

## Stock Market

### Heidelberg's EPS turns negative in Apr-Jun

The Financial Express, July 25, 2019

- The earnings per share (EPS) of Heidelberg Cement Bangladesh Limited has turned negative in April-June quarter due to higher cost of goods sold and lower financial income. The cement manufacturer's consolidated EPS came down to negative BDT 0.72 for April-June 2019 as against BDT 4.21 for April-June 2018, said an official disclosure on Wednesday.
- The consolidated EPS was BDT 2.69 for January-June 2019 as against BDT 9.55 for January-June 2018. The consolidated net operating cash flow per share (NOCFPS) was BDT 5.78 for January-June 2019 as against BDT 10.81 for January-June 2018.
- The consolidated net asset value (NAV) per share was BDT 77.87 as on June 30, 2019 and BDT 82.68 as on December 31, 2018. The company noted that NAV per share reduced compare to same period of previous year, due to charging of regular depreciation and decrease of inventory. The EPS declined by BDT 6.86 due to higher cost of goods sold and lower financial income.

<http://thefinancialexpress.com.bd/stock/heidelberg-eps-turns-negative-in-apr-jun-1563948341>

### Mismatch of clients' funds

*BSEC to take action against two brokerage firms*

The Financial Express, July 25, 2019

- The stock market regulator has asked its department concerned to take stern action against two brokerage firms for mismatch between inflow and outflow of their clients' funds deposited in the consolidated customers' accounts
- The Bangladesh Securities and Exchange Commission (BSEC) gave the instruction at a meeting on Tuesday. The securities regulator has instructed its enforcement department to take action against M Securities, a brokerage firm of the Dhaka Stock Exchange (DSE), as there is a deficit in the consolidated customers' account.
- The action will be taken as per the section 12 of the Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorised Representatives) Rules, 2000. Earlier, the BSEC had imposed a fine of BDT 50 million on the M Securities and two of its two directors for similar incident.
- The securities regulator will also take action against the First Lease Securities, a brokerage firm of the Chittagong Stock Exchange (CSE), for such a mismatch of funds.
- At the meeting, the BSEC also approved draft prospectuses of two unit funds. The unit funds are IDLC Asset Management Shariah Fund and Edge AMC Growth Fund. The initial size of the IDLC Asset Management Shariah Fund will be BDT 500 million.

<http://thefinancialexpress.com.bd/stock/bsec-to-take-action-against-two-brokerage-firms-1563943198>

## **Five brokers yet to submit annual report**

The Daily Star, July 25, 2019

- Five stock brokers of the Dhaka bourse have not submitted their annual reports for the year that ended on June 30 of 2019 to the stock exchange breaching securities rules.
- The brokers are: Sinha Securities, Md Fakrul Islam Securities, ANF Management Company, Commerce Bank Securities and Investment, and PHP Stocks & Securities. The stock market regulator has sought to know from the DSE what actions it has taken against the brokerage houses.

<https://www.thedailystar.net/business/news/five-brokers-yet-submit-annual-reports-1776559>

## **Bank Asia reappoints Arfan as MD**

The Daily Star, July 25, 2019

- Md Arfan Ali has been reappointed as president and managing director of Bank Asia for a second term. Ali started his career with Arab Bangladesh Bank as a probationary officer in 1991.
- He joined Bank Asia in 1999 and acted as a key team player in the acquisition of the operations of two foreign banks in Bangladesh – the Bank of Nova Scotia and Muslim Commercial Bank of Pakistan.
- Ali pioneered and championed agent banking operations in Bangladesh with a view to serving unbanked and underserved population by providing banking and financial services. He is the chairperson of the SWIFT Members and Users Group of Bangladesh and secretary general of the Association of Bankers, Bangladesh.

