

Stock Market

Stocks dip but turnover hits 16-month high

New Age, January 28, 2019

- Dhaka stocks dipped on Sunday after a gain in the previous three sessions as investors went for profit-taking sales of shares of financial scrips and Grameenphone that surged in recent days, but the turnover at Dhaka Stock Exchange hit a 16-month high.
- DSEX, the key index of DSE, lost 0.17 %, or 10.55 points, to close at 5,939.45 points on Sunday after gaining 59.77 points in the previous three sessions. The financial and telecommunications sectors, the key movers of the index in last few days, led the dive on Sunday.
- Average share prices of bank, non-bank financial institution and telecommunication dropped by 1.77 %, 0.73 % and 0.50 % respectively. Among the prominent scrips, a fall in share prices of Grameenphone, Olympic Industries, Dutch-Bangla Bank, IFIC Bank and BRAC Bank contributed most to the dive. Share prices of Grameenphone dropped by 0.40 % after surging continuously in recent days.
- Share prices of Eastern Cables Limited declined by 4.6 % as the company declared loss of BDT 2.99 per share for July-December, 2018 as against BDT 0.05 for July-December, 2017. Share prices of energy, textile and pharmaceutical sectors advanced by 2.1 %, 0.6 % and 0.5 % respectively that saved the market from further fall.
- The general insurance soared by 4.1 % and led the turnover chart with 16.3 % of the day's total turnover. The turnover on DSE surged to BDT 1,198.57 crore on Sunday compared with that of BDT 1,037.57 crore in the previous trading session.
- Sunday's turnover hit a 16-month high after September 19, 2017 when it was BDT 1,5087.39 crore. Of the 336 companies and mutual funds traded on Sunday, 159 declined, 162 advanced and 26 remained unchanged. DSE blue-chip index DS30 dropped by 0.26 %, or 5.47 points, to close at 2,043.52 points. Shariah index DSES, however, added 0.04 %, or 0.65 points, to finish at 1,322.26 points.
- Premier Bank led the turnover leaders for the second day with its shares worth BDT 43.41 crore changing hands on Sunday. Eastern Housing, United Power Generation Company, United Finance, Dhaka Bank, Western Marine Shipyard, LankaBangla Finance, SonarBangla Insurance, Bangladesh Shipping Corporation and IFIC Bank were the other turnover leaders.
- Eastern Housing gained the most on the day with a 10-% increase in its share prices, while Emerald Oil Industries was the worst loser, shedding 9.22 %.

<http://www.newagebd.net/article/63048/stocks-dip-but-turnover-hits-16-month-high>

DSE for sound fund flow for stocks in MPS

New Age, January 27, 2019

- Dhaka Stock Exchange has urged the Bangladesh Bank to declare capital market-friendly monetary policy that would ensure consistent liquidity flow in the market. Bangladesh Bank will announce monetary policy statement for the second half of the current fiscal year 2018-2019 on January 30.
- On January 22, the country's premier bourse sent a letter to BB governor Fazle Kabir with a 7-point proposal for the interest of the capital market. Officials of the bourse said banks' single party exposure and stock market exposure limits squeezed liquidity flow at the stock market.
- The central bank should announce its MPS so that it could not widen the wound in the market. In the MPS, the premier bourse also appealed to emphasis the capital market as a mean of long term financing for the public, private and small capitalised companies rather than conventional bank loans, DSE said in the latter to BB.

- DSE said that the bourse set to launch small capital board in the market. To accelerate the cash flow in the stock market, the DSE has also urged to consider a number of issues. The Banking Companies Act 1991, which was amended in 2013, has restricted a bank's stock market exposure on consolidated basis to 25 % of its capital.

