

## Stock Market

### Dhaka stocks rally for 4th week on post-Eid expectation

New Age, August 26, 2018

- Dhaka stocks soared in the past week, shortened by Eid holidays, extending the gaining streak to the four consecutive weeks, as investors continued buying shares, especially those of financial stocks amid post Eid expectation.
- The week was shortened to just two trading sessions at the Dhaka Stock Exchange as Eid-ul-Azha, one of the biggest religious festivals of Muslims, was celebrated across the country on August 22 and trading at the DSE remained closed from August 21 to 25 due to the Eid holidays and weekly holidays.
- DSEX, the key index of the DSE, advanced 1.89 per cent, or 103.45 points, over the week to finish at 5,571.20 points on Thursday, the last trading session of the week. The core index gained 266 in last four consecutive weeks.
- Despite having any positive news, the financial stocks continued to pull investors' attention as the stock exchanges and the market regulator continued its punitive measures against low profiled wrong-doing companies. Following the DSE tough move against 15 junk companies after delisting two such firms, the Bangladesh Securities and Exchange Commission on August 15 suspended share trading of three low-profile companies and sent five others to spot market.
- Besides, there was a speculation among investors that the market condition might improve ahead of prime minister Sheikh Hasina's visit to the commission which also instigated a section of investors to invest in the market. Hasina is scheduled to visit BSEC on September on the occasion of 25th anniversary of BSEC.

[www.newagebd.net/article/49070/dhaka-stocks-rally-for-4th-week-on-post-eid-expectation](http://www.newagebd.net/article/49070/dhaka-stocks-rally-for-4th-week-on-post-eid-expectation)

### Dhaka stocks soar on BSEC's market makeover move ahead of PM visit

New Age, August 20, 2018

- Dhaka stocks soared on Sunday, extending the gaining trend to the third day, as investors went for heavy buying of financial scrips amid a speculation that the Bangladesh Securities and Exchange Commission was trying to 'improve' the market condition ahead of a scheduled visit of prime minister Sheikh Hasina to the commission.
- Despite a fall in the prices of two-thirds of the traded scrips, DSEX, the key index of the Dhaka Stock Exchange, advanced by 1.29 per cent, or 70.76 points, to close at 5,538.50 points on Sunday because of heavy gains of financial scrips.
- A number of investors at brokerage houses at Motijheel in Dhaka told New Age that there was a speculation in the market that the BSEC took the move against eight low-profile companies to give a boost to the market ahead of the PM's visit to the commission.
- Although the share prices of the companies had been rising exorbitantly for months amid heavy criticisms against the BSEC's inaction, the regulator only took the decision to take measures against the companies on August 16. Prime minister Sheikh Hasina is scheduled to attend the 25th anniversary ceremony of the BSEC on September 12.
- Investors said that there were rumours that the BSEC wanted to show the PM a stable market and only a surge in the prices of financial stocks would give the key index, which has been struggling for weeks, a boost. As a result, investors rushed to buy the financial sector stocks, the prices of which were also lower because of lack of demand for those amid scams in the sector, ditching other scrips, said market operators.

<http://www.newagebd.net/article/48823/dhaka-stocks-soar-on-bsecs-market-makeover-move-ahead-of-pm-visit>

## Chinese group awaits BB nod for NITA to send BDT 947cr to B'desh

New Age, August 24, 2018

- The Chinese consortium of Shenzhen and Shanghai stock exchanges awaits Bangladesh Bank's approval for non-resident investors BDT account to send money to Bangladesh for buying 25% shares of the Dhaka Stock Exchange to be the bourse's strategic investor, said DSE managing director KAM Majedur Rahman.
- Majedur told New Age that the consortium was ready to transfer BDT 947 crore to the City Bank of Bangladesh against 45,09,44,125 ordinary shares of the DSE at BDT 21 each in accordance with the share purchasing agreement.
- He said that the consortium got approval from China's National Development and Reform Commission, State Administration of Foreign Exchange and China Securities Regulatory Commission to transfer the funds.
- A number of DSE officials said that they received 'information informally' that the central bank had already approved their appeal in favour of the Chinese consortium and was likely to send the approval letter tomorrow and the issue would be settled within the first week of September this year.
- Majedur also said once the fund was deposited in the City Bank, the fund would be automatically allotted to the bank account of DSE shareholders and to the government exchequer as gain tax levied on them.
- The NITA is required for the foreign exchange transfer of any listed company. As the DSE is not a listed entity, it requires the BB approval for opening NITA in favour of the Chinese group. DSE officials expected that the bourse would be listed in a couple of years.