<https://www.thedailystar.net/business/news/bank-asia-reappoints-arfan-md-1776502>

## **BSEC asks DSE to list controversial Coppertech within 10 days**

New Age, July 25, 2019

- The Bangladesh Securities and Exchange Commission on Wednesday asked the Dhaka Stock Exchange to complete the listing of controversial Coppertech Industries, which allegedly manipulated its financial data, within 10 working days.
- The BSEC gave the order after the DSE sought waiver from regulatory binding of listing a company within 75 days after its initial public offering subscription. The DSE board on Sunday approved the listing of Copperetch with the bourse on condition that the BSEC would waive it from following 5(3) provision in the listing regulations.
- The regulator did not exempt the DSE from the regulatory binding, but showed way how to list Coppertech under the current regulations. There are allegations that Coppertech submitted phony financial statements and faked paid-up capital formation to float an IPO and get listed with the country's bourses.
- The BSEC also asked the DSE to submit a status report on completion of the listing of the company and other procedures to the commission within 10 working days. As per rules, the scheduled time for listing of Coppertech with the DSE expired on June 23 as IPO share subscription of the company ended on April 9.

- The BSEC on December 26, 2018 approved Coppertech's proposal to raise BDT 20 crore from the capital market through IPO despite the fact that the company raised BDT 30 crore on June 6, 2018 through issuance of placement shares.

<http://www.newagebd.net/article/79545/bsec-asks-dse-to-list-controversial-coppertech-within-10-days>

## **IDLC Asset Management Shariah Fund approved**

The Daily Star, July 25, 2019

- The Bangladesh Securities and Exchange Commission approved a draft prospectus of IDLC Asset Management Shariah Fund, an open-end mutual fund, on Tuesday.
- The initial size of the fund will be BDT 50 crore. The sponsor will contribute BDT 5 crore and the remaining BDT 45 crore will be collected by selling the mutual fund units. The offer price of the units will be BDT 10 each.

<https://www.thedailystar.net/business/news/idlc-asset-management-shariah-fund-approved-1776547>

## **Economy**

### **Private sector credit growth hits 6-yr low**

New Age, July 25, 2019

- Private sector credit growth hit 6-year low in June this year amid rising liquidity crisis in the country's banking sector due to soaring non-performing loans and poor deposit growth. As per the latest Bangladesh Bank data, the private sector credit growth slumped to 11.29 % in June, well below the BB target to reach 16.5 % credit growth by the month.
- The growth rate in June was the lowest since June, 2013 when it was 11.04 %. Private sector credit growth was 12.42 %, 12.54 % and 12.16 % in March, April and May this year respectively.
- The public sector credit growth, however, soared to 19.15 % in June, against the BB monetary policy target of 10.9. The defaulted loans in the banking sector soared to BDT 1.11 lakh crore by the end of March, 2019 rising by more than BDT 16,900 crore in three months as banks failed to reign in errant borrowers.
- Experts expressed their concern regarding the slow private sector credit growth as it might affect the country's economic growth. The Bangladesh Bank should have a closer look for understanding the reason for slow credit disbursement to the private sector, they said, adding that the central bank should take measures to get rid of the situation.

<http://www.newagebd.net/article/79544/chinese-co-to-supply-10000-fiscal-devices-at-BDT-32000-each>

## **Govt borrowing from banks more than doubled last fiscal**

The Financial Express, July 25, 2019

- The government borrowing from the banking system more than doubled in the outgoing fiscal year (FY) to partly finance its budget deficit, officials said on Wednesday. Its borrowing from the banking system rose to BDT 264.46 billion as on June 30 last from BDT 117.31 billion in the same period of the previous fiscal, according to the Bangladesh Bank (BB)'s confidential report.
- The bank borrowing of the government, however, was lower than both original and revised targets for FY 2018-19, they added. Earlier, the government slashed its bank borrowing target to BDT 308.95 billion for the FY '19 from the original target at BDT 420.29 billion, according to the budget documents.
- Higher revenue shortfall has forced the government to borrow more from the banking system to meet the budget deficit particularly for implementation of mega projects, they explained. The National Board of Revenue (NBR) had faced BDT 0.66 trillion shortfall against its revised target for the outgoing fiscal year, according to the provisional figures.
- Normally, the implementation rate of ADP gathers up pace during the last two months of each fiscal year. Besides, decreasing trend in sales of national savings certificates in the month of May has also contributed to push up the bank borrowing of the government, according to the official.
- Net sales of national savings instruments fell by 1.33 % to BDT 32.58 billion in May 2019 from over BDT 33 billion in the same month of 2018, the official figures showed. The government is now empowered to borrow up to BDT 40 billion from the central bank under the WMAs to meet its day-to-day expenditures without issuing any securities.

