

Stock Market

Dhaka stocks drop as political activities make investors jumpy

New Age, November 26, 2018

- Dhaka stocks dropped on Sunday after a four-day gain as rising political activities ahead of the 11th parliamentary polls kept investors jumpy on the trading floor. DSEX, the key index of Dhaka Stock Exchange, lost 0.55 %, or 29.70 points, to close at 5,276.24 points on Sunday after gaining 61 points in the previous four sessions.
- The financial sector led the dive on Sunday with share prices of non-bank financial institution and bank sectors losing by 1.21 % and 0.92 % respectively. Out of the 30 traded bank scrips, 26 dropped, just one advanced and three remained unchanged while out of the 23 NBFIs, 21 dropped, one advanced and one remained unchanged.
- Share prices of telecommunication, textile and pharmaceuticals dropped by 0.81 %, 0.70 % and 0.58 % respectively. Among the prominent scrips, Square Pharmaceuticals lost 1.15 % and Grameenphone shed 0.30 % that contributed most to the decline on the day.
- Average share prices of engineering, miscellaneous and food gained 0.56 %, 0.42 % and 0.52 % respectively on Sunday, the opening day of the week. The turnover on DSE increased to BDT 569.45 crore on Sunday compared with that of BDT 552.64 crore in the previous trading session.
- Share prices of energy, engineering and textile sectors dropped by 1.03 %, 0.66 % and 0.45 % respectively. Of the 336 companies and mutual funds traded on Sunday, 184 declined, 110 advanced and 31 remained unchanged.
- DSE blue-chip index DS30 declined by 0.72 %, or 13.52 points, to close at 1,856.44 points. Shariah index DSES shed 0.52 %, or 6.49 points, to finish at 1,221.05 points. Khulna Power Company led the turnover chart with its shares worth BDT 32.13 crore changing hands.
- Intech Limited, SK Trims, Saiham Cotton, United Power Generation Company, Wata Chemicals, Paramount Textile, Kattali Textile, Shepherd Industries and IT Consultants were the other turnover leaders. IT Consultants gained the most on the day with a 9.25-% increase in its share prices, while Kohinoor Chemicals Company was the worst loser, shedding 19.14 %.

<http://www.newagebd.net/article/57072/dhaka-stocks-drop-as-political-activities-make-investors-jumpy>

IDLC Finance to issue bond worth BDT 5.0b

The Financial Express, November 25, 2018

- The board of directors of IDLC Finance has decided to issue non-convertible zero coupon bonds worth BDT 5.00 bn (in face value). The non-bank financial institutions will issue the bond through private placement.
- The bond issue is subject to the approval of the regulatory authorities — Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC). Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in 1992, closed at BDT 69.90 on Thursday last.
- Its share traded between BDT 57 and BDT 92.90 in the last one year. The company's consolidated earnings per share (EPS) stood at BDT 1.88 for July-September 2018 as against BDT 1.73 for July-September 2017.
- The consolidated EPS was BDT 4.83 in nine months for January-September 2018 as against BDT 4.90 for January-September 2017. The consolidated net operating cash flow per share (NOCFPS) was BDT 27.06 for January-September 2018 as against BDT 23.08 for January-September 2017.
- The consolidated net asset value (NAV) per share was BDT 35.24 as on September 30, 2018 and BDT 33.41 as on December 31, 2017. The company disbursed 30 % cash dividend for the year ended on December 31, 2017. The company's paid-up capital is BDT 3.77 bn and authorised capital is BDT 10 bn, while the number of securities is

377.05 bn. The sponsor-directors own 56.66 % stake in the company, while institutional investors own 17.11 %, foreign 13.47 % and the general public 12.76 % as on October 31, 2018.

<http://thefinancialexpress.com.bd/stock/idlc-finance-to-issue-bond-worth-BDT-50b-1543126999>

GP staff seek regulatory intervention amid massive job cut move

New Age, November 26, 2018

- Employees of leading mobile phone operator Grameenphone on Sunday sought regulatory intervention to stop a massive job cut move taken by the rapidly growing mobile operator in the name of common delivery centre (CDC) project.
- They made the demand from a human chain programme they held in front of National Press Club in Dhaka after handing over a memorandum to the Bangladesh Telecommunication Regulatory Commission chairman and the labour directorate director general seeking intervention to stop the GP's job cut move.
- GP, a concern of Norwegian Telenor Group and a publicly listed company in Bangladesh, posted BDT 1,970 crore in profit in 2015 when the number of its fulltime employees was 5,500 but the number of its employees declined to 2,397 in 2017 despite making BDT 2,742.3 crore in profit in that year.
- Following the latest job cut move, Grameenphone Employees Union (proposed) president Fazlul Haque and its general secretary Mia Mohammad Shafiqur Rahman Masud sent a letter to prime minister Sheikh Hasina on October 22 this year seeking her intervention.

