

Stock Market

Stocks fall for 2nd day

New Age, September 26, 2019

- Dhaka stocks decreased on Wednesday in cautious trading after a plunge in the previous day as investors were doubtful about whether banks would accept the Bangladesh Bank's offer of loans for investing in the capital market.
- DSEX, the prime index of Dhaka Stock Exchange, dropped by 0.83 %, or 6.98 points, to close at 4,958.72 points on Wednesday after losing 41.51 points in the previous session. The central bank on Sunday decided to lend funds to the schedule banks with lower interest rate for investing in the capital market.
- Average share prices of telecommunication dropped by 0.8 %, bank 0.6 %, textile 0.5 %, and non-bank financial institution decreased by 0.49 %. Among the large capitalised scrips, Grameenphone, BRAC Bank and British American Tobacco Company plunged on the day that weighed on the market.
- On the other hand, share prices of engineering, energy and pharmaceuticals gained on the day. Turnover on the bourse plunged to BDT 318.44 crore on Wednesday from BDT 405.63 crore in the previous session. Out of the 352 scrips traded on the day, 141 declined, 147 advanced and 65 remained unchanged.
- Blue-chip index DS30 shed 0.41 %, or 7.39 points, to close at 1,766.71 points. DSE Shariah index DSES, however, added 0.03 %, or 0.40 points, to close at 1,145.70 points. Monno Jute Stafflers led the turnover chart with its shares worth BDT 11.80 crore changing hands on the day.
- Sonar Bangla Insurance, National Tubes, Grameenphone, VFS Thread Dyeing, Eastern Insurance, Beacon Pharmaceuticals, Rupali Life Insurance, Fortune Shoes and Monno Ceramic were the other turnover leaders. SEML Lecture Equity Management Fund gained the most on the day with a 7.57-% increase in its share prices while Monno Jute Stafflers was the worst loser, shedding 4.72 %.

<http://www.newagebd.net/article/85689/stocks-fall-for-2nd-day>

Trustee seeks BSEC guidance over unitholders' request to convert DBH 1st MF

New Age, September 26, 2019

- Bangladesh General Insurance Company, the trustee of DBH 1st Mutual Fund, has sought guidance from the Bangladesh Securities and Exchange Commission over a proposal made by more than 78 % of the unitholders of the fund to convert the closed-end fund into an open-end one.
- The unitholders' proposal came after the MF's asset management company LR Global extended the fund's tenure by another 10 years. Although the majority of the unitholders including sponsors Delta BRAC Housing Finance Company wanted to convert the MF into an open-end fund, LR Global opposed the move.
- The unitholders requested the trustee to prepare a roadmap and include the proposal for conversion in the roadmap. According to the mutual fund rules, with the prior approval of the BSEC a closed-end mutual fund could be converted into an open-end one if at least 75 % of its unitholders favour the conversion.

<http://www.newagebd.net/article/85690/trustee-seeks-bsec-guidance-over-unitholders-request-to-convert-dbh-1st-mf>

BAD LOANS TWICE AS LARGE

States latest IMF report; ghosts lie with definition of defaulted loans

- The actual size of bad loans is more than double the officially recognised figure, according to a recent report of the International Monetary Fund -- a damning evidence of the fragile state of Bangladesh's banking sector.
- The report was prepared at the request of the government. A specialised mission of the IMF's Monetary and Capital Markets department visited Bangladesh twice in the last six months for a diagnostic review of Bangladesh's banking sector and came up with 43 suggestions for reforms.
- The 69-page report was handed over to the finance ministry and the Bangladesh Bank earlier this month, said a central bank official with knowledge of the matter. At the end of June, the banking sector's total defaulted loans stood at BDT 112,425 crore, which is 11.69 % of the total outstanding loans, according to BB data.
- Some 675 large borrowers reported as defaulters by the Credit Information Bureau have obtained stay order from the High Court, as a result of which their defaulted loans no longer appear in the CIB database and banks can report them as non-classified. There are BDT 79,242-crore such loans as of January 10, according to BB.
- Those loans should be counted as problem assets as well as those in the Special Mention accounts, which is the precursor to classified category. As of June, loans amounting to BDT 27,192.17 crore are held in Special Mention accounts, according to BB data.



