

## Stock Market

### Dhaka stocks fall on concern about financial sector

New Age, February 27, 2019

- Dhaka stocks returned to the negative zone on Tuesday as investors went for selling shares especially financial scrips ahead of their corporate declarations. DSEX, the key index of Dhaka Stock Exchange, lost 0.29 %, or 17.15 points, to close at 5,738.64 points on Tuesday after gaining 41.52 points in the previous session.
- Share prices of bank and non-bank financial institution dropped by 0.70 % and 0.62 % respectively. Out of the 30 traded bank scrips, 23 declined, just three advanced and four remained unchanged while out of the 23 NBFIs, 18 declined, just three advanced and two remained unchanged. Moreover, investors were uncertain about any extension of the deadline for adjusting advance deposit ratio by banks, they said. The current deadline is on March 30. The average share prices of engineering, textile and energy sectors also dropped on the day.
- General insurance, pharmaceuticals and telecommunication advanced by 2.0 %, 0.7 % and 0.3 % respectively. The turnover on the bourse dropped to BDT 679.45 crore on Tuesday from BDT 718.24 crore in the previous trading session.
- Out of the 345 issues traded on the day, 194 declined, 113 advanced and 39 remained unchanged. DSE blue-chip index DS30 shed 0.11 %, or 2.33 points, to close at 2,014.40 points. Shariah index DSES declined by 0.01 %, or 0.22 points, to finish at 1,319.72 points. Square Pharmaceuticals led the turnover leaders with its shares worth BDT 39.99 crore changing hands on the day.
- United Power Generation Company, Fortune Shoes, Monno Ceramics, Sonar Bangla Insurance, Bangladesh Submarine Cable Company, Khulna Power Company, BRAC Bank, Grameenphone and Legacy Footwear were the other turnover leaders. Takaful Islamic Insurance gained the most on the day with a 9.86-% increase in its share prices while Emerald Oil Industries was the worst loser, shedding 9.90 %.

<http://www.newagebd.net/article/65909/dhaka-stocks-fall-on-concern-about-financial-sector>

### Emerald Oil directors fined BDT 5 lakh each, top brass' BO accounts frozen

New Age, February 27, 2019

- Bangladesh Securities and Exchange Commission on Tuesday fined five directors of Emerald Oil Industries Limited BDT 5 lakh each and froze the beneficiary owners' accounts of the directors and other top officials of the company for breaching securities laws.
- The commission also fined a director of Purabi General Insurance Company BDT 10 lakh for violating rules. BSEC took the punitive measures at a commission meeting presided over by its chairman M Khairul Hossain, said a press release.
- The regulator imposed fines on all directors, except independent directors, of Emerald Oil as the company failed to submit financial statements for the year ending June 30, 2017. The company has seven-member board, including two independent directors.
- The regulator also decided to freeze BO accounts of its sponsors, directors (except independent directors), chief executive officer, chief financial officer, company secretary and head of internal audit and compliance.
- The commission fined Purabi General Insurance Company director Golam Fatema Tahera Khanom, a director nominated by Mona Garments Limited, BDT 10 lakh as she sold shares of PGICL without prior declaration breaking securities rules.

<http://www.newagebd.net/article/65910/emerald-oil-directors-fined-BDT-5-lakh-each-top-brass-bo-accounts-frozen>

## **Runner Automobiles to hold IPO lottery draw March 04**

The Financial Express, February 26, 2019

- Runner Automobiles is set to hold IPO lottery draw on March 04 which will allocate 13.93 mn ordinary shares among the successful applicants. The initial public offering (IPO) lottery draw will be held at 10:00am at the A G B Colony at Motijheel in Dhaka.
- After the event, result will be published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. Runner Automobiles, a flagship company of Runner Group, raised a fund worth BDT 1.0 bn from the capital market under the book-building method.
- The IPO subscription of the company was held between January 31 and February 10. The book-building method is a process through which an issuer attempts to determine the price of a share based on the demand from institutional investors. The cut-off price of the shares of motorcycle maker fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book-building method.
- Of 13.93 mn shares, more than 8.33 mn shares (60 %) will be issued to the eligible institutional investors at the cut-off price of BDT 75 each. The remaining 5.60 mn shares (40 %) will be issued to general investors through IPO at BDT 67 each, after a 10 % discount on the cut-off price.
- According to financial statements of the motorcycle maker for the year ended on June 30, 2017, the company's net asset value (NAV with revaluation) per share stood at BDT 55.70. The NAV without revaluation was BDT 41.94. The weighted average of the EPS (earnings per share) is BDT 3.31. IDLC Investments Limited is the issue manager of the IPO.

<http://thefinancialexpress.com.bd/stock/runner-automobiles-to-hold-ipo-lottery-draw-march-04-1551162928>

## **IDLC partners with Exotix Capital to woo global investors**

The Daily Star, February 27, 2019

- IDLC has recently joined hands with Exotix Capital, an investment platform focusing developing markets, to provide global investors extensive research insights and corporate access into the Bangladesh market.
- Exotix will distribute among its global subscriber base in-depth insights from IDLC via its innovative new research platform, the non-banking financial institution said in a statement.
- This partnership follows additional agreements of Exotix with other industry-leading brokerages in Egypt, Zimbabwe, Saudi Arabia, Vietnam, Sri Lanka and Pakistan.

<https://www.thedailystar.net/business/news/idlc-partners-exotix-capital-woo-global-investors-1707676>

## **Banks to remain closed tomorrow for DNCC by-polls**

Dhaka Tribune, February 26, 2019

- According to the circular, the central bank said in order to facilitate the voting of the employees of the banks, the head offices and branches situated in the election areas will remain closed. The head offices and branches of all banks located in Dhaka North City Corporation (DNCC) area will remain closed tomorrow (February 28) for the DNCC by-polls.
- Bangladesh Bank issued a circular yesterday to the chief operating officers of all schedule banks on this regards. According to the circular, the central bank said in order to facilitate the voting of the employees of the banks, the head offices and branches situated in the election areas will remain closed.

