

## Stock Market

### Dhaka stocks inch up for 2nd day amid cautious trading

New Age, November 28, 2018

- DSEX, the key index of Dhaka Stock Exchange, added 0.17 %, or 9.29 points, to close at 5,288.54 points on Tuesday after gaining 3.01 points in the previous session. Average share prices of bank, non-bank financial institution and energy sectors dropped by 0.18 %, 0.17 % and 0.12 % respectively.
- Average share prices of telecommunication, textile and pharmaceutical sectors advanced by 1.17 %, 1.16 % and 0.78 % respectively. Among the large capitalised scrips, Grameenphone, Khulna Power Company and BRAC Bank contributed most to the positive ending on Tuesday. The textile sector led the turnover chart on the day by holding 23 % of the day's turnover.
- The turnover on DSE increased to BDT 638.85 crore on Tuesday compared with that of BDT 615.74 crore in the previous trading session. Of the 336 companies and mutual funds traded on Tuesday, 133 declined, 159 advanced and 44 remained unchanged. DSE blue-chip index DS30 also gained 0.23 %, or 4.31 points, to close at 1,862.03 points. Shariah index DSES added 0.17 %, or 2.14 points, to finish at 1,226.37 points. Khulna Power Company led the turnover leaders with its shares worth BDT 37.17 crore changing hands.
- Berger Paints Bangladesh, United Power Generation Company, Saiham Cotton, Western Marine Shipyard, Intech Limited, Shepherd Industries, SK Trims, Pharma Aid and IFAD Autos were the other turnover leaders. ML Dyeing gained the most on the day with a 9.90-% increase in its share prices, while Atlas Bangladesh was the worst loser, shedding 11.25 %.

<http://www.newagebd.net/article/57261/dhaka-stocks-inch-up-for-2nd-day-amid-cautious-trading>

### BSEC okays New Line Clothings' BDT 30cr IPO

New Age, November 28, 2018

- The Bangladesh Securities and Exchange Commission on Tuesday approved New Line Clothings Limited's proposal to raise BDT 30 crore from the capital market through initial public offering. A BSEC meeting, presided over by its chairman M Khairul Hossain, approved the IPO proposal, said a BSEC press release.
- The textile company will float 3 crore shares at an issue price of BDT 10 each under fixed price method. The company will use the IPO fund to pay bank loans, purchasing capital machinery, expand factory and to bear IPO expenses. As per the entity's audited financial statement for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share are BDT 20.51 (without revaluation) and BDT 1.85 respectively.
- Banco Finance and Investment Limited, Shandhani Life Finance Limited and SoutheastBank Capital Services Limited acts as the issue manager for the IPO process. The commission at meeting also approved LankaBangla Finance's Non-convertible Floating Rate Subordinate bond, worth BDT 300 crore.
- The commission also allowed LankaBangla Finance to float subordinated bond worth BDT 300 crore. LankaBangla Finance will float non-convertible, fully redeemable, unsecured, unlisted subordinated bonds. The face value of each unit of the bond will be BDT 1 crore and will be fully redeemable in 6 years. Only corporate bodies, financial institutions, high net worth individuals and funds will be allowed to subscribe the bonds through the private placement.
- The purpose of the issue is to strengthen its capital base and meet its capital requirement under Tier-II. Roots Investment Limited acts as the trustee for the bond while Green Delta Capital Limited is the mandated lead arranger

for the bond. The BSEC at the meeting also accepted the memorandum of association and article of association of Central Counterparty Bangladesh in accordance with the reports submitted by CCP formation committee.

<http://www.newagebd.net/article/57262/bsec-okays-new-line-clothings-BDT-30cr-ipo>

## **Meghna bags \$82m foreign loan for sugar plant**

The Daily Star, November 28, 2018

- Meghna Sugar Refinery Ltd, a sister concern of Meghna Group of Industries, has managed an \$82 mn loan or around BDT 688 crore from a consortium of foreign financial institutions to establish a sugar refinery plant at Meghna Economic Zone in Narayanganj.
- The company will produce around 4,000 tonnes of liquid and invert sugar—an edible mixture of glucose and fructose—every day, said Mostafa Kamal, chairman of the group. Kamal shared the info at a programme on Monday when the group signed a deal with the consortium at The Westin Dhaka.
- The consortium includes German financier DEG, Dutch development bank FMO, Austrian development bank OeEB and the Islamic Corporation for the Development of the Private Sector (ICD), which is the major private sector development arm of the Islamic Development Bank Group.
- Eastern Bank Ltd (EBL) will be facilitator, security agency and accounts bank of the deal for the low-cost loan that will come with an eight-year tenure.

