

Stock Market

Stocks inch up ahead of Eid holidays, New Line Clothings' debut

New Age, May 27, 2019

- Dhaka stocks inched up on Sunday amid investors' cautious trading ahead of Eid holidays and today's debut of New Line Clothings. DSEX, the key index of Dhaka Stock Exchange, advanced by 0.05 %, or 2.73 points, to close at 5,253.32 points on Sunday.
- Dhaka stocks have been going through a rough patch for the last few weeks despite the government's effort to rejuvenate investors by giving a host of incentives. The average share prices of life insurance sector soared by 6.6 % while general insurance rose by 1.9 %, bank by 1.1 % and non-bank financial institutions by 0.4 %.
- Turnover at the bourse rose to BDT 328.91 crore from BDT 319.48 crore in the previous session. DS30, the blue-chip index of DSE, however, fell by 0.40 %, or 7.44 points, to close at 1,825.37 points on Sunday.
- The Shariah index of the bourse, DSES, dropped to 1,190.17 points, shedding 0.23 % or 2.72 points. British American Tobacco Bangladesh led the turnover chart with its shares worth BDT 14.46 crore changing hands.
- Eastern Cables, Fortune Shoes, National Life Insurance Company, Doreen Power Generations and Systems, IFIC, United Power Generation, Rupali Life, Monno Ceramic Industries and SK Trims and Industries were the other turnover leaders.
- National Life Insurance Company gained the most on the day with a 9.98 % increase in its share prices while Phoenix Finance and Investments was the worst loser, shedding 11.15 %.

<http://www.newagebd.net/article/73612/stocks-inch-up-ahead-of-eid-holidays-new-line-clothings-debut>

Bourses to remain closed for nine days from May 31

The Financial Express, May 27, 2019

- Trading and official activities on Dhaka Stock Exchange (DSE) will remain closed for nine days from May 31 to June 8 on the occasion of Eid-ul-Fitr. The decision came from a board meeting of DSE held on Thursday. According to DSE officials, the Eid-ul-Fitr vacation will begin from June 4 and continue until June 8.
- But May 31, June 1 and June 7, 8 are weekends and June 2 is government holiday and the DSE board decided to declare June 3 a holiday to keep the vacation uninterrupted, which means the total vacation will be for nine days. After the Eid vacation, trading and official activities on DSE will resume from June 9 as regular time.
- Trading will begin at 10:30am and continue until 2:30pm, while office will open from 9:30am to 5:30pm in every working day. The port city bourse, the Chittagong Stock Exchange (CSE) will also follow the prime bourse.

<http://thefinancialexpress.com.bd/stock/sea-pearl-beach-holds-ipo-lottery-draw-1558672959>

Coppertech listing: DSE to seek opinion from BSEC

The Financial Express, May 27, 2019

- The country's premier bourse has decided to seek an opinion from the securities regulator on the next course of action regarding the listing of Coppertech Industries Ltd. mired in 'controversies' over its financials.
- The Dhaka Stock Exchange (DSE) took the decision at its board meeting on Thursday as the company made an appeal for a listing on the bourse. After the meeting, a DSE board member said the premier bourse has found evidence of most of the alleged inconsistencies in the financial statement of the Coppertech Industries.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech Industries on December 26, 2018, allowing it to raise a capital of BDT 200 mn under the fixed-price method. On completion of the IPO lottery draw, the company submitted its proposal for its listing on the stock exchanges.

<http://thefinancialexpress.com.bd/stock/coppertech-listing-dse-to-seek-opinion-from-bsec-1558673532>

Summit LNG completes its 1st ship-to-ship transfer of LNG

New Age, May 27, 2019

- Summit LNG completed its first ship-to-ship transfer of LNG at 6 km off Moheshkhali in Bay of Bengal successfully on Thursday, said a press release.
- The transfer was done using flexible transfer hoses. The LNG tanker 'Creole Spirit' carried LNG from Bethioua, Algeria. RPGCL (Rupantarita Prakritik Gas Co) on behalf of Petrobangla certified the completion of this transfer, said the release. The next STS transfer is due in early June 2019.
- Summit Group founder chairman Muhammed Aziz Khan said, 'At Summit, we are grateful to receive the opportunity to prove the abilities of Bangladesh, on schedule implementation of power projects, LNG Projects and now terminalling', the release also said.

KEY POINTS

The government cut taxes on assembling equipment and raised import tax in 2017-18 budget

Samsung, Symphony, Transsion, Walton and Al Amin Brothers have assembly plants

Couple of foreign brands are also planning to set up plants here to gain the tax benefit

Bangladesh assembled 26.1 lakh handsets in 2018 when 3.08cr handsets were sold

In January-March 2019, 9.6 lakh pieces were assembled and 76 lakh pieces were sold

In April-June 2019, around 23 lakh pieces of handsets would be assembled and sales figure may hit 94 lakh pieces

In 2019, around 90 lakh pieces will be assembled and 3cr sets will be sold

<http://www.newagebd.net/article/73591/summit-lng-completes-its-1st-ship-to-ship-transfer-of-lng>

Economy

BB moves to regulate banks' non-listed investment

The Daily Star, May 27, 2019

- The Bangladesh Bank yesterday issued a guideline to regulate banks' investment in non-listed securities with a view to keeping their risks at a tolerable level. Non-listed securities include non-listed equity share, non-convertible bond, debenture, open-ended mutual fund, and non-convertible cumulative preference share.

