

Stock Market

Dhaka stocks gain for 5th day amid post-Eid thin trading

New Age, August 27, 2018

- Dhaka stocks rose for the fifth day on Sunday as the trading at the Dhaka Stock Exchange resumed after a five-day closure due to Eid-ul-Azha and weekly holidays with a section of investors going for buying shares from other sectors selling off financial scrips for profits.
- DSEX, the key index of the DSE, gained 0.46% or 25.71 points, to close at 5,596.91 points on Sunday, hitting its highest in three and a half months. The DSEX gained 217 points in last five sessions.
- The turnover on the DSE slowed to BDT 420.24 crore on Sunday compared with that of BDT 445.32 crore in the previous trading session.
- A section of investors speculated that the market would advance further ahead of the prime minister Sheikh Hasina's visit to the commission on September 12 to attend its 25th anniversary ceremony, market operators said.
- Of the 335 companies and mutual funds traded, 200 advanced, 107 declined, and 28 remained unchanged.
- National Housing Finance, Shepherd Industries, International Leasing and Financial Services, City Bank, KDS Accessories and IFAD Autos were the other turnover leaders.

<http://www.newagebd.net/article/49154/dhaka-stocks-gain-for-5th-day-amid-post-eid-thin-trading>

DELISTING OF FIRMS

Investors suffer, sponsors stay unscathed

The Daily Star, August 27, 2018

- There is no law in Bangladesh to protect the general investors of a company, which got delisted from the stockmarket for the failure of the promoters or sponsors. Even there is no law to create pressure on the promoters of the junk companies to buy back the shares from the retail investors in case of a delisting.
- However, laws are there in India to protect the investors' interests and they have the chance to get their money back in case of a delisting. The issue has come to the fore when Dhaka Stock Exchange (DSE) delisted two companies—Rahima Food Corporation and Modern Dyeing and Screen Printing—for remaining closed for three years.
- About BDT 50 crore of general investors' money got stuck because of the delisting and they are in the dark whether and how they will get their money back, according to data from the DSE. More investors could also find themselves in the similar situation as the DSE has recently sent notices to 15 companies and asked to explain why they failed to pay dividends for at least five years in a row.
- The Bombay Stock Exchange delisted 200 companies in May this year and 222 in July, according to a report of the Times of India published on August 20. The Securities and Exchange Board of India (Sebi) that regulates the stock exchanges in the neighbouring country has enacted laws to protect investors in case of a delisting.
- According to the Sebi (Delisting of Equity Shares) Regulations 2009, the promoters of the company shall acquire delisted shares from public shareholders. And the stock exchange will appoint an independent valuer to determine the fair price of a share of the delisted firm.
- The Indian law has also made it clear that the promoters of delisted companies must face punishment for their failure. For instance, the Sebi law states that the promoters of delisted companies shall not directly or indirectly access the securities market or list a company for at least 10 years.

<https://www.thedailystar.net/news/business/investors-suffer-sponsors-stay-unscathed-1625110>

BSEC takes tough action against companies with unusual share prices

Dhaka Tribune, August 27, 2018

- Bangladesh Securities and Exchange Commission (BSEC) is taking tough action to stop the unusual rise of small-cap companies shares especially the companies that are not in full-fledged production. In protecting investors' rights and curbing price manipulation, the regulator has suspended trade at the bourses and launched investigation against these companies. In the aftermath of the regulator's action, the prices of shares of most of these companies have started to fall.
- "The Commission is always working to stop any irregularities and protect the interests of investors. We believe that will be able to identify the people involved in this and action will be taken against them," said BSEC Executive Director and spokesperson Md Saifur Rahman.
- In the last six months, share prices of some companies showed continuous rise but these companies are not performing well and being traded under the A, B and Z category, Small cap shares have been seen to rise sharply in the last couple of months. Stock market stakeholders say a syndicate is controlling the shares of small capital companies. General investors are being affected while the syndicate is making great profits.
- Speaking anonymously to the Dhaka Tribune, a Dhaka Stock Exchange (DSE) official said: "The share prices of these companies are increasing abnormally. This is due to the number of small size shares in the market. The syndicate takes advantage of this and makes large sums of money from the stock market through a small capital company."