<https://www.thedailystar.net/business/news/meghna-bags-82m-foreign-loan-sugar-plant-1666051>

## **Khulna Power directors barred from selling shares**

The Daily Star, November 28, 2018

- The stock market regulator yesterday barred Khulna Power's directors, sponsors and shareholders with more than 10 % stakes from disposing their shares after the company failed to disclose price-sensitive information properly. The contract between Khulna Power, a 110 megawatt power plant, and Bangladesh Power Development Board had expired on October 11 but the company did not articulate the development clearly, said the Bangladesh Securities and Exchange Commission.
- At the same time, sponsors and directors of the company began selling their shares. At the commission meeting yesterday, the BSEC has now decided to form a committee to investigate the matter. Until the case is closed, Khulna Power's directors, sponsors and major shareholders are forbidden from selling their shares or transferring them.
- Meanwhile, the issuer informed yesterday through a posting on the Dhaka Stock Exchange website in response to a query from the bourse that they are in discussions with the BPDB about the resumption of supply from the plant.
- Furthermore, the tenure of the agreement was clearly mentioned in the audited financial statements for financial year 2016-17, which was shared with the BSEC and the stock exchanges. Also at the commission meeting the BSEC decided to fine the managing director and shareholder directors of Central Pharmaceuticals BDT 4 lakh each as the company hid the qualified opinion of the auditor in the financial report.

<https://www.thedailystar.net/business/news/khulna-power-directors-barred-selling-shares-1666048>

## IFAD Auto opens largest commercial vehicles service center in BD

The Financial Express, November 27, 2018

- IFAD Auto inaugurated the largest commercial vehicles service center in the country on Monday at its own industrial area at Madanpur in Bandar thana of Narayanganj. IFAD launched the commercial service center for vehicles having the technical support from Ashok Leyland, one of the largest commercial vehicles, trucks and bus manufacturers in India.
- Ashok Leyland Chief Executive Officer and Managing Director Vinod K Dasari and IFAD group chairman Iftekhah Ahmed Tipu jointly inaugurated the service, first of its kind in Bangladesh. The newly station at Madanpur can provide services to 22 commercial vehicles simultaneously with its modern technologies there. Besides, sales, services and spares facilities will also be available at the station.
- Vinod K Dasari of Ashok Leyland said Bangladesh is fast growing market, and the number of commercial vehicles is on increasing mode to keep the economy moving.

<http://thefinancialexpress.com.bd/stock/bangladesh/ifad-auto-opens-largest-commercial-vehicles-service-center-in-bd-1543292449>

## Monno Stafflers share price soaring sans PSI

Ambee Pharma's share jumps 57pc in a month

The Financial Express, November 27, 2018

- Share price of Monno Jute Stafflers is soaring without any price sensitive information (PSI). The share price of the company surged further by 6.25 % on Monday. In the past six days after record date, the company's share price jumped more than 35 % or BDT 470.80 each to close at BDT 1801 on Monday.
- In the last one year, its share traded between BDT 638 and BDT 5634.20 each. Monno Jute's share price also reached at BDT 5,634.20 each on 15 November, 2018 and became the most valued stock on the Dhaka Stock Exchange (DSE). After price adjustment on record date, its price came down to BDT 1330.20 each on November 18. Since then, its share price started to rise again.
- Following the recent abnormal price hike, the DSE served show-cause notice on the company on Sunday. However, the company in a knee-jerk response informed the DSE that there is no undisclosed PSI for recent unusual price hike of its shares. Brokers said even after serving of show-cause notice, the share price of the company continued to rise.
- The company declared a 350 % stock dividend for the year ended on June 30, 2018. The company has also reported earnings per share (EPS) of BDT 8.74, net asset value (NAV) per share of BDT 53.30 and net operating cash flow per share (NOCFPS) of BDT 69.68 for the year ended on June 30, 2018 as against BDT 0.57, BDT 52.25 and the negative BDT 96.16 respectively for the same period of the previous year.
- The company, which was listed on the Dhaka bourse in 1982, disbursed 15 % stock dividend in 2017. The company's paid-up capital is BDT 4.60 mn and authorised capital is BDT 1.0 bn, while the number of securities is 460,000. The sponsor-directors own 55.90 % stake in the company, while institutional investors own 4.05 %, foreign investors 0.01 % and the general public 40.04 % as on October 31, 2016.
- The share price of Ambee Pharmaceuticals also surged 57 % or BDT 283 each within one month although it had no PSI. The company's share price closed at BDT 779.90 on Monday, soaring 7.45 % over the previous day.