- The move from the central bank came after it separated banks' investment in the non-listed securities from their exposure to the stock market. In case of non-listed equity share, banks' investment must be less than 5 % of their paid-up capital, share premium, statutory reserve, and retained earnings.
- In case of investment in preference shares, it should be non-convertible cumulative and would be included in the banks' single borrower exposure limit. The tenure of preference shares should not be higher than five years and its interest or cash dividend should be fixed.
- If the interest of dividend remains unpaid in one year, then 25 % of principal and interest should be maintained as provision. The provision should be extra 25 % if it remains unpaid in the second year as well.
- In case of investment in non-listed mutual funds or open-ended mutual funds, banks' investment must not be higher than 5 % of banks' paid-up capital, share premium, statutory reserve and retained earnings. At the same time, the investment should not be higher than 15 % of funds' total size.

<https://www.thedailystar.net/business/news/bb-moves-regulate-banks-non-listed-investment-1749484>

Local assembly to meet 30pc of handset demand this year

Assemblers call for more policy support

The Daily Star, May 27, 2019

- As much as 95 % of the handsets sold in Bangladesh by the South Korean electronics giant Samsung are assembled in its plant in Narsingdi, in a major endorsement of the country's fast-improving assembling capabilities.
- The plant, which was set up with expertise from Samsung, was born out of the government's discriminatory tax structure towards handset imports. The total tax on imported handsets is 32 % in contrast to about 17 % on locally assembled ones. For handsets manufactured in Bangladesh, the tax is just 5 %.
- This tax structure prompted seven parties to seek out licences from the Bangladesh Telecommunication Regulatory Commission for local assembling of devices. Of them, five have got their assembly lines rolling and in the first quarter of this year supplied 12.63 % of the total demand for 76 lakh units of handsets.
- The plant in Gazipur is assembling about 3.5 lakh units of handsets a month, which is the highest. The Chinese manufacturer though has targeted to assemble all its handsets at the plant and also get its sister brand Techno on board.
- Local brand Walton, which was the first to set up a mobile phone assembly plant in Bangladesh in October 2017, has been assembling all its handsets locally since the middle of last year.

<https://www.thedailystar.net/business/news/local-assembly-meet-30pc-handset-demand-year-1749505>

Govt to allocate BDT 10,000cr as subsidy for LNG imports in next budget

New Age, May 26, 2019

- An Excelerate Energy web site photo shows Floating LNG terminal on the Bay of Bengal at Moheshkhali, Cox's Bazar. The government is likely to allocate BDT 10,000 crore in the budget for the next fiscal year (2019-20) for subsidising the imports of liquefied natural gas.

- The government is likely to allocate BDT 10,000 crore in the budget for the next fiscal year (2019-20) for subsidising the imports of liquefied natural gas. Against the shortage of local gas output, state-owned Petrobangla and local private group Summit are importing LNG, which is being supplied as gas to the end customers at the government-set price.
- As the government-set price of LNG is lower than the import prices, the importers need subsidy to recoup the import costs, said a general manager of Rupantarita Prakritik Gas Company Limited. Quoting Bangladesh Energy Regulatory Commission, he said that the present gap between the sales price and the import price was BDT 1 per cubic metre.
- According to the Petrobangla, the country imported 596.5mmcf (mn cubic feet) of LNG as of May 24, up from 350.5mmcf as of April 24. The Petrobangla has started importing LNG from Qatar's RasGas regularly since September 9 last year.
- Summit LNG Terminal Co Ltd, a subsidiary of Summit Power International and Summit-Mitsubishi consortium, began supply of LNG in Bangladesh on April 29 this year. The country's demand for LNG to be supplied to sectors like industries, power and fertiliser plants would make a steep rise in the coming years against the backdrop of depleting local gas reserves.

<http://www.newagebd.net/article/73611/govt-to-allocate-BDT-10000cr-as-subsidy-for-lng-imports-in-next-budget>

International

China digs in for protracted trade fight with US

New Age, May 26, 2019

- China is digging in for a tough period of deteriorating ties with the United States, fanning the flames of patriotism with Korean War films, a viral song on the trade war, and editorials lambasting Washington.
- The trade spat has turned into a war of words since President Donald Trump blacklisted Huawei last week over concerns the telecom giant's equipment could be used by Beijing for espionage. The move, which bans US companies from providing technology Huawei needs, came as the two sides have yet to resume trade negotiations after they exchanged steep increases in tariffs.
- It echoes president Xi Jinping's tough stance when he called on cadres earlier this week to brace themselves for a 'new Long March' — recalling the legendary strategic retreat by Communist revolutionaries in the 1930s who regrouped and went on to triumph in 1949.
- Xi warned local officials of 'complicated and long-term effects' of external influences. The world's top two economies will 'go through a long period of irrational conflict,' said Zhang Yansheng, chief researcher at the China Centre for International Economic Exchanges, at a government organised briefing Wednesday.

<http://www.newagebd.net/article/73618/china-digs-in-for-protracted-trade-fight-with-us>

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