<http://www.newagebd.net/article/49010/chinese-group-awaits-bb-nod-for-nita-to-send-BDT-947cr-to-bdesh>

## Kattali Textile IPO subscription opens on Aug 28

The Financial Express, August 26, 2018

- The initial public offering (IPO) subscription period of Kattali Textile will start on Tuesday (August 28), according to DSE website. Applicants will be able to apply for the IPO subscription until September 13. The company will raise capital worth BDT 340 mn (34 crore) by offloading 34 mn shares at an offer price of BDT 10 each.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on June 26. The company will go public under the fixed price method. A market lot comprises 500 shares and an investor needs BDT 5,000 per lot to apply for the IPO.
- The required amount of foreign currency per lot for NRBs (non-resident Bangladeshis) and foreign applicants is US\$ 60.25 or GBP 46.08 or EUR 51.96, according to the Dhaka Stock Exchange (DSE).
- The proceeds from the IPO subscriptions of Kattali Textile will be utilised to construct its factory building and employees' dormitory, purchase machinery for an extended unit, install electric transformers and generators, repay bank loans and bear IPO expenses.
- As per the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV), without revaluation, is BDT 20.48 per share. The earning per share (EPS) is BDT 1.98.
- The NRB Equity Management is acting as the issue manager for the company's IPO. Kattali Textile is a production unit of Asian Group, established in 2002 with the aim to cater to the demand from the world-class buyers.

<http://thefinancialexpress.com.bd/stock/bangladesh/kattali-textile-ipo-subscription-opens-on-aug-28-1535260442>

## Baraka Shikalbaha Power enters deal with BPDB

The Financial Express, August 26, 2018

- The Baraka Shikalbaha Power Limited (BSPL) has signed a power purchase agreement with the state-owned Bangladesh Power Development Board (BPDB), according to a disclosure made by the BSPL. The agreement will help implement the HFO (Heavy Fuel Oil)-fired independent power producer (IPP) plant.
- The agreement was signed on August 19 last. The same day the company also signed an implementation agreement (IA) with the government of Bangladesh (GOB) represented by the Ministry of Power, Energy and Mineral Resources.
- Baraka Shikalbaha Power Limited is a 51 per cent-owned subsidiary of Baraka Patenga Power Limited formed to implement the 105MW power plant project at Shikalbaha in Chattogram.
- As per agreements, the IPP plant will be implemented on a Build, Own, Operate (BOO) basis and the term is 15 years from the Commercial Operation Date (COD). Apart from 51% shares in BSPL of Baraka Patenga Power Limited, Baraka Power Limited has a 20% stake in the BSPL.

<http://thefinancialexpress.com.bd/stock/bangladesh/baraka-shikalbaha-power-enters-deal-with-bpdb-1535260033>

## Economy

### Shipbuilding thrives on domestic demand

The Daily Star, August 26, 2018

- The country's shipbuilding sector has returned to growth following years in doldrums, on the back of a surge in demand from domestic conglomerates and the government, said industry insiders. A number of shipyards are working to build more than 100 vessels, said Md Sakhawat Hossain, managing director of Western Marine Shipyard Ltd, which has orders to make 38 vessels, including four for foreign buyers.
- The sector, with 130 companies, had suffered a blow in the aftermath of the 2008 global financial crisis when a couple of shipbuilders were trying to enter the international market by making smaller vessels. However, the demand from the public and private sectors for vessels to carry cargoes provided a cushion to the shipbuilders and the industry has gathered pace in recent years, according to operators.
- Now, a number of industrial conglomerates, namely the Meghna Group of Industries, City Group, Bashundhara Group and S Alam Group are building vessels to carry cargoes from their factories and business units to serve the domestic market, creating a buzz among ship-makers and workers.
- Annual imports totalled 4 crore tonnes three-four years ago and it exceeded 13 crore tonnes this year, Hossain said. This is mainly due to the ongoing works to build large infrastructures, he said, citing the increased demand for transporting boulder, sand, clinker, coal and various other items. As a result, 300 vessels would be required in the next two years and the construction is under way for nearly 100, he added.
- The government is currently implementing a host of mega infrastructure projects such as the Rooppur nuclear power plant, Padma bridge, Padma rail link and metro rail, in order to give a fillip to trade and commerce and boost the economy now growing at more than 7% annually. Apart from the private sector, the government is also making vessels. Rashid's firm is making 112 dredgers and dredger related vessels.

<https://www.thedailystar.net/news/business/shipbuilding-thrives-domestic-demand-1624654>