<http://www.newagebd.net/article/57071/gp-staff-seek-regulatory-intervention-amid-massive-job-cut-move>

Economy

Govt likely to allow 1-person co

Draft amendments to Companies Act likely to be placed before cabinet today

New Age, November 26, 2018

- The government has finalised the draft amendments to the Companies Act (Bangladesh), 1994, allowing a person to form a limited or unlimited company under his/her name. The draft amendments incorporated a provision for adding PLC in the case of public limited company, Pvt in the case of private limited company and OPC in the case of one-person company to their names.
- In the case of one-person company, only one person would be considered as the first director of the company. Country's businesspeople termed the proposed amendments as positive saying that the changes would develop business environment in the country.
- According to a ministry source, the draft amendments to the companies act might be placed before the cabinet today. The draft amendments empowered Office of the Registrar of Joint Stock Companies and Firms to rectify registration of mortgages. The amendments also empowered RJSC and the commerce ministry to confirm the alternation of the memorandum of companies.
- As per the existing companies act, court does the jobs. Two new provisions related to filling in applications, documents and inspections in electronic form and value-added services through electronic form were included in the proposed amendments.

<http://www.newagebd.net/article/57067/govt-likely-to-allow-1-person-co>

Govt to seek \$ 1.0b funds from ADB, China

Faridpur-Kuakata four-lane highway

The Financial Express, November 25, 2018

- The government will seek nearly US\$ 1.0 bn funds from the Asian Development Bank (ADB) and China to upgrade Faridpur-Barisal-Kuakata highways into four-lane, officials said on Saturday. The department has planned to build the country's longest four-lane highways in the south-western region to make the economic activities vibrant in the countryside.
- The road will be constructed from Faridpur to Kuakata via Bhanga-Barisal-Patuakhali. Meanwhile, the department has planned to prepare two separate project proposals. The first one will be prepared for upgrading the 125km-long road from Faridpur to Barisal into four-lane where the ADB has offered to finance.
- The second one will be framed for building the 112km-long Barisal to Kuakata road into a four-lane highway where China is interested to finance. Meanwhile, the RHD has already taken a project to acquire and develop necessary lands for upgrading the highways to be connected to the tourist town of Kuakata with Faridpur.
- Last month, the Executive Committee of the National Economic Council (ECNEC) approved a BDT 18.68 bn project for land acquisition for upgrading the highway.

<http://thefinancialexpress.com.bd/economy/bangladesh/govt-to-seek-10b-funds-from-adb-china-1543118431>

Robi turns a profit after seven quarters

The Daily Star, November 26, 2018

- Robi bounced back to profitability in the third quarter of the year after seven straight quarters of losses, helped by the sell-off of its 20 % stakes in the telecom infrastructure provider edotco Bangladesh. Between the months of July and September, the mobile operator, which is Bangladesh's second biggest, logged in a net profit of BDT 310 crore.
- This is the first quarter in which Robi was in the green after its industry-shaping merger with Airtel in November 2016. Robi sold 20 % of its shares in edotco Bangladesh to Axiata Group for about \$120 mn, the payment for which was received in September. The one-off payment dragged Robi to profitability.
- The operator's service revenue increased 9.1 % year-on-year, according to the financial report of Axiata Group, its parent company. During the quarter, Robi's gross revenue was BDT 1,751.85 crore, 25 % of which came from the data segment. The data revenue soared 31 %, thanks in part to the roll-out of 4G service in February.
- Robi has 4.68 crore active mobile connections, 40 % of which are using smartphones. More than 60 % use data. During the quarter Robi's earnings before interest, tax, depreciation and amortisation also increased 31.1 % to BDT 468.80 crore thanks to the windfall from edotco stake sell-off.
- The EBITDA growth was driven by lower material cost and reduction in the interconnect charges from the second week of August. The regulator has also introduced a unified floor rate regime under which the floor rates applicable to on-net and off-net voice tariffs were unified at BDT 0.45. This gave a boost to the average revenue per user, which rose to BDT 122 per month during the quarter from BDT 117 in the previous quarter.

