

Stock Market

Dhaka stocks hit 3-month low as sell-offs resume

New Age, March 28, 2019

- Dhaka stocks hit a three-month low on Wednesday as investors continued selling shares amid concern over liquidity shortage in the financial sector. DSEX, the key index of Dhaka Stock Exchange, shed 0.49 %, or 27.58 points, to close at 5,502.48 points on Wednesday after gaining 17.99 points in the previous session.
- The core index posted its lowest after January 2 when it was at 5,496.43 points. The average share prices of non-bank financial institution, bank, telecommunication and energy sectors dropped by 0.91 %, 0.9 %, 0.22 % and 0.2 % respectively.
- Out of the traded 30 bank issues, 22 declined, five advanced and three remained unchanged. DSEX dropped on Wednesday to extend its recent fall to about 7.45 % or 447 points that wiped out about BDT 9,421 crore in market capitalisation.
- The turnover on the bourse went down to BDT 353.40 crore on Wednesday from that of BDT 385.77 crore in the previous trading session. Wednesday's turnover was the lowest after December 18 last year when it was BDT 334.09 crore.
- Among the large capitalised scrips, the share prices of British American Tobacco, Square Pharmaceuticals, LafargeHolcim Bangladesh and Grameenphone declined most. Out of the 345 issues traded on the day, 165 declined, 121 advanced and 61 remained unchanged.
- DSE blue-chip index DS30 dropped by 0.57 %, or 11.32 points, to close at 1,968.74 points. Shariah index DSES declined by 0.35 %, or 4.59 points, to finish at 1,281.73 points. British American Tobacco led the turnover leaders with its shares worth BDT 46.80 crore changing hands on the day.
- Monno Ceramics gained the most on the day with an 8.15 % increase in its share prices while Vanguard AML BD Finance Mutual Fund One was the worst loser, shedding 6.57 %.

<http://www.newagebd.net/article/68541/dhaka-stocks-hit-3-month-low-as-sell-offs-resume>

19 firms to invest BDT 650cr in pharma

The Daily Star, March 27, 2019

- The pharmaceuticals industry is gearing up to expand as 19 companies have got the go-ahead in the last one year to set up facilities at a combined investment of around BDT 654.82 crore. The entry of these new companies will boost competition as there are already more than 200 manufacturers in operations to grab shares in the local market worth around BDT 25,000 crore.
- JR Pharmaceuticals, the biggest among the investors, will invest BDT 106 crore to produce different drugs, including antibiotics, anti-ulcer drugs, antihistamines, antivirals, antifungals, vitamin and mineral supplements, anti-diabetics, eye drops, inhalers, oral rehydration salts, and oral liquids.
- AFC Agro Biotech will spend BDT 75 crore to produce advanced drugs used in organ transplants. Another in the list is Promixco Ltd, which is all set to inject BDT 47.49 crore to manufacture medical furniture such as hospital beds, equipment for intensive care and diagnostic units, nebulisers, incubators and suction machines.

TOP INVESTORS	PLANNED INVESTMENT IN CRORE TAKA
JR Pharmaceuticals	106
Bimco Animal Health	92.6
AFC Agro Biotech	75
Senetive	50
Inver Pharmaceuticals	49
Promixco	47.49
Vision Drugs	47
Lilian Pharmaceuticals	40.42
Peartop Pharma	34.50
Doctors Industries	10.50

- Of around 200 pharmaceuticals companies, the top 10 hold nearly 70 % of the market share. Presently, the industry meets 98 % of the local demand and exports to more than 150 countries. However, some complicated patented drugs, particularly in oncology, need to be imported.

<https://www.thedailystar.net/business/news/19-firms-invest-BDT-650cr-pharma-1721332>

Sonali Bank: once bitten, twice shy

Logged in lowest loan-deposit ratio last year

The Daily Star, March 27, 2019

- Sonali Bank has emerged as an anomaly in the banking sector, logging in almost half the loan-deposit ratio than other banks last year, at a time when most were gasping to contain their ratio to within the authorised limit. At the end of 2018, Sonali's loan-deposit ratio stood at 42.43 %, whereas the ratio was beyond 85 % for most other banks.
- When all the banks were fighting for deposits by offering high interest rates, Sonali sat still. The bank offered interest rate of 6 to 7 % on deposits throughout last year, when most of the private banks were giving upwards of 10 % rate.
- Subsequently, its deposit growth in 2018 was 2.78 %, down from 3.17 % a year earlier. Its loan growth was 9.65 % last year, down from 10 % in the previous year. At the end of 2018, its total deposits stood at BDT 1.09 lakh crore against the loan balance of BDT 46,408 crore, according to the bank's annual report.
- Between 2010 and 2012, Hall-Mark Group swindled BDT 3,500 crore out of the bank, sinking the bank to a loss of BDT 3,153 crore in 2012. The bank has made an about turn in its financial health since.