## Industrial output soars in FY 2018

### Rise in credit disbursement leads to the surge

The Financial Express, August 25, 2018

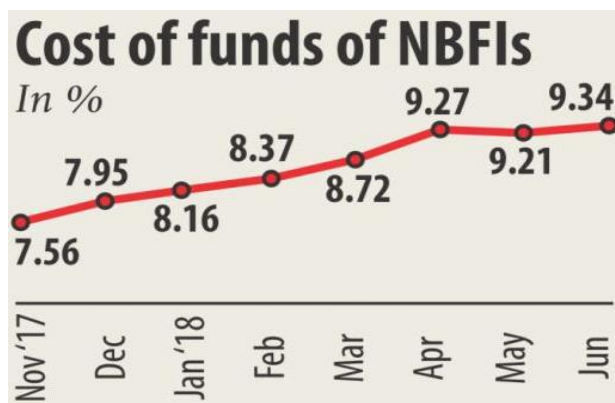
- The industrial production marked a sharp increase in the first nine months of the last fiscal year (FY) compared to the same period of the previous fiscal. The industrial output surged due to the rise in credit disbursement in the sector and improvement in the country's power supply situation.
- Based on data released by Bangladesh Bureau of Statistics (BBS), the central bank prepared a brief analysis in this regard. It showed that the production increased mainly in the fields of textiles, apparels, food products, pharmaceuticals and medicinal chemicals, leather and related products and tobacco products.
- The general index of industrial production -- medium and large-scale manufacturing -- increased by 18.63% during the July-March period of FY 2017-18, compared to the same period of FY 2016-17, the central bank's latest analysis showed.
- Sub-indices also recorded an increase during the July-March period of FY 2017-18 compared to the same period of FY 2016-17. Sub-indices of leather and related products grew 53.72 per cent, pharmaceuticals and medicinal chemicals 44.61 per cent, food products 33.46 per cent, textile 22.13 per cent, apparels 19.49 per cent, fabricated metal products except machinery 18.67 per cent, tobacco products 15.07% and non-metallic mineral products 13.90 per cent, the data mentioned.
- The electricity supply situation improved significantly in the last couple of years and huge improvement in the country's infrastructure sector took place at the same time. As a result, industrial production increased in the country significantly in the first nine months of FY 2017-18.
- According to the Bangladesh Bank, the disbursement of total industrial term loans rose by 7.58% and stood at BDT 169.79 bn (BDT 16979.53 crore) during the January-March period of FY 2018 as compared to BDT 157.8308 bn (BDT 15783.08 crore) during the same period of FY 2017.

<http://thefinancialexpress.com.bd/economy/bangladesh/industrial-output-soars-in-fy-2018-1535173131>

## Cash crisis fuels cost of funds for NBFIs

The Daily Star, August 21, 2018

- The weighted average cost of funds for non-bank financial institutions rose by 1.61 percentage points year-on-year to 9.34% in June this year thanks to the liquidity crisis in the banking sector.
- The rising cost of fund is fuelling the interest rates, which is ultimately putting pressure on the borrowers, industry players said. The cost of funds is the interest rate paid by the banks and non-banks for the funds they collect as deposits from individuals and institutions.
- The cost of fund serves as the reference rate for pricing the variable interest rate of the loan products. Lower cost of funds helps the NBFIs to set a reasonable interest rate for their loan products.
- The NBFIs now charges a minimum of 12% to 13% from its SME and corporate borrowers. As per the central bank rule, the NBFIs are allowed to add at least 3% spread with their cost of fund to set interest rates for loan products.



- The cost of funds increased both for the NBFIs and banks due to the liquidity crisis, Arif Khan, managing director of IDLC Finance, told The Daily Star yesterday. Interest rate on deposit sharply went up last fiscal year in the entire banking sector which ultimately pushed up the interest rate on lending, he said.

<https://www.thedailystar.net/news/business/cash-crisis-fuels-cost-funds-nbfis-1623646>

## BD third largest LDC on exporting commercial services

The Financial Express, August 25, 2018

- Bangladesh is the third largest exporter of the commercial services among the Least Developed Countries (LDCs). The country exported commercial services worth \$ 2.26 bn in the past year.
- World Trade Statistical Review-2018, released by the World Trade Organisation (WTO) last month, unveiled the scenario. The country's share in world total export stood at 0.04% in the past year while the ratio stood at 6.60% for the LDCs total export of commercial services.
- Commercial services are total services minus 'government goods and services, not included elsewhere.' The major components of the services include transport, travel, other commercial services (i.e. insurance, financial service etc) and goods-related services.
- Cambodia was the largest exporter of commercial services among the LDCs and the country exported commercial services worth \$4.48 bn in the past year. Tanzania was the second largest exporter of commercial services worth \$ 3.83 bn in 2017.

<http://thefinancialexpress.com.bd/economy/bangladesh/bd-third-largest-ldc-on-exporting-commercial-services-1535173309>

## International

### Shelved Aramco IPO hits at heart of Saudi prince's reforms

The Daily Star, August 26, 2018

- Saudi Arabia's decision to shelve what was billed as the biggest share sale ever is a major blow to the credibility of Crown Prince Mohammed bin Salman but there are other ways to finance reforms to strengthen the economy, bankers and investors say.
- The initial public offering (IPO) of 5% of state-owned oil giant Saudi Aramco was a centrepiece of the crown prince's plan to diversify the kingdom's economy beyond oil by raising \$100 bn for investment in other sectors.
- The 32-year-old ruler, widely known as MbS, also promised that listing Saudi Aramco on international stock markets would help create a culture of openness in the secretive kingdom and make it more appealing to foreign investors.
- The decision to shelve the IPO raises doubts about the management of the process as well as the broader reform agenda, sapping the momentum generated by Prince Mohammed's dramatic 2030 Vision announcement in 2016 that helped propel him to power in the world's top oil exporter.
- Industry sources told Reuters this week that both the international and domestic legs of the IPO had been postponed indefinitely. Energy Minister Khalid al-Falih said the government remained committed to conducting the IPO at an unspecified date in the future.

<https://www.thedailystar.net/news/business/shelved-aramco-ipo-hits-heart-saudi-princes-reforms-1624639>

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