<https://www.dhakatribune.com/business/stock/2018/08/27/bsec-takes-tough-actionagainst-companies-with-unusual-share-prices>

No of GP subscribers crosses 7-cr mark

Telcos add 16 lakh users in July

New Age, August 27, 2018

- The number of active mobile phone subscribers increased by 15.82 lakh in July this year with the subscriber base of Grameenphone crossing 7-crore mark. The number of internet users also increased by 8.97 lakh in July, the Bangladesh Telecommunication Regulatory Commission data showed.
- Although the number of mobile phone users and the internet penetration in the country are growing, the quality of service has remained a major concern, subscribers said. The growth in subscriber bases of the mobile phone operators was lenient in the previous three months as all four operators — GP, Robi, Banglalink and Teletalk — managed to add only 6.62 lakh subscribers in the April-June period.
- On the eve of 4G launch on February 18, in the January-March quarter of the year 2018, the mobile phone operators managed to attain 51.69 lakh new subscribers. The number of active subscribers of four mobile phone entities increased to 15.25 crore at the end of July from 15.09 crore in June, 2018.
- Of the mobile phone operators, the number of active subscribers of Grameenphone, which held 45.91% of the market share of the country's telecommunication industry, increased to 7,00,23,000 at the end of July this year from 6,91,70,000 a month ago.
- Following an application from the operator, the BTRC has allowed GP to issue number with prefix 013 as its existing number series 017 has almost exhausted. Robi with its 4.53 crore subscribers managed to become the second largest mobile phone operator with 29.72% market share of the country's telecom industry. The operator added 6.01 lakh new subscribers in July.

<http://www.newagebd.net/article/49152/no-of-gp-subscribers-crosses-7-cr-mark>

Economy

BB's operating profit soars on forex income

The Daily Star, August 27, 2018

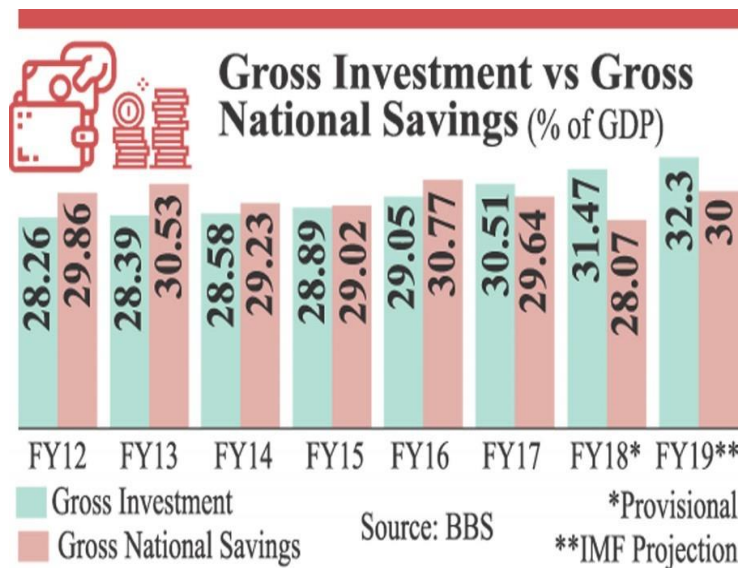
- Bangladesh Bank's operating profit jumped 46% year-on-year to BDT 791 crore last fiscal year on the back of higher income from the investment of foreign exchange. The central bank will transfer BDT 690 crore as net profit to the state coffer -- the amount being more than double the target of BDT 280 crore.
- BB Governor Fazle Kabir and the auditors signed the balance sheet for 2017-18 at an internal meeting at the central bank headquarters in the capital yesterday. For the final approval, the balance sheet will be placed before the board at its next meeting scheduled to be held this week.
- The profit soared mainly because of the higher interest income from the reserve invested in foreign currencies, said Abu Hena Mohd Razee Hassan, deputy governor of the BB. The central bank received interest from fixed deposits with foreign banks at an average of 2% in 2017-18, which was less than 1% in the previous year, he said.
- However, the income from domestic sources was insignificant because of higher spending on efforts to mop up money from the market, he added. The BB's income from reserve management has also seen a huge year-on-year rise—around 56%—last fiscal year, said Mohammad Masum Kamal Bhuiyan, its executive director.

