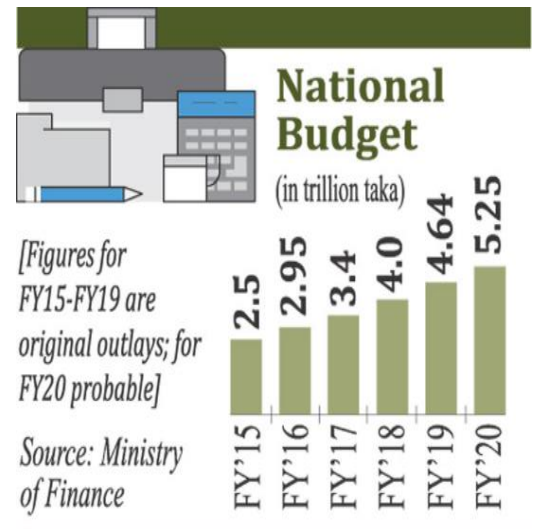
<http://www.newagebd.net/article/70754/govt-to-project-gdp-growth-at-82pc-in-new-budget>

BDT 5.25t budget likely

Next ADP's aid chunk set at BDT 718b

The Financial Express, April 24, 2019

- The government is set to fix GDP (gross domestic product) growth target for the next fiscal year at 8.2 %, officials said. The total size of the budget for fiscal year 2019-20 may be around BDT 5.25 trillion, they said.
- The National Board of Revenue (NBR) will be asked to collect BDT 3.25 trillion and the non-NBR sources BDT 140 bn. The non-tax revenue (NTR) target will be around BDT 380 bn.
- Meanwhile, the government is likely to allocate a record BDT 718 bn foreign aid for the upcoming development budget as some mega projects will eat up a significant amount of external funds.
- The Economic Relations Division (ERD) of the ministry of finance has finalised the project aid for the Annual Development Programme (ADP) of the fiscal year 2019-20. The proposed allocation is 40.78 % higher than the current allocation in the revised ADP of the ongoing fiscal.
- In the current budget, the government allocated BDT 510 bn worth of foreign aid (project aid) in the Revised Annual Development Programme (RADP) of the FY2018-19.

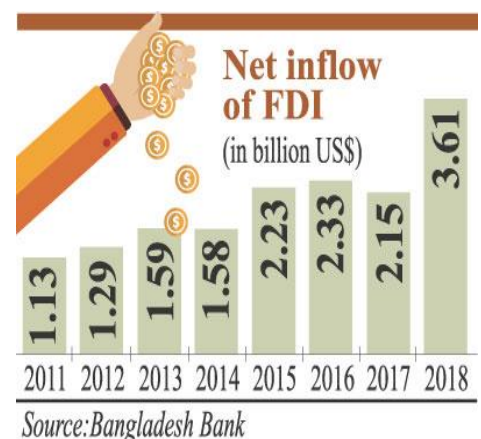


<http://thefinancialexpress.com.bd/economy/BDT-525t-budget-likely-1556162100>

2018 net FDI inflow at \$3.61b

The Financial Express, April 24, 2019

- The net inflow of foreign direct investment (FDI) in Bangladesh stood at \$3.61 bn on a final count, according to the latest statistics of the central bank.
- Annual net FDI inflow jumped by 67 % last year as net FDI was \$2.15 bn. In 2017, FDI dropped by 7.73 % from \$2.33 bn. The Bangladesh Bank data put gross inflow of foreign investment at \$4.54 bn in the 2018 calendar year.
- Disinvestment, loan repayments and losses have been deducted as per the International Monetary Fund (IMF) guideline from gross FDI to determine net FDI. The statistics further showed that more than one-third of net FDI in 2018 was sourced by reinvesting earnings of existing multinational entities in Bangladesh. The amount was \$1.31 bn.
- The net amount of fresh investment or equity reached \$1.12 bn last year while net investment through intra-company loans stood at \$1.18 bn.



<http://thefinancialexpress.com.bd/economy/2018-net-fdi-inflow-at-361b-1556077108>

International

China to recalibrate Belt and Road

The Daily Star, April 25, 2019

- China is expected to promote a recalibrated version of its Belt and Road initiative at a summit of heads of state this week in Beijing, seeking to allay criticism that its flagship infrastructure policy fuels indebtedness and lacks transparency.
- The policy championed by Chinese President Xi Jinping has become mired in controversy, with some partner nations bemoaning the high cost of projects. Western governments have tended to view it as a means to spread Chinese influence abroad, saddling poor countries with unsustainable debt.
- While most of the initiative's projects are ongoing, some have been caught up by changes in government in countries such as Malaysia and the Maldives. Projects that have been shelved for financial reasons include a power plant in Pakistan and an airport in Sierra Leone, and Beijing has in recent months had to rebuff critics by saying that not one country has been burdened with so-called "debt traps".
- Xi launched the Belt and Road initiative in 2013, and according to data from Refinitiv, the total value of projects in the scheme is at \$3.67 trillion, spanning countries in Asia, Europe, Africa, Oceania and South America.
- A draft communique seen by Reuters said that 37 world leaders attending the April 25-27 summit will agree to project financing that respects global debt goals and promotes green growth.

<https://www.thedailystar.net/business/news/china-recalibrate-belt-and-road-1734268>

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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

Tanzin Naher
Research Associate

tanzin@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.