<https://www.thedailystar.net/frontpage/default-loan-in-bangladesh-is-more-than-double-reports-imf-1805437>

BDT 13,447CR AUDIT CLAIMS

Kamal hopes to reach consensus with GP, Robi

New Age, September 26, 2019

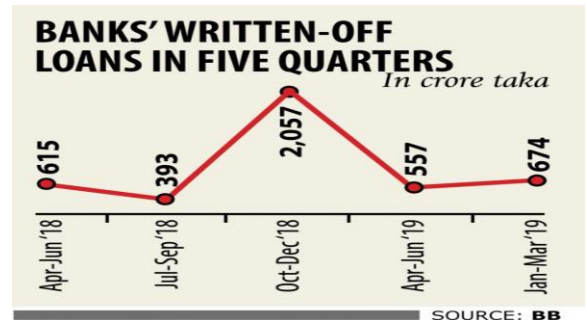
- Kamal made the statement after a meeting of cabinet committee on economic affairs, held at the secretariat in Dhaka. At the meeting, posts and telecommunications minister Mustafa Jabbar and Bangladesh Telecommunication Regulatory Commission chairman Md Jahurul Haque were present, among others.
- In reply to a question whether the government would give interest waiver to GP and Robi, the finance minister said that discussion had been going on and he was hopeful that they would reach a solution without any legal battle. The government might be considering giving them waiver on late fees to get a swift resolution, Jahurul told reporters.

<http://www.newagebd.net/article/85688/kamal-hopes-to-reach-consensus-with-gp-robi>

Written-off loans rise in Q2

The Daily Star 25, September 26, 2019

- Loans written off by banks surged 21 % to BDT 54,463 crore in the second quarter of the year from a quarter ago as the lenders try to clean up balance sheets and paint a rosy picture of their health. As much as BDT 674.38 crore was written-off between April and June, in contrast to BDT 557.30 crore a quarter ago, according to latest data from the Bangladesh Bank.
- The central bank has recently eased its write-off policy, which has encouraged banks to tidy up the balance sheet artificially, said experts. In February, the BB revised the policy to allow banks to write off default loans that have been languishing in the bad category for three years, down from five years previously.
- Furthermore, lenders do not have to file any case with money loan courts to write off delinquent loans worth BDT 2 lakh, up from BDT 50,000 previously. Banks have failed to recover 76 % of the total written-off loans since January 2003 when the central bank introduced the policy.
- This means the unrecovered delinquent loans stood at BDT 41,177 crore as of June. The former governor said there has been many knock-on effects in the sector for the upward trend of the written-off loans as lenders could not realise the loans in most cases.



<https://www.thedailystar.net/business/banking/news/written-loans-rise-q2-1805542>

Tourist arrivals rise in five years

The Financial Express, September 26, 2019

- The number of foreign tourists' arrival in Bangladesh increased over the past five years, according to data revealed at a programme on Wednesday. The number of foreign tourists was about 0.16 mn in 2014 which slightly declined in 2015 reaching 0.14 mn, before increasing again to 0.20 mn in 2016, about 0.26 mn in 2017, around 0.27 mn in 2018 and about 0.20 mn up to July this year.
- The special branch (SB) of police recently provided the data to the civil aviation and tourism ministry. The move came against the backdrop of criticism about lack of data from various stakeholders of tourism sector including tour operators, hoteliers, travel agencies, media, academicians and researchers.



Source: Ministry of Tourism

- Data is very much needed to prepare plan and undertake programmes to develop the tourism sector. The ministry has been talking to various foreign missions and embassies here to lift the red, orange and yellow alerts which were issued after Holi Artisan attack, he added.