<https://www.thedailystar.net/business/news/sonali-bank-once-bitten-twice-shy-1721317>

Ring Shine Textiles' IPO bid draws flak

The Daily Star, March 28, 2019

- The stockmarket regulator's decision to allow Ring Shine Textiles to raise BDT 150 crore has come under fire from analysts, who termed it an ill-thought-out step given the performance of such companies thus far. It would be the highest amount raised by a textile company.
- The paid-up capital of Ring Shine Textiles after raising the funds from the market would be BDT 435.05 crore, which is the second highest in the sector. So far, seven textiles companies with more than BDT 200 crore in paid-up capital got listed and all are trading at face value or lower than that.
- The companies are Alif Manufacturing, C&A Textiles, Familytex, Far East Knitting, Generation Next, Maksons Spinning, and RN Spinning Mills. Only Far East Knitting is trading at more than its BDT 10 face value and the rest are trading between BDT 3.40 and BDT 9.40.
- C&A Textiles has already been downgraded to the junk category while Familytex and Maksons Spinning were sent to the 'B' category for their bad performances. Conversely, the textile companies that are performing well and paying good dividends like Square Textiles and Envoy Textiles have much lower paid-up capital than Ring Shin

<https://www.thedailystar.net/business/news/ring-shine-textiles-ipo-bid-draws-flak-1721314>

Wata Chemicals to enhance production capacity

The Financial Express, March 27, 2019

- The board of directors of Wata Chemicals Limited has approved BMRE by setting up of units and plants at the factory to enhance production capacity. The company said through a disclosure on Wednesday that the board has taken decisions for BMRE (Balancing, Modernization, Rehabilitation and Expansion) of 18,000 MT per annum capacity of Sulphuric Acid Plant Unit-1.
- The board has also decided to set-up of new aluminium sulphate (ALUM) Plant Unit-2 for 12,000 MT per annum. The board has also decided to set-up Linear Alkyl Benzene Sulphonic Acid/Sodium Lauryl Ether Sulphate (SLES) plant for 7,200 MT per annum at its factory in Narayanganj.
- The board has also approved for establishment of a poly Aluminium Chloride Plant of 4,500 MT per annum at the factory premises. Recently, Wata Chemicals opened its second sulfuric acid plant built at an investment of nearly BDT 300 mn.
- Sulfuric acid is mostly used in production of fertiliser, in refining water and petroleum and in manufacturing other chemicals such as hydrochloric acid, nitric acid, sulfate salts, synthetic detergents, and dyes and pigments. Each share of the company closed at BDT 500.80 on Monday last at Dhaka Stock Exchange (DSE).

<http://thefinancialexpress.com.bd/stock/wata-chemicals-to-enhance-production-capacity-1553668608>

Economy

Fibre from plastic waste

Raw Tech to invest BDT 50cr to produce polyester staple fibre

The Daily Star, March 28, 2019

- Raw Tech, a Bangladesh-Hong Kong joint venture, is set to invest BDT 50 crore to produce fibres from wasted plastic bottles with a view to grabbing a share of the market for polyester staple fibres currently dominated by Chinese firms.
- The construction work for the factory spanning eight bighas of land at Bhaluka under Mymensingh district is on way, with production expected to start from December, according to Ridwan Haque, managing director of Raw Tech. Of the BDT 50 crore invested in the venture, the partner from Hong Kong provided BDT 5.50 crore and Raw Tech took a loan of BDT 25 crore from Bangladesh Infrastructure Finance Fund. The rest came from Haque.
- Raw Tech has targeted to churn out 600 tonnes of plastic staple fibre in a month and log in BDT 60 crore in sales in a year. The company will have plastic bottle collection booths in different parts of the country. Raw Tech is hoping to export the plastic fibres to China, India and Pakistan.
- While cotton is the main raw material for producing fibres, of late some countries, especially China, are doing good business in polyester staple fibres that are made through recycling of wasted plastic goods. Currently, only one company produces such fibre from plastic goods in Bangladesh.

