

Stock Market

Dhaka stocks gain as DSE moves to revive market

New Age, March 26, 2019

- Dhaka stocks on Monday ended a three-day losing streak as a section of institutional investors went for bargain hunting amid a Dhaka Stock Exchange's move to figure out the causes of the recent bear run at the market.
- DSE on the day held an emergency meeting with merchant banks, stockbrokers and asset management companies in this connection. DSEX, the key index of DSE, added 0.32 %, or 17.99 points, to close at 5,530.07 points on Monday after losing 119 points in the previous three sessions.
- At the meeting, the stakeholders demanded placement share issuance policy, scrips netting, cutting interest rate on national savings certificates, raising mutual funds activity, enhancing transparency in corporate disclosure, cancelling initial public offering quota and formation of financial institution like Investment Corporation of Bangladesh.
- The share prices of telecommunication, textile, bank and energy sectors advanced by 2.0 %, 0.6 %, 0.41 % and 0.4 % respectively. The share prices of Grameenphone surged by 2 % on Monday to extend the gaining streak to seven consecutive days as Bangladesh Telecommunication Regulatory Commission on March 19 withdrew the four conditions it imposed on leading mobile phone operator as significant market power.
- The turnover on the bourse inched up to BDT 385.77 crore from that of BDT 354.35 crore in the previous trading session. The average share prices of cement, engineering, food and pharmaceutical sectors dropped by 0.8 %, 0.6 %, 0.4 % and 0.2 % respectively.
- Singer Bangladesh led the turnover leaders with its shares worth BDT 46.80 crore changing hands on the day. Grameenphone, United Power Generation Company, British American Tobacco, Monno Ceramic Industries, BRAC Bank, JMI Syringes & Medical Devices, Legacy Footwear, Premier Bank and Dutch-Bangla Bank were the other turnover leaders.
- Al-Arafah Islami Bank gained the most on the day with a 5.5 % increase in its share prices while Singer Bangladesh was the worst loser, shedding 29.11 %.

<http://www.newagebd.net/article/68381/dhaka-stocks-gain-as-dse-moves-to-revive-market>

BIFFL to go public to raise BDT 10 mn

The Financial Express, March 26, 2019

- Bangladesh Infrastructure Finance Fund Limited (BIFFL) has planned to mobilise capital amounting to BDT 26 mn through issuing bond and floating IPO in the capital market in short and long terms. In the first phase of mobilising funds, the application for a non-convertible fully redeemable subordinated bond worth BDT 4.0 mn is now waiting for approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank.
- The state-owned non-bank financial institution will hopefully get approval of BDT 4.0 mn bonds by June this year, according to BSEC sources. The tenure of the fully redeemable non-convertible bond will be of five years. According to BIFFL, they want to issue another bond in 2021 worth BDT 4.0 mn.
- The financial institution wants to float two more bonds worth BDT 4.0 mn each in foreign currency in 2020 and 2021, according to BIFFL. The company plans to collect BDT 10 mn through floating initial public offering (IPO) by next year.
- It has already financed BDT 31 mn in power, economic zones, tourism and hospitality management, health and environment-friendly projects until now. BIFFL is the biggest non-banking financial institution in Bangladesh owned by government having authorized capital and paid up capital of BDT 100 mn and BDT 20.10 mn respectively.

<http://thefinancialexpress.com.bd/stock/biffil-to-go-public-to-raise-BDT-10-mn-1553574419>

DSE top brokers for cancellation of initial public offering quota

They also demand scrip netting facility, T+0 settlement period

- The top brokers of DSE and merchant bankers have demanded of the regulator to introduce T+0 share trading cycle settlement aiming to bring dynamism in trading activities that currently remained dull. They also urged the Bangladesh Securities and Exchange Commission (BSEC) to formulate a guideline regarding much-talked about the 'placement shares'.
- They demanded cancellation of existing initial public offering (IPO) quota. Share trading settlement period is T+0 means buyers make payment and sellers have to transfer ownership of stocks in the same day. Currently, share trading settlement period is two days (T+2), meaning, buyers make payment and sellers have to transfer ownership of stocks within two days after the trade taking place.
- They also demanded to introduce share-netting facility as they believe this trading system will help reverse the slumping turnover. Netting is used in share trading, where an investor can change his position on a single day. Their demands came at an emergency meeting with the Dhaka Stock Exchange (DSE) board of directors and top broker and merchant bankers on Monday evening at the DSE premises.
- They also laid emphasis on transparency in listed companies' corporate disclosures, listing of multinational companies to enhance the depth of the country's capital market, to attract more foreign investors to the Bangladesh capital market etc.