<http://www.newagebd.net/article/62950/dse-for-sound-fund-flow-for-stocks-in-mps>

BRB eyes another SoE board buying 27pc Renwick shares

New Age, January 27, 2019

- After securing four posts of director in the board of state-owned enterprise Eastern Cables, leading private sector cable manufacturer BRB Group has set eyes on another state-run company, Renwick Jaineswar & Co, as it (Group) bought a significant amount of shares of the company from the capital market.
- Capital market operators said that to get into the Renwick board BRB Group was using the same method — buy a significant amount of the company's shares from the public market and get into the board by obtaining a court order — it applied in the case of Eastern Cables Ltd.
- BRB Group authorities told New Age that companies and people associated with the Group bought around 27.05 % shares of Renwick from the public market. The government holds 51 % shares of the company which has a total of 20 lakh shares with a paid-up capital of BDT 2 crore. After the purchase, BRB Group holds more than 27 % and other general and institutional investors around 22 % shares of the company.
- State-run Sugar and Food Corporation Bangladesh basically holds the government shares of the company and virtually runs it as all the directors of the company are nominated by the government. There are two independent directors on the board.
- BRB Group acquired 5,41,095 shares of Renwick with BRB Cables buying 1,75,055 shares, BRB Polymer 1,64,040, Group chairman Mozibar Rahman 1,26,000 shares, MRS Industries 56,000, Group managing director Parvez Rahman 10,000 shares and vice-chairman Selina Begum 10,000 shares in last two years.
- After the share purchase, BRB recently proposed four names for directorship posts in the Renwick board — Mozibar Rahman, Parvez Rahman for BRB Cables, Mofizur Rahman for BRB Polymer and BRB Group director Shamsur Rahman for MRS Industries against their holdings.

<http://www.newagebd.net/article/63062/brb-eyes-another-soe-board-buying-27pc-renwick-shares>

LankaBangla gets \$20m from ICD

The Daily Star, January 28, 2019

- The Islamic Corporation for the Development of the Private Sector (ICD) is providing \$20 mn to LankaBangla Finance Ltd to foster private sector development in Bangladesh, especially in the small and medium enterprise sector.
- The two sides signed a deal at the Pan Pacific Sonargaon hotel in Dhaka yesterday. Ayman Amin Sejiny, chief executive officer of the ICD, a member of the Islamic Development Bank, and Khwaja Shahriar, managing director and CEO of LankaBangla Finance, inked the deal.
- The cost of the fund for LankaBangla is about 6 %. From the fund, it will provide Shariah-based or asset-backed loans. LankaBangla will have to take approval from the central bank for the loan. The loan will have to be repaid within 40 months and the NBFIs may get an additional 20 months depending on its quarterly repayment situation and good relationship.

<https://www.thedailystar.net/business/news/lankabangla-gets-20m-icd-1693915>

EPS of eight companies rise marginally in Q2

The Financial Express, January 27, 2019

- The EPS (earnings per share) of eight listed companies rose marginally for October-December (Q2), 2018 compared to same period of the previous year. The EPS of Miracle Industries, S. S. Steel, Dhaka Electric Supply Company, Rangpur Foundry, Agricultural Marketing Company Limited (Pran), Eastern Housing Limited, Malek Spinning Mills and Western Marine Shipyard rose.
- On the other hand, Bangladesh Services and Savar Refractories have incurred losses for October-December, 2018. According to un-audited financial statement for Q2, the EPS of Miracle Industries was BDT. 0.27 for October-December 2018 as against BDT. 0.26 for October-December 2017. The EPS was BDT. 0.55 for July-December 2018 as against BDT. 0.53 for July-December 2017.
- S. S. Steel has reported its EPS of BDT. 0.54 for October-December 2018 as against BDT. 0.31 for October-December 2017. The EPS of Dhaka Electric Supply Company was BDT. 0.81 for October-December 2018 as against BDT. 0.33 for October-December 2017. The company's EPS was BDT. 1.76 for July-December 2018 as against BDT. 0.86 for July-December 2017.
- Rangpur Foundry has reported its EPS of BDT. 1.05 for October-December 2018 as against BDT. 1.02 for October-December 2017. The EPS of Agricultural Marketing Company Limited (Pran) was BDT. 1.78 for October-December 2018 as against BDT. 1.76 for October-December 2017.
- Eastern Housing Limited has reported its EPS of BDT. 0.89 for October-December 2018 as against BDT. 0.75 for October-December 2017. Western Marine Shipyard has reported its EPS of BDT. 0.73 for October-December 2018 as against BDT. 0.61 for October-December 2017.