<http://thefinancialexpress.com.bd/trade/tourist-arrivals-rise-in-five-years-1569469201>

Climate-friendly tax reform could help BD boost GDP: Report

It suggests carbon pricing and abolishing subsidies on fossil fuel

The Financial Express, September 26, 2019

- Tax reform - including putting price on carbon emission, abolishing subsidies on fossil fuel and using the revenue in infrastructure, social spending and green-tech in textile sectors - could help Bangladesh boost gross domestic product (GDP), create new employment and protect environment, according to a latest report.
- The proposed measures could help adding US\$6.9-\$7.8 bn to GDP, while saving 18.5-19.9 megatonnes of carbon and \$405-\$429 mn in energy imports and create employment for 0.50 mn by 2025, it revealed.
- The report titled "Tax as a force for good: aligning tax systems with the SDGs and the inclusive circular economy. Case study Bangladesh" launched on Tuesday jointly by the independent Dutch think-tank The Ex'tax Project, Cambridge Econometrics and C&A Foundation.
- According to the research, it is possible to design policies that reduce resource use and harmful emissions while at the same time stimulating the economy and creating jobs as well as higher incomes for those who need it most.
- Cambridge Econometrics, a UK-based economics consultancy, has modelled the impacts of two preliminary scenarios-infrastructure and social in Bangladesh. These included putting a price on carbon emissions and abolishing fossil fuel subsidies, while using the revenues to invest in clean technologies, infrastructure and social spending.
- The measures are assumed to be introduced gradually from 2020 to reach the full measures by 2024. In the year 2025, both scenarios are expected to raise \$4.3 bn in revenues by introducing a carbon tax of \$30 per tonne of CO2 emitted by industries and the power sector, and phasing out oil and natural gas subsidies for industries and power generation.

<http://thefinancialexpress.com.bd/economy/bangladesh/climate-friendly-tax-reform-could-help-bd-boost-gdp-report-1569470294>

Women hold only 18pc bank jobs: BB

New Age, September 26, 2019

- The number of female employees in the country's banking sector has been increasing at a snail's pace as the number is still below 18 %.
- The %age of woman employees against male staff in banks was 17.88 % at the end of June this year as 25,771 women were working in the banking sector while the number of male employees was 1,44,104 at that time,

according to a Bangladesh Bank report on gender equality in banks and non-bank financial institutions for January-June, 2019.

- In December last year, the women's participation was 17.45 % with 24,991 female employees against 1,43,201 male staff. Among the state-owned, private, specialised and foreign banks, the specialised commercial banks had least number of female employees as women constituted 14.01 % of the workforce in such banks.
- Woman employees in the specialised banks were also below the average women's representation in the banking sector. The specialised banks — Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank and Probashi Kallyan Bank — had 1,495 female employees against 10,670 male employees.
- The %age of woman employees against male staff was 16.97 % in six state owned banks — Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development banks — as the banks had 7,262 female employees against 42,788 male employees. The ratio was 16.24 % at the end of December, 2018.
- Forty private commercial banks, which offer 61 % of the country's banking jobs, had 18.33 % female employees as they had 16,076 female and 87,711 male employees. Besides, the ratio of women in the banks' boards was only 13.34 % in the country. The %age of female employees in the banks' mid-level and entry-level jobs was only 15.30 % and 15.48 % respectively.

<http://www.newagebd.net/article/85685/women-hold-only-18pc-bank-jobs-bb>

International

Oil prices fall

New Age, September 26, 2019

- Oil prices fell for a second day on Wednesday on worries that fuel demand could fall after US President Donald Trump doused recent optimism over China-US trade talks at a time of rising US crude oil stockpiles.
- Brent crude futures LCOc1 were down \$1.05 cents at \$62.05 a barrel by 1127 GMT, erasing all gains made after an attack on Saudi oil facilities sent the benchmark up around 20 % last week. Nevertheless, the benchmark remains on track for its first monthly gain since June.

<https://www.thedailystar.net/business/global-business/news/oil-prices-fall-1805527>

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