<https://www.thedailystar.net/news/business/bbs-operating-profit-soars-forex-income-1625092>

FY19 investment likely to exceed gross nat'l savings

The Financial Express, August 27, 2018

- The country's gross investment is projected to exceed its gross national savings in this fiscal year (FY), 2018-19, apparently due to rise in the public sector investment, according to the International Monetary Fund (IMF). The gross investment is projected to stand at 32.3% of the gross domestic product (GDP), up by 2.3 percentage points than that of gross national savings.
- The gross national savings, consisting of public national savings and private national savings, usually remain above gross investment, and it has been a trend of Bangladesh's economy for long. But the trend reversed, as gross investment stands above gross national savings, in the past two fiscal years - FY 2017 and FY 2018.
- There is a debate among the economists over the matter, as some believe that higher investment drives higher output for the economy, while others argue that savings should remain higher than gross investment. Chinese economy has always been maintaining higher savings than its gross investment, which is seen critically by many western economists.



<http://thefinancialexpress.com.bd/trade/fy19-investment-likely-to-exceed-gross-natl-savings-1535340594>

Debapriya appointed to UN body on LDCs

New Age, August 27, 2018

- Centre for Policy Dialogue distinguished fellow Debapriya Bhattacharya has been appointed as member to the UN Committee for Development Policy on least developed countries. On recommendation of the United Nations secretary general, the UN Economic and Social Council in its recent session took the decision about his appointment, a CPD press release said on Sunday.
- Debapriya, in his personal capacity, will serve as a member of the 24-member CDP for a three-year term (2019-2021).
- Established in 1965, the CDP is an independent body under the UN which advises on development cooperation policies in support of least developed countries.
- Every three years, the CDP reviews the list of LDCs for inclusion in and graduation from the group. The current work programme of the CDP also includes rethinking of the criteria defining the LDCs and suggesting support measures for the graduating LDCs.
- It will also be following Bangladesh's progress in the context of its scheduled graduation in 2024. Previously, economists Nurul Islam, Rehman Sobhan and Wahiduddin Mahmud were appointed members to the body from Bangladesh.
- Debapriya is a globally recognised expert on LDC issues. He was the ambassador and permanent representative of Bangladesh to the World Trade Organisation and UN offices in Geneva and Vienna and the coordinator of the LDC Group in the UN system in Geneva, said the CPD press release.

<http://www.newagebd.net/article/49155/debapriya-appointed-to-un-body-on-ldcs>

International

BIMSTEC member states agree to sign MoU on regional power grid

The Financial Express, August 27, 2018

- A memorandum of understanding (MoU) on the establishment of a regional power grid will be signed during the upcoming Kathmandu Summit of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).
- The BIMSTEC secretariat expected that at least four instruments, including MoU on establishment of technology transfer facility, MoU on mutual legal assistance in criminal matters and MoU on cooperation among diplomatic academies of BIMSTEC countries would be signed at the summit scheduled to start on Thursday.
- Drafts for three other instruments were almost finalised, but these could not be ratified by all the members due to the absence of any cabinet in Bhutan which will have its general election after the summit. Despite having no visible progress, free trade agreement (FTA) among BIMSTEC countries will be a key focus at the upcoming Kathmandu Summit.
- However, FTA among the BIMSTEC countries remains elusive till now despite hectic parley from some countries and the BIMSTEC secretariat. Initially India and Thailand were reluctant, but later they agreed to resume trade negotiations. The meeting of the Trade Negotiation Committee was deferred thrice this year.
- First it was scheduled for July, then it was rescheduled for August but due to Myanmar's objection, it was again scheduled for the first week of September. But this time Bhutan says that they will not attend the TNC meeting in September and hence the next date for the meeting is yet to be finalised, BIMSTEC sources said.

<http://thefinancialexpress.com.bd/trade/bimstec-member-states-agree-to-sign-mou-on-regional-power-grid-1535341174>

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