<http://thefinancialexpress.com.bd/stock/eps-of-eight-companies-rise-marginally-in-q2-1548563544>

Far East Knitting posts steady growth in turnover

The Financial Express, January 27, 2019

- Far East Knitting & Dyeing Industries (FEKDI) has posted a steady growth in turnover values in last five fiscal years (FYs) following the company's increased production capacity. But a mixed trend was observed in net profit during the period due to various reasons including the hikes in gas and electricity bill and wages of employees.
- The officials said the decline in export prices is the major reason behind the mixed trend in net profit amid increased turnover values. For the FY 2017-18, the FEKDI has reported its turnover of above BDT 3.59 bn, which was 10 % higher than the turnover of the previous FY.
- But the company's net profit declined 25 % to close at above BDT 261.90 mn in the FY 2017-18 compared to same period of the previous year. The company's directors' report said there has been a significant downward pressure on the export prices of the final garment while the cost of production continued to rise.
- The company's turnover was above BDT 3.27 bn in the FY 2016-17, above BDT 3.13 bn in the FY 2015-16, above BDT 2.76 bn in the FY 2014-15 and above BDT 2.67 bn in the FY 2013-14, according to annual report. On the other hand, the net profit fluctuated during 2013-14 to 2016-17 amid upward trend observed in turnover values.
- The net profit was above BDT 349.48 mn in the FY 2016-17, above BDT 294.01 mn in the FY 2015-16, above BDT 314.66 mn in the FY 2014-15 and above BDT 241.87 mn in the FY 2013-14. The company's directors' report said the production and export, in terms of units, have a growth of 4.35 %, whereas the sales turnover grew by only 9.79 %. The company's reported its EPS (earnings per share) of BDT 1.41 for 2017-18, BDT 1.88 for 2016-17, above BDT 1.82 for 2015-16, BDT 2.38 for 2014-15 and BDT 2.23 for 2013-14.

<http://thefinancialexpress.com.bd/stock/far-east-knitting-posts-steady-growth-in-turnover-1548563704>

Economy

Bangladesh moves up seven spots on economic freedom index

Dhaka Tribune, January 27, 2019

- Heritage Foundation says Bangladesh's economic freedom score is 55.6, making it the 121st freest economy in 2019. Bangladesh's ranking on economic freedom has moved up seven notches to 121st from 128th this year, according to the Heritage Foundation, a Washington-based think tank.
- According to the 2019 Index of Economic Freedom released by the organization on Thursday, the government's reforms have improved the freedom of doing business in the country. However, slower implementation of the reforms are undermining economic development.
- In the 2018 Index of Economic Freedom, Bangladesh's position was 128th, with a score of 55.1 points. Bangladesh also ranked 27th among 43 countries in the Asia-Pacific region, and its overall score is below the regional and world averages, showed the report. The world average freedom score is 60.8 points, while the Asia Pacific regional average stands at 60.6 points.
- As per the report, robust annual economic growth of approximately 6% for two decades has been driven by a rapid increase in private consumption and fixed investment. The report also stated that although a well-functioning labour market has not been fully developed yet, labour productivity growth has been slightly higher than wage hikes.
- The index also revealed that in the South Asian region, Nepal ranked 136th, Sri Lanka ranked 115th, Bhutan ranked 74th, India 129th, Pakistan 131st, and the Maldives achieved the status of 141st economy. Hong Kong, Singapore and New Zealand each logged increases in their index scores, finishing first, second, and third in the rankings, respectively scoring 90.2, 89.4, and 84.4 points.
- The Index of Economic Freedom evaluates countries on four broad policy areas that affect economic freedom—rule of law, government size, regulatory efficiency, and open markets. Additionally, property rights, judicial effectiveness, government integrity, tax burden, government spending, fiscal health, business freedom, labour freedom, monetary freedom, trade freedom, investment freedom, and financial freedom are also taken into account while measuring the economic freedom of a country.

<https://www.dhakatribune.com/business/2019/01/27/bangladesh-moves-up-seven-spots-on-economic-freedom-index>

Government to import 1.42m tons of petroleum by June

Dhaka Tribune, January 27, 2019

- Bangladesh will import around 1.42 mn tons of petroleum from eight state-owned companies of different countries under the government-to-government (G2G) arrangements in the first half of the current year. According to sources at the Energy and Mineral Resources Division under the Power, Energy and Mineral Resources Ministry, the government will require to spend about \$806.769 mn, equivalent to BDT6,772.87 crore, to procure this bulk refined petroleum from January to June this year.
- They said the Energy and Mineral Resources Division and state-owned Bangladesh Petroleum Corporation (BPC) will import the bulk petroleum. Of the total fuel, the BPC will buy 1.19 mn tons of oil (diesel) while 100,000 tons of Jet A-1, 30,000 tons of petrol and 100,000 tons of furnace oil.
- The Cabinet Committee on Public Purchase last week approved a proposal of the division allowing the corporation to import the bulk fuel. The committee also approved the premium of the fuel import proposals which are \$2.95 per barrel for diesel, \$3.95 per barrel for Jet A-1, \$5.50 per barrel for petrol and \$29.75 per tonne for furnace oil.