<https://www.thedailystar.net/business/telecom/news/robi-turns-profit-after-seven-quarters-1665115>

FOREIGN AID

Utilisation back on slow lane

The Daily Star, November 26, 2018

- The use of foreign aid in the first four months of the fiscal year dropped 8.80 % in spite of the ambitious utilisation target set by the government. The government had set about mobilising \$7.5 bn of foreign aid at the start of the fiscal year, which would be the highest in the country's history.
- But, as of October, the government managed to put to use only \$1.33 bn, according to data from the Economic Relations Division. The development can be viewed as the ministries and divisions reverting to type: last fiscal year they expended a record amount of \$6.1 bn, which was double of what they managed each year between fiscal years 2012-13 and 2016-17.
- The reason for the decline in foreign aid utilisation is the slowdown in implementation of the annual development programme (ADP), said an official of the finance ministry. Of the amount used in the first four months of the fiscal year, the World Bank provided \$305 mn, the Asian Development Bank \$315 mn, Japan International Cooperation Agency \$273 mn and Russia \$63 mn.
- Other than utilisation, foreign aid commitment from the development partners also slumped during the period: by 36 %. Foreign aid commitment was \$3.61 bn, most of which came from the WB and the ADB. The WB committed \$1.11 bn and ADB \$2.18 bn.
- It is unlikely that the foreign aid commitment this year would be the same as in the previous two years. Before fiscal 2009-10, Bangladesh used to receive aid commitment of \$1 bn to \$2 bn every year. From fiscal 2009-10 the amount jumped to \$5 bn and it went on to hit \$7 bn in fiscal 2015-16.
- But in fiscal 2016-17 the amount more than doubled thanks to Russia's commitment to Rooppur nuclear power plant project. In fiscal 2016-17, foreign aid commitment stood at \$17.96 bn. Last fiscal year the country received foreign aid commitment of \$14.86 bn, with China and India accounting for \$4.35 bn and \$4.5 bn respectively.

<https://www.thedailystar.net/business/news/utilisation-back-slow-lane-1665121>

Second Boeing Dreamliner to join Biman fleet Dec 1

New Age, November 26, 2018

- The second Boeing 787-8, known as the Dreamliner, will arrive here on December 1 rising the number of planes in Bangladesh Biman's fleet to 15. The Boeing Company will hand over the ownership of the brand new aircraft on November 29 while the BG-2112 flight will arrive in the city after making an uninterrupted 15:30 hours journey from Penfield Airport in Seattle, USA, said General Manager (public relations) of Biman Bangladesh Airlines Shakil Meraj.
- Earlier, the first Dreamliner Boeing 787-8, known as Akash Beena, arrived here on August 19, he added.
- The aircraft is slated to operate flights from Dhaka to London, Dammam and Bangkok routes. The Dreamliner will operate six flights on Dhaka-London route, four on Dhaka-Dammam route and three on Dhaka-Bangkok route in a week from December 10, Biman Bangladesh's managing director and chief executive officer (CEO) AM Mosaddique Ahmed said.
- The 271-seat Boeing 787-8 has been designed to be 20 % fuel efficient than the other aircraft. The airliner has the capacity to fly 16 hours nonstop with an average speed of 650 miles per hour. In 2008, Biman Bangladesh Airlines signed a US\$2.1 bn agreement with Boeing to purchase 10 new aircraft. Of these, Boeing has already delivered six 777-300ER's and two 737-800's and one Dreamliner to Biman.

<http://www.newagebd.net/article/57069/second-boeing-dreamliner-to-join-biman-fleet-dec-1>

International

China economic growth seen slowing down to 6.3pc next year

The Financial Express, November 25, 2018

- China's economic growth is expected to hit 6.6 % this year and slow to 6.3 % in 2019 as the country struggles with challenges relating to trade and structural reform, economists from Beijing's Renmin University said in a report.
- The predictions, published by the news service of the China Academy of Social Sciences late on Saturday, are in line with the median forecast in a poll of 73 economists by Reuters last month, with China under increasing pressure from a trade war with the United States.
- But the economists with Renmin University's School of Economics warned that China would still face difficulties even if trade tensions with the United States were resolved, with the country facing a deteriorating global trade environment, falling export growth, and currency depreciation.
- China's gross domestic product (GDP) grew 6.5 % year on year in the September quarter, its slowest quarter of growth since 2009, and Beijing has tried to encourage commercial banks to boost lending to private firms and take action to ease company financing problems.
- The economists said it would be difficult to use short-term measures to alleviate downward economic pressures now building in China, and while recent policies should prevent a deeper decline in growth next year, a new round of structural supply-side reforms was needed.
- They predicted that 2019 would be critical in the restructuring of China's economy and its long-term transition to a slower and more high-quality growth model. The report said next year should also see a rebalancing of China's foreign trade, with imports likely to soar 16.1 %, compared with a 6.1 % rise in 2018.

<http://thefinancialexpress.com.bd/economy/global/china-economic-growth-seen-slowing-down-to-63pc-next-year-1543131794>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

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).

BASL Research Team

Mr. SharifulAlam Chowdhury Head of Research & Investments	tushar@basl-bd.com, tusharbd@bloomberg.net
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com, shohidulbd@bloomberg.net
TanzinNaher Research Associate	tanzin@basl-bd.com
Mr. Monir Hossain Research Associate	monir@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.