- The mayoral by-polls in Dhaka North City Corporation and election in 18 new wards is scheduled to be held tomorrow. The election for councillor posts in 18 wards will also be held in Dhaka South City Corporation.

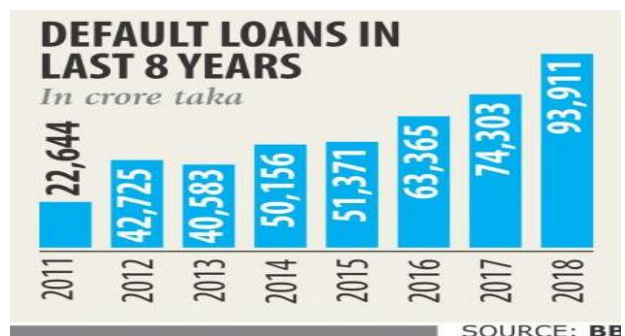
<https://www.dhakatribune.com/business/banks/2019/02/26/banks-to-remain-closed-tomorrow-for-dncc-by-polls>

## Economy

### Default loans soar 26pc

The Daily Star, February 27, 2019

- Default loans at banks went up by a hefty 26.38 % or BDT 19,608 crore last year, the highest rise in seven years, exposing the precarious condition of the banking sector. The amount of non-performing loan (NPL) stood at BDT 93,911 crore at the end of 2018, up from BDT 74,303 crore a year ago, according to data from the central bank.
- The NPLs now accounted for 10.30 % of the banking sector's total loans, up from 9.31 % in 2017. Bad loans can be rescheduled for a maximum of three times as per the central bank's instruction. Classified loans at the state-run lenders stood at 57 % of the NPLs in the banking sector. The eight state-run banks' default loans totalled BDT 53,484 crore last year, up 25.10 % year-on-year.
- The default loans at private commercial banks rose 30 % year-on-year to BDT 38,140 crore last year. Foreign banks also saw an increase of 6.19 % to BDT 2,288 crore. High levels of the NPLs could impede a pickup in investment if left unaddressed, said the Metropolitan Chamber of Commerce and Industry, Dhaka on Monday.



<https://www.thedailystar.net/business/banking/news/default-loans-soar-26pc-1707811>

### POWER IMPORT FROM INDIA

#### Govt plans BDT 3,322cr transmission line

The Daily Star, February 27, 2019

- The government is going to construct a 140-kilometre high-voltage electricity transmission line between Barapukuria and Kaliakair to import 1,600 megawatts of power from Indian conglomerate Adani Group. The planning ministry is going to place a mega project involving BDT 3,322 crore at the meeting of the Executive Committee on National Economic Council (Ecne) today to set up the transmission line. Of the cost, 52 % will come from a second Indian line of credit.
- Earlier, the power division of Bangladesh and Adani Group signed a memorandum of understanding to allow the Indian firm to invest \$2.5 bn to build a 1,600MW coal-fired power plant in the country. Later, Gujarat-based Adani Power, the largest private sector electricity producer in India, changed its plans. The power will now be generated in Jharkhand of India.
- Adani Group is expected to start producing the electricity between 2022 and 2023, said a planning ministry official. In future, the proposed transmission line would be used to import electricity from Nepal and Bhutan as well, the official said. The planning minister is also going to place another project involving BDT 845 crore to acquire 1,000 acres of land in Mirsarai in Chittagong for Indian investors.

<https://www.thedailystar.net/business/news/govt-plans-BDT-3322cr-transmission-line-1707706>

## International

### **Iran buys Indian sugar for 1st time in 5yrs to overcome US sanctions**

New Age, February 27, 2019

- Indian traders will export raw sugar to Iran for March and April delivery, five trade sources said, the first Indian sugar sales to Tehran in at least five years as Iran struggles to secure food supplies under sanctions imposed by the United States.
- Under the sanctions, Iran is blocked from the global financial system, including using US dollars to transact its oil sales. Iran agreed to sell oil to India in exchange for rupees but it can only use those rupees to buy Indian goods, mainly items it cannot produce enough of domestically.
- Trading houses have contracted to export 150,000 tonnes of raw sugar for shipments arriving in March and April at \$305 to \$310 per tonne on a free-on-board basis, the trade sources told Reuters this week. Iran's state buyer, the Government Trading Corporation (GTC), purchased the sugar to ensure ample supplies in the coming months, said a second source, a Mumbai-based exporter. Iran usually buys sugar from Brazil, the world's biggest producer and exporter of the sweetener.
- Cargill, Bunge and other global traders have halted food supply deals with Iran because the new US sanctions have disrupted the banking systems used to settle payments, industry and Iranian government sources said in December. The exports will help reduce swelling sugar inventories in India, the world's second-biggest sugar producer, but could weigh on global prices that have risen 8.9 % so far in 2019 to 13.1 cents per pound as of Monday.
- During the last round of US sanctions that ended in 2015, India was one of the few countries that continued to trade with Iran. India is Iran's biggest supplier of premium basmati rice and Indian rice traders have extensive business relationships in the country. US president Donald Trump pulled the United States out of a multilateral nuclear deal with Iran in May and reimposed sanctions on Iran's vital oil industry from November.

<http://www.newagebd.net/article/65915/iran-buys-indian-sugar-for-1st-time-in-5yrs-to-overcome-us-sanctions>

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