- It will buy only diesel from two state-owned Chinese companies. Of this, some 90,000 tons of diesel will be coming from China's Petrochina and 150,000 tons of diesel from Unipet. Some 51,000 tons of diesel and 90,000 tons of Jet A-1 will be imported from Kuwait's state-owned KPC and some 90,000 tons of diesel and 15,000 tons of petrol from Philippines' state-owned PITC.

<https://www.dhakatribune.com/business/2019/01/27/government-to-import-1-42m-tons-of-petroleum-by-june>

Don't open LCs for goods import prohibited in specific port: Bangladesh Bank

New Age, January 28, 2019

- Bangladesh Bank on Sunday asked banks to refrain from opening letters of credit against import of goods which are prohibited to bring to the country through specific land ports. In opening LCs, banks were asked to follow a National Board of Revenue statutory regulatory order where port-wise lists of allowable products are specified.
- The BB move came as many importers want to import goods by using ports through which imports of those products are not allowed. BB officials said that importing specific goods required specific equipment along with capacities.
- Bringing goods through a port, which are not allowed at the port, creates problem in conducting procedure, they said. As the procedure of import starts from opening LCs, NBR urged BB to take measures so that banks refrain from opening LCs for import of such goods through a port.

<http://www.newagebd.net/article/63052/dont-open-lcs-for-goods-import-prohibited-in-specific-port-bangladesh-bank>

Petrobangla utilising full capacity of FSRU

Gas supply to most places improves

The Financial Express, January 28, 2019

- The state-run Petrobangla has finally started utilising the full capacity of the US-based Excelerate Energy's floating LNG terminal by re-gasifying around 500 mmcf/d equivalent of LNG for consumers since Friday (January 25). As a result, the Petrobangla can also escape from paying 'capacity payment' to Excelerate after more than five months since the beginning of commercial operation of the floating, storage and re-gasification unit (FSRU) -- Excellence -- on August 18, 2018.
- With the increased supply of re-gasified LNG (liquefied natural gas), the country's overall natural gas output reached to 3,085 mmcf/d as on January 26, according to statistics from Petrobangla. Most of the local gas-fields, owned by state-run gas entities and international oil companies (IOCs), however, have started producing less gas following the starting of full capacity re-gasification in the LNG terminal.
- Of the total re-gasified LNG, the Karnaphuli Gas Distribution Company Ltd (KGDCL), dedicated for supplying natural gas to Chattogram region, is taking around 310 mmcf/d, or 70 % of the total quantity. Non-completion of the 30-kilometre pipeline forced Petrobangla to count substantial capacity payment so far.
- According to terminal use agreement, Petrobangla is required to pay the US firm around US\$ 237,000 (BDT 20.14 mn) per day, no matter it utilises the full capacity of FSRU or not. Until Friday, the state-run corporation could utilise the maximum of 65.6 % capacity of the FSRU by re-gasifying 328 mmcf/d and supplying it to consumers. The remaining 34.6 % capacity of the vessel remained unused.

<http://thefinancialexpress.com.bd/trade/petrobangla-utilising-full-capacity-of-fsru-1548645500>

Bangladesh Bank team leaves for USA to file case over \$81m theft

New Age, January 28, 2019

- A delegation of Bangladesh Bank on Sunday left for the United States of America to file a lawsuit with a New York court over \$81 mn cyber heist from the BB's reserve kept with Federal Reserve Bank of New York. BB officials said the central bank following approval from the government had already finalised everything about filing the lawsuit in consultation with two US law firms appointed by the Bangladesh government to deal with the case on behalf of Bangladesh.
- Earlier this month, a delegation headed by Bangladesh Financial Intelligence Unit chief Abu Hena Mohd Razee Hassan visited the USA for discussion with the law firms along with New York's Federal Reserve Bank and Society for Worldwide Interbank Financial Telecommunication. On February 4, 2016, cyber thieves transferred \$81 mn from the BB account in Federal Reserve Bank of New York to Rizal Commercial Banking Corporation in Manila.

