

Stock Market

Stocks rebound on profit-taking

New Age, April 26, 2018

- Dhaka stocks on Wednesday gained marginally after a three-day fall as investors went for bargain hunting purchasing of bank scrips.
- The key index of Dhaka Stock Exchange, DSEX, gained 0.42 %, or 24.67 points, to close at 5,802.02 points on the day after losing 66 points in the previous three trading sessions.
- The trading was volatile during most of the session, but DSEX finished the session with a marginal gain as investors increased share buying in the late hour, market operators said.
- Investors, especially the intuitional ones, went for bargain hunting following the three-day fall.
- The banks sector was the center of the investors' attention with the average share prices gaining by 1.2 % on Wednesday.
- Besides, average share prices of cement, energy and pharmaceuticals sectors increased by 1.3 %, 0.5 % and 0.2 % respectively.
- On the other hand, many investors kept share sales from some of the large capitalised scrips as the companies declared quarterly profit decline.
- Share prices of Investment Corporation of Bangladesh, Grameenphone and GlaxoSmithKline kept falling on their poor disclosures. by 0.9 %, 0.3 % and 0.3 % respectively.
- The turnover at the bourse, however, declined to BDT 485.07 crore on Wednesday compared with that of BDT 495.35 crore in the previous session.

<http://www.newagebd.net/article/39851/stocks-rebound-on-profit-taking>

BSEC finalizing acquisition rules, merger not included

New Age, April 25, 2018

- The Bangladesh Securities and Exchange Commission is finalising only the acquisition rules on disclosure basis, putting on hold the merger rules.
- After a couple of years of assessing the rules, the regulator has now decided to amend existing rules only to settle share acquisitions.
- A BSEC committee would work with the merger rules later as the issue was sophisticated to address now, officials said.
- A company now merges with another company and take over its shares under the Company Act 1994 with the shareholders approving the deal and the court having the final say.
- As the Securities and Exchange Commission (Substantial Share Inheritance, Acquisition and Takeover) Rules 2002 has become obsolescent, the regulator took the initiative to formulate fresh rules and formed a panel on May 04, 2016.
- The committee expected to submit its report soon, he said.

<http://www.newagebd.net/article/39854/bsec-finalising-acquisition-rules-merger-not-included>

What are the Chinese offering DSE as strategic partner?

Dhaka Tribune, April 24, 2018

- A board meeting of the Dhaka Stock Exchange (DSE) planned for next week will ask shareholders to approve a new strategic partnership with a Chinese consortium comprising the Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE).
- The Dhaka Tribune has obtained a copy of the Chinese proposals, which details how the consortium is planning to support the DSE as a strategic investment partner.
- Among the headline proposals of the estimated \$37 Mn project, the Chinese consortium is offering to develop a SME market, assist in product diversification, and jointly operate the V-Next alliance program in Bangladesh.
- It also proposes to assist the DSE in mapping information disclosure and investor service automation framework, developing human resources, and providing technological support with a view to developing the DSE portfolio.

<https://www.dhakatribune.com/business/stock/2018/04/25/chinese-offering-dse-strategic-partner/>

Economy

Linde opens BDT 120cr air separation unit

The Daily Star, April 26, 2018

- Linde Bangladesh Ltd, a member of Linde Group's Gases Division, yesterday inaugurated an air separation unit in Rupganj.
- The company invested BDT 120 crore for the unit.
- An air separation plant separates atmospheric air into its primary components, typically nitrogen and oxygen, and sometimes also argon and other rare inert gases.
- The Rupganj plant will produce about 100 tonnes of liquefied gases per day, making it the largest liquid-producing merchant air separation unit in Bangladesh, according to a statement of the company.
- The project engineering division, a subsidiary of Linde Engineering, designed, built and managed the construction of the Rupganj plant, which comprises modern energy efficient technology and promises operational reliability.
- It will provide liquefied gases and related solutions to Bangladesh's growing healthcare, food and beverage, fabrication, pharmaceuticals, shipbuilding and ship recycling industries.
- The plant will more than double Linde Bangladesh's current production capacity, strengthening Linde's position as the leading gases player in Bangladesh.
- A state-of-the-art cylinder filling site at Rupganj has also been built to provide a range of cylinder products to customers across all market segments.

<https://www.thedailystar.net/business/linde-opens-BDT-120cr-air-separation-unit-1567951>

Automotive battery market revving up

The Daily Star, April 26, 2018

- The automotive battery market size hit BDT 8,000 crore last year on the back of runaway popularity of easy bikes and battery-run rickshaws.
- Five years ago, the market size was about BDT 2,500-3,000 crore, according to industry players.
- The demand just took off in the last five years with the popularity of easy bikes and battery-run rickshaws, said Faraaz Rahim, head of international marketing at Rahimafrooz Globatt, the market leader in automotive battery. In the last two years, the market expanded 100 %, he said.
- As much as 70 % of the batteries propelling the easy bikes and battery-run rickshaws are manufactured in China.