<http://thefinancialexpress.com.bd/economy/bangladesh/govt-borrowing-from-banks-more-than-doubled-last-fiscal-1564027498>

## **Unique Meghnaghat to build 584MW plant**

The Daily Star, July 25, 2019

- Bangladesh's largest ever combined cycle power plant of 584 megawatts (MW) fuelled by natural gas is set to be established by Unique Meghnaghat Power at Meghnaghat, Sonargaon in Narayanganj district.
- Unique, a subsidiary of the Unique Hotel and Resorts, yesterday signed an array of agreements with Bangladesh Power Development Board (BPDB), the Power Grid Company of Bangladesh, and Titas Gas Transmission and Distribution Company Limited to set up the largest independent power producer (IPP) project.
- With the BPDB, a 22-year power purchase agreement (PPA) was signed while implementation and gas supply agreements were inked with the government and Titas respectively. Saiful Islam Azad, secretary of the BPDB, Chowdhury Nafeez Sarafat, managing director of Unique, Sheikh Faezul Amin, joint secretary to the power division, and Mahmudur Rahman Rab, secretary of Titas, signed the agreements.
- The Unique power plant will be built on 18.75 acres of land at an overall estimated cost of \$520 million. It is expected to start operations by July 2022, generating electricity that could power 700,000 homes.

<https://www.thedailystar.net/business/news/unique-meghnaghat-build-584mw-plant-1776601>

## **Govt to buy gas from IOCs at Asian rate**

The Daily Star, July 25, 2019

- The government will buy gas from international oil companies (IOCs) at the Asian market rate from now, in a departure from its previous stance to purchase it at only fixed rates. The purchase price from onshore IOCs will be about \$6.5 per thousand cubic feet and from offshore IOCs about \$7.25.
- Under the existing model, the government purchases gas at \$2.9 per cubic feet from onshore IOCs. There is no rate for offshore IOCs, but in the PSC model used in 2014 the price for offshore IOCs was: \$5 for shallow water and \$6.5 for deep sea, according to energy ministry officials.
- Also at the meeting the committee approved the construction of Bay Terminal at Chattogram Port, which will be implemented under a public-private partnership.

<https://www.thedailystar.net/business/news/govt-buy-gas-iocs-asian-rate-1776580>

## **International**

### **Singapore's June core inflation hits over two-year low**

The Financial Express, July 25, 2019

- The core inflation of Singapore hit a more than two-year low in June as electricity and gas prices declined, firming bets among economists that its central bank will ease monetary policy in October. This was the lowest since March 2017 when core inflation rate grew at the same pace, reports Reuters.
- Core inflation is the Monetary Authority of Singapore's (MAS) preferred price gauge in setting monetary policy. The central bank's core inflation measure excludes changes in the prices of cars and accommodation, which are influenced more by government policies.
- All-items consumer price index came in lower than expected as prices of services and retail inflation slowed. Singapore's headline inflation rose 0.6 % in June from a year earlier, lower than May's 0.9 % rise. The median forecast in a Reuters poll was for all-items CPI to rise 0.7 %.
- Singapore's economy grew at its slowest annual pace in a decade in the second quarter, preliminary data showed on July 12, raising bets that a technical recession and monetary policy easing could be just around the corner.
- In a Reuters poll done after the release of the second-quarter data, seven of 11 economists said they expected the MAS to loosen its exchange-rate monetary policy in its next policy statement, due in October, with the other four forecasting no change.

<http://thefinancialexpress.com.bd/economy/global/singapores-june-core-inflation-hits-over-two-year-low-1563866574>

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## 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).

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