<http://www.newagebd.net/article/63051/bangladesh-bank-team-leaves-for-usa-to-file-case-over-81m-theft>

4G not flourishing for handset dearth

The Daily Star, January 28, 2019

- The initial enthusiasm for fourth generation (4G) mobile services has started to fall off in the absence of affordable 4G-enabled handsets in the country, Robi officials said in an event yesterday. Rolled out in December 2016 by Teletalk and in February last year by the three private operators, 4G has 1.17 crore active users as of December last year out of the 8.54 crore mobile internet subscribers, according to Bangladesh Telecommunication Regulatory Commission.
- At present, about 40 % of the handsets in use are 3G-enabled. The private operators rolled out 3G service in October 2013. If the 4G-enabled handset penetration ends up being the same five years after the rollout of the service, the industry would not have much prospect, Robi said at a discussion held at the InterContinental Hotel in Dhaka.
- At present, about 20 % of the handsets in use in Bangladesh are 4G-enabled. The government is considering launch 5G service in 2021. About the mobile number portability service, Robi said users who have availed the facility are facing problems in getting text messages from banks, mobile financial service operators and other service providers because of integration problems.

<https://www.thedailystar.net/business/telecom/news/4g-not-flourishing-handset-dearth-1693918>

International

Mixed emotions in Germany as 500-euro note bows out

New Age, January 28, 2019

- As the ECB takes the final step in phasing out the 500-euro note, few are expected to mourn a bill favoured by criminals but rarely seen in daily life. Except perhaps in cash-loving Germany. From Sunday, central banks in 17 of the 19 eurozone countries will stop issuing the violet-coloured banknotes.
- Only the German and Austrian central banks are clinging on a while longer, until April 26, to 'ensure a smooth transition', the European Central Bank said in a statement. Medical technician Rolf, from the German town of Marburg, said he found the demise of the single currency's highest-denomination note 'hard to accept'.

- The ECB decision to end the note's issuance will lead to fewer and fewer circulating as commercial banks gradually return them to their countries' central banks, where they will be replaced by lower-denomination bills. The 500-euro bill accounted for just 2.3 % of all euro notes in circulation last month.
- A mn euros in 500-euro notes weighs just 2.2 kilogrammes (4.8 pounds), fitting easily into a laptop bag. The same sum in \$100 bills, the US currency's highest denomination, would weigh almost six times as much and require a much larger case. While the plan to slowly kill off the 500 made few waves abroad, it sparked an emotional debate in Germany where many feared it was a prelude to abolishing cash altogether.

<http://www.newagebd.net/article/63042/mixed-emotions-in-germany-as-500-euro-note-bows-out>

Saudi seeks to attract \$427b with industrial programme

New Age, January 28, 2019

- Saudi Arabia aims to attract private sector investments worth 1.6 trillion riyals (\$427 bn) over the next decade through an industrial development programme aimed at diversifying the economy, energy minister Khalid al-Falih said on Saturday.
- Investments will be made through the National Industrial Development and Logistics Program (NIDLP), one of the programmes set out under Vision 2030, a wider reform strategy led by crown prince Mohammed bin Salman and intended to wean the economy off hydrocarbons and create jobs for Saudis.
- Falih said the kingdom would on Monday announce projects worth 70 bn riyals that are 'ready for negotiations' under the NIDLP to boost industry, mining, energy and logistics. At a later stage, it plans to announce projects in the military, chemicals and small businesses industries worth \$50 bn, he added without giving a timeframe.
- After decades of spending on development projects, the government has made attracting greater foreign investment a cornerstone of its Vision 2030 plan. foreign investors have been rattled in recent months by Saudi Arabia's deteriorating relations with Western governments after the murder of journalist Jamal Khashoggi at the Saudi consulate in Istanbul in October.
- Transport minister Nabeel al-Amudi told the press conference that NIDLP would launch 60 initiatives in the logistics sector, including five new airports and 2,000 km of railways, and aims to attract more than 135 bn riyals of investments.

<http://www.newagebd.net/article/63039/saudi-seeks-to-attract-427b-with-industrial-programme>

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