BY THE NUMBERS



Local automotive battery market size: Tk 8,000cr

The market size was Tk 2,500cr-Tk 3,000cr five years ago

<https://www.thedailystar.net/business/automotive-battery-market-revving-1567975>

FDI flow drops by 7.7pc last year

The Financial Express, April 26, 2018

- Net inflow of foreign direct investment in the country declined by 7.72 % last year, with officials attributing the drop-off to geo-political tension, the central bank has said.
- Statistics available with Bangladesh Bank showed that net inflow of FDI stood at US\$ 2.15 Bn in 2017, down from \$ 2.33 Bn a year ago.
- The seventh Five-Year Plan (7FYP) of the country, however, projected to attract \$ 5.87 Bn in the current fiscal year (FY18).
- It appears that actual FDI is much lower than the projected in the medium-term development plan document.
- The central bank statistics also showed that the gross inflow of FDI was recorded at \$ 2.68 Bn in the past year, which was \$2.82 Bn in 2016.
- Divestment and repayment of loans and loss of the current multinational entities have been deducted from the gross inflow of FDI to calculate the net FDI.
- Bangladesh Bank also said that more than half of the total FDI originated from the reinvested earnings of the existing multinational firms in the country.
- Some \$ 1.28 Bn net FDI came as reinvested earnings in the past year.
- The fresh investment, also known as equity capital, declined to \$ 538.90 Mn in the past year from \$ 911.38 Mn in 2016

<https://thefinancialexpress.com.bd/economy/bangladesh/fdi-flow-drops-by-77pc-last-year-1524713837>

Ministry sticks to demand for addl fund

The Financial Express, April 26, 2018

- Road Transport and Bridges Ministry is sticking to its demand for an additional allocation of BDT 14 Bn to acquire more land for the Padma Bridge project despite reservation expressed by a government project monitoring body.
- The state-owned monitoring body -- Implementation, Monitoring and Evaluation Division (IMED) -- had raised objection to the demand for funds to acquire 1167.98 hectares of additional lands for dumping of sludge produced from piling work on the river bed.
- An IMED team after visiting the Padma Bridge project site has recommended only 9.35 hectares of more land acquisition in the Mawa side instead of its proposed 1167.98 hectares of acquisition demand, insiders said.
- Government has allocated BDT 12.98 Bn funds for acquiring 1530.54 hectares of land for the same purpose at the ongoing Padma Bridge construction project, struggling for piling works inside the mighty river.

<https://thefinancialexpress.com.bd/economy/bangladesh/ministry-sticks-to-demand-for-addl-fund-1524715370>

Foreign loans getting costlier: BIBM

The Daily Star, April 26, 2018

- Increasing LIBOR rate and the appreciation of the greenback against the taka are putting pressure on Bangladeshi businesses that borrowed from foreign sources to meet their needs, according to a report of the Bangladesh Institute of Bank Management.
- Most of the borrowers are importers, meaning they have no source of foreign currency earnings to absorb the pressure.
- Between 2013 and 2017, the private sector's commercial borrowing from external sources almost trebled, according to data from the Bangladesh Bank.
- Last year, the private sector borrowed \$11.34 Bn from abroad, in contrast to \$4 Bn in 2013.
- The interest rate on foreign loans is tagged with the London interbank offered rate (LIBOR), the global standard interest rate. Typically, the interest rates are LIBOR plus 3-4 %.
- The three-month LIBOR rate, which mostly remained below 1 % for the best part of last decade, hit a nine-year high of 2.32 %, meaning the local borrowers will have to pay about 2 % points more.
- Moreover, the appreciation of the dollar -- from BDT 78 to BDT 85 in the last one year -- has also created an additional pressure on borrowers.

<https://www.thedailystar.net/business/foreign-loans-getting-costlier-bibm-1567978>

International

Asia stocks rise as U.S. earnings prop up Wall Street, dollar solid

Reuters, April 25, 2018

- Asian stocks rose on Thursday as robust corporate earnings helped Wall Street quell concerns about the surge in U.S. bond yields, while the dollar hovered near 3-1/2-month highs against a basket of currencies.
- MSCI's broadest index of Asia-Pacific shares outside Japan bounced back from three-week lows plumbed the previous day and gained 0.35 %.
- South Korea's KOSPI climbed 1.2 %, with tech shares buoyed after Samsung Electronics posted a record quarterly profit.
- Australian stocks edged up 0.2 % and Japan's Nikkei rose 0.7 %.
- Shanghai bucked the trend and slipped 0.3 %.
- The Dow rose 0.25 % overnight, ending a five-day losing streak, and the S&P 500 gained 0.18 % on optimism over a spate of upbeat earnings that managed to offset jitters over rising U.S. bond yields.

<https://www.reuters.com/article/us-global-markets/asia-stocks-rise-as-u-s-earnings-prop-up-wall-street-dollar-solid-idUSKBN1HX02H>

Facebook earnings: \$1.69 per share, vs. \$1.35 expected

CNBC, April 25, 2018

- Earnings per share: \$1.69 adjusted vs. \$1.35 expected by a Thomson Reuters consensus estimate
- Revenue: \$11.97 Bn vs. \$11.4 Bn expected by a Thomson Reuters consensus estimate
- Daily active users: 1.45 Bn vs. 1.45 Bn expected by a StreetAccount estimate
- Monthly active users: 2.2 Bn vs. 2.2 Bn expected by a StreetAccount estimate
- A year ago, Facebook reported adjusted EPS of \$1.04 on revenue of \$8.03 Bn.
- The quarterly results also emphasized Facebook's ongoing hiring investments and expansion into mobile. Mobile ad revenue is now 91 % of the total, and headcount increased 48 % year over year to 27,742.

<https://www.cnn.com/2018/04/25/facebook-earnings-q1-2018.html>

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