<http://thefinancialexpress.com.bd/stock/dse-top-brokers-for-cancellation-of-initial-public-offering-quota-1553581949>

First floating rate T-bond hits market

The Daily Star, March 27, 2019

- The government has floated a three-year treasury bond based on the interest rate determined by the market -- a first for the country -- with a view to diversifying the securities market.
- The existing government securities have fixed interest rates, so the new debt instrument -- Floating Rate Treasury Bond (FRTB) -- will encourage individuals to go to the secondary bond market as there will be a good possibility to enjoy a hefty return given the country's socioeconomic development.
- The FRTB, which is worth BDT 500 crore, was issued by the central bank on Monday in the primary bond market. Three banks -- Sonali, NRB and South Bangla Agriculture and Commerce -- purchased BDT 112 crore of the bond, while the remaining amount was mopped up by the central bank itself.
- The interest rate on the bond was set at 6.50 % through an auction, which is higher than the existing 6.44 % interest rate for five-year treasury bonds. Before this, there were five government treasury bonds in the market with maturities ranging from two years to 20 years but with fixed interest rates.
- For instance, the interest rate on the five-year treasury bond is now 6.44 % and those who invested in the instrument will get the same return upon its maturity. But those who invest in the FRTB can get more or less than 6.50 % as the yield is floating. The interest rate of the instrument will change every three months.
- The clients are now enjoying interest two times a year from the traditional bond, but the facility is doubled for bondholders of the FRTB. The interest rate on the FRTB will be fixed calculating the Bangladesh Compounded Rate (BCR) and adding a spread set by lenders.

<https://www.thedailystar.net/business/news/first-floating-rate-t-bond-hits-market-1720789>

BSEC wants permanent waiver from tax, VAT

New Age, March 26, 2019

- Bangladesh Securities and Exchange Commission has sought permanent exemption from paying value-added tax and income tax imposed on its earnings saying that the commission is not a financial institution rather a statutory capital market regulating body.
- As the commission is not a financial institution, NBR could not impose VAT and income tax on the regulator's earnings. The BSEC chairman said that the revenue board might not aware of the fact that the market regulator had been depositing the earnings to the government treasury without any legal bindings.

<http://www.newagebd.net/article/68452/bsec-wants-permanent-waiver-from-tax-vat>

Eastern Housing revenue soars

Dhaka Tribune, March 25, 2019

- Eastern Housing Limited (EHL), a company listed with both bourses of the country, reported the highest ever income of BDT341 crore in FY18, up from BDT317 crore last year.
- The growth in income before taxes, and net profit, in the last fiscal year were 30.97% and 9.49% respectively, which were 29.33% and 6.86% in the previous year. Concerned officials of the company said they had managed to reduce the finance cost. The financing cost to revenue ratio was only 5.33% in the last fiscal year, which was 8.47% in fiscal year 2016-2017.
- The company has made a net profit of BDT32.44 crore in the last fiscal year, up from BDT21.75 crore in the previous year, registering a staggering growth of 49.16%. Earnings per share (EPS) stood at BDT3.48 which was BDT2.33 last year. Eastern Housing is one of the largest corporate taxpayers in the real estate sector of the country. Its contribution to the national exchequer has been increasing significantly over the last few years. The contribution in 2017-18 was BDT151.43 mn compared to BDT140.63 mn in 2016-17.
- The Board of Directors has recommended 25% cash dividends for the year ended 30 June, 2018. The company's share prices closed at BDT51.60 on Monday on the Dhaka Stock Exchange (DSE). EHL, presently an 'A' rated company, was listed in the stock exchanges in 1994. The company's sponsor-directors hold 50.09% shares, institutions 24.01%, and general shareholders 25.90%.

EASTERN HOUSING LIMITED (EHL) Performance at 2017-2018	
INCORPORATION OF THE COMPANY	1964
YEAR OF LISTING ON STOCK MARKET	1994
MARKET CATEGORY	A
AUTHORIZED CAPITAL	TK200CR
PAID UP CAPITAL	TK93CR
NUMBER OF SHARES OUTSTANDING	93,345,153
REVENUE	TK342CR
NET PROFIT AFTER TAX	TK32.4CR
TOTAL ASSETS	TK2,007CR
NET ASSET VALUES (NAV)	TK60.15 per share
EARNINGS PER SHARE (EPS)	TK3.48

<https://www.dhakatribune.com/business/2019/03/25/eastern-housing-revenue-soars>

GSM puts Bangladesh on world IoT map

New Age, March 26, 2019

- The global association of GSM mobile operators 'GSMA' has recognised Grameenphone as one of the first telecom operators in South Asia and the first operator in Bangladesh to introduce the NB-IoT network, which puts Bangladesh and Grameenphone on the world IoT map, said a press release.
- Narrow Band Internet of Things (NB-IoT) is a cutting-edge communications technology that facilitates the connection of mns of everyday appliances, like waste bins and power meters, all over the country.