<http://thefinancialexpress.com.bd/stock/bangladesh/monno-stafflers-share-price-soaring-sans-psi-1543308368>

## Midland East Power Plant commences commercial operations

The Financial Express, November 27, 2018

- After successful testing and pre-commissioning, a 150-megawatt project of Midland East Power Plant started its commercial operations on Monday. Situated at Ashugonj in Brahmanbaria, Midland East Power Plant, the heavy fuel oil (HFO) fired power plant, is a subsidiary of Midland Power Company.
- Shahjibazar Power, a listed company, holds 49 % stake in Midland Power Company, which eventually will have a prospective impact on the profitability of the company, said an official disclosure on Monday. The plant is being operated on build, own, and operate (BOO) basis for a period of 15 years commencing on commercial operation date (COD).
- This power plant is one of the fast track power projects awarded by the government earlier. Each share of the Shahjibazar Power Company, which was listed on the Dhaka bourse in 2014, closed at BDT 90.30 on Monday. The board of directors of the company has recommended 25 % cash and 3.0 % stock dividend for the year ended on June 30, 2018.
- The company has also reported consolidated EPS of BDT 4.10, consolidated NAV per share of BDT 32.95 and Consolidated NOCFPS of BDT 2.53 for the year ended on June 30, 2018 as against BDT 5.50 (restated), BDT 34.49, and BDT. 13.61 respectively for the corresponding period of the previous year.
- The company also disclosed first quarter (Q1) financial statements. As per the Q1 reports, consolidated EPS was BDT 1.30 for July-September 2018 as against BDT 1.20 for July-September 2017. Consolidated NOCFPS was BDT 2.94 for July-September 2018 as against BDT 0.57 for July-September 2017. Consolidated NAV per share was BDT 34.25 as on September 30, 2018 and BDT 32.95 as on June 30, 2018. The company disbursed 16 % cash and 14 % stock dividend for the year ended on June 30, 2017.

<http://thefinancialexpress.com.bd/stock/bangladesh/midland-east-power-plant-commences-commercial-operations-1543303899>

## Demand for mutual funds continues to be at a low ebb

*Nine-tenths trading below face value*

The Financial Express, November 27, 2018

- The market prices of around 90 % units of closed-end mutual funds (MFs) are below their face value as investors' participation in trading is thin. The prices of most of the funds have been below the face value for a long time, though many junk shares exhibited unusual spike.
- The regulator's decision on extending the tenure of closed-end MFs and the lack of professionalism in fund management are cited by experts as among the reasons for the deplorable situation. Of 37 closed-end MFs, the market prices of only four listed mutual funds (MFs) are above the face value. In contrast, most of the MFs are trading below their face value of BDT 10 each.
- The dividends recommended by the MFs are not up to the mark, either. The Bangladesh Securities and Exchange Commission (BSEC) had approved some new provisions for the amendment to the rules of the MFs on December 7, 2015. But the regulator has not finalised the proposed amendment to the rules of MFs yet, which were approved around three years ago to bring discipline in managing the MFs.
- Meanwhile, of 37 listed MFs, only seven have recommended dividend above 10 % for the year ending on June 30, 2018. The amount of dividends recommended by 25 MFs is below 10 %. Some of the MFs have recommended dividend in the form of both cash and Re-Investment Unit (RIU) and the %age of RIU is greater than that of cash dividend.

- In a bearish market, the unit holders are not happy with the RIU as they have to sell units at lower prices. But the management fee of a fund manager increases as the size of its MF is enlarged through the RIU. The BSEC recently extended the tenure of existing closed-end MFs for another 10 years following an instruction from the government.

<http://thefinancialexpress.com.bd/stock/bangladesh/demand-for-mutual-funds-continues-to-be-at-a-low-ebb-1543289810>

## BRAC Bank, bKash join hands with WorldRemit

*Improving money transfer service*

The Financial Express, November 27, 2018

- International digital money transfer service WorldRemit has tied up with local entities BRAC Bank and bKash to enhance its footprint in Bangladesh. As a result, Bangladeshi diaspora living in over 50 countries can now send money quickly and securely to 1.5 mn BRAC Bank accounts, 186 BRAC Bank branches as well as up to 30 mn bKash mobile money wallets.
- At the same time, around 30 BRAC SME locations can be used for collection of remittances in cash as part of the service. The new partnership considerably expands WorldRemit's footprint in Bangladesh and supports its plan to serve 10 mn customers connected to emerging markets by 2020, officials of the company said.
- WorldRemit launched its operation in Bangladesh back in 2012 and currently it