<https://www.thedailystar.net/business/news/fibre-plastic-waste-1721308>

Bangladesh cos pay BDT 197cr in ad bills mainly to FB, Google in 5yrs: BB

New Age, March 28, 2019

- Bangladeshi companies paid BDT 197 crore (\$2.35 crore) in digital advertisement bills to global internet giants mainly Facebook and Google in last five years through banking channel, according to Bangladesh Bank data.

- The government got BDT 41.59 crore in value-added tax and advance income tax against the payments. Of the paid bills, Google Asia Pacific Pte Ltd received the highest — BDT 103.47 crore (\$1.23 crore) — followed by Facebook Ireland Limited BDT 89.24 crore (\$1.06 crore), the data showed.
- A small amount also went to two India-based company — Ultimedia E Solutions Pvt Ltd and SRB Technologies Pvt Ltd. Bangladesh Bank accumulated the data following a request of a special committee of National Board of Revenue for providing details about the transactions through banking channel for the purpose and tax collection from the sector.
- According to BB data, advertisement agencies and intermediaries including Asiatic Mindshare Ltd, Havas Media Bangladesh, Media Axis, Active Media Solutions Ltd, Bitopi Advertising Ltd, Access Telecom BD, Melonades, Geeky Social Ltd, Softwind Tech, Analyzen Bangladesh Ltd, Shopfront Ltd, Mediacom Ltd and Raise IT Solutions Ltd paid the bills.
- Some advisers including Grameenphone, BRAC, BRAC Aarong and Media Star (Prothom Alo) paid the bills directly to the beneficiaries, according to BB data. The bills were paid through Bank Asia, Dutch-Bangla Bank, Standard Chartered Bank, BRAC Bank, Citi Bank NA, First Security Islami Bank, AB Bank, Southeast Bank, Dhaka Bank and the City Bank.

<http://www.newagebd.net/article/68546/bangladesh-cos-pay-BDT-197cr-in-ad-bills-mainly-to-fb-google-in-5yrs-bb>

India to support Mongla port upgrades

BDT 60b project underway to make it regional sea transport hub

The Financial Express, March 28, 2019

- The government has taken up a massive development programme for the struggling Mongla port with Indian financial support. The move aims at making the port attractive to both domestic and regional users, officials said on Wednesday.
- The state-owned Mongla Port Authority (MPA) has undertaken the BDT 60.14 bn port upgrading project that will improve facilities in the nation's second seaport. According to the port authority, the Indian government will provide loans worth about BDT 44.59 bn while the rest will be borne by the Bangladesh government from its own coffers.
- The government is building the Padma Bridge. With the prospect of upgrading train and road transport facilities between Dhaka and Mongla, setting up the Khanjahan Ali Airport and building a special economic zone there, the port's potentials will rise further within a few years, the official noted.
- Currently the Mongla port has lower draft, lack of container jetty, and a weak transportation facility with the rest of the country, which is affecting the export and import business. The Chittagong Port is the largest sea-going corridor of Bangladesh, which alone handles more than 90 % of the country's foreign trade at the moment.

<http://thefinancialexpress.com.bd/national/india-to-support-mongla-port-upgrades-1553743119>

International

Asian LNG prices fall to near 3-yr low as buyers shun spot cargoes

New Age, March 27, 2019

- Asian liquefied natural gas (LNG) prices this week have dropped to their lowest in nearly three years as record supply lands on global shores and high inventory levels in North Asia are curbing import demand. The spot prices for LNG cargoes to be delivered into Northeast Asia in May fell this week to a nearly three-year low of \$4.30 per mn British thermal units (mmBtu), according to several trade sources.

- The spot price for Northeast Asia LNG was last assessed at \$4.65 per mmBtu on March 21, Refinitiv Eikon data showed. The price quoted by the trade sources on Wednesday is the lowest since the week of April 15, 2016, when Refinitiv data showed it at \$4, the lowest ever for data going back to 2010.
- Globally, LNG supply is expected to grow by an estimated record 40 mn tonnes, or 13 %, this year, potentially putting further pressure on Asian LNG prices.

<http://www.newagebd.net/article/68534/asian-lng-prices-fall-to-near-3-yr-low-as-buyers-shun-spot-cargoes>

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