- NB-IoT is far more energy efficient and uses a fraction of the bandwidth compared to regular 4G communication which means, meters installed in pipes or drains, or parking sensors placed in the basement of car parks, are easily connected with the network, the release said.
- NB-IoT is expected to enable rapid adoption of IoT applications in the country, such as smart electricity/gas/water metering, safety monitoring, city parking, city lighting, connected vehicles and various industrial automation solutions, the release said.

<http://www.newagebd.net/article/68385/gsm-puts-bangladesh-on-world-iot-map>

Economy

BTRC may declare SMP in mobile tower sector

New Age, March 26, 2019


- Bangladesh Telecommunication Regulatory Commission has initiated a move to declare significant market power (SMP) in the tower sharing business sector. BSEC, as part of its move to implement the SMP regulations in the mobile telecom sector, has already declared Grameenphone as significant market power. For the mobile phone sector, BTRC has set number of customers, acquired revenue and spectrum of the companies as the benchmark for determining SMP operator.
- The SMP regulations, formulated to promote competition and to prevent anti-competitive behaviour of any operator in the telecom sector, allows the telecom regulator to declare segment specific SMP in the telecommunication sector.
- Besides setting the criteria for determining SMP in tower sharing companies, a committee formed to deal with the SMP-related issues would also determine the business segments which could come under restrictions for the SMP operator.
- The commission would make its final decision in this regard based on the report to be submitted by the committee. BSEC on February 10 this year declared Grameenphone as significant market power based on two parameters — acquired revenue and customer.
- For the mobile telephone sector, BTRC set twenty areas on which the SMP operator might face restrictions in operating its services. Of the areas, BTRC initially imposed sanction on GP in four areas — MNP, exclusivity, quality of service and market communication.

<http://www.newagebd.net/article/68451/btrc-may-declare-smp-in-mobile-tower-sector>

MFS market to heat up as PM opens Nagad

The Daily Star, March 27, 2019

- Prime Minister Sheikh Hasina yesterday inaugurated digital financial service provider Nagad, a product developed by Bangladesh Post Office with a private company in a bid to deepen financial inclusion in the most rural corners of the country.
- Nagad, which started its service on a trial basis in September in all the districts headquarters, has amassed 7 lakh active customers. Through Nagad, a customer will be able to make 10 transactions a day amounting to BDT 2.5 lakh and send BDT

	TRANSACTION PATTERN	DAILY LIMIT	MONTHLY LIMIT
	Cash in	Tk 250,000	Tk 500,000
	Cash out	Tk 250,000	Tk 500,000
	Send money	Tk 250,000	Tk 500,000

50,000 in one transaction and the numbers will remain the same in case of money withdrawal also. The monthly transaction limit is BDT 5 lakh.

- In contrast, the customers of existing mobile financial service providers -- bKash, Rocket and UCash -- can send BDT 15,000 and withdraw BDT 10,000 a day by way of two transactions. Nagad is getting away with the higher transaction limit as it does not fall under the purview of the central bank thanks to the postal act, which has empowered the postal department to independently provide financial services.
- Nagad is the latest iteration of the previously introduced "Postal Cash Card" and "Electronic Money Transfer System (EMTS)" of the BPO. The disproportionately higher transaction limits though have raised the eyebrows of private sector players, who voiced concerns of uneven competition and possibilities of money laundering and terrorist financing.

<https://www.thedailystar.net/business/news/mfs-market-heat-pm-opens-nagad-1720801>

International

Airbus wins China order for 300 jets as Xi visits France

New Age, March 27, 2019

- Airbus signed a deal worth tens of mns of dollars on Monday to sell 300 aircraft to China, coinciding with a visit to Europe by Chinese president Xi Jinping and matching a China record held by US rival Boeing.
- The deal between Airbus and China's state buying agency, China Aviation Supplies Holding Company, which regularly coordinates headline-grabbing deals during diplomatic visits, will include 290 A320-family jets and 10 A350 wide-body jets.
- French officials said the deal was worth some 30 mn euros at catalogue prices. Planemakers usually grant significant discounts. The larger-than-expected order, which matches an order for 300 Boeing planes when US president Donald Trump visited Beijing in 2017, follows a year-long vacuum of purchases in which China failed to place significant orders amid global trade tensions.
- It also comes as the grounding of the Boeing 737 MAX has left uncertainty over Boeing's immediate hopes for a major jet order as the result of any warming of US-China trade ties.
- There was no evidence of any direct connection between the Airbus deal and Sino-US tensions or Boeing fleet problems, but China watchers say Beijing has a history of sending diplomatic signals or playing off suppliers through state aircraft deals.
- The United States and China are edging towards a possible deal to ease a months-long tariff row and a deal involving as many as 200 to 300 Boeing jets had until recently been expected as part of the possible rapprochement.

<http://www.newagebd.net/article/68464/airbus-wins-china-order-for-300-jets-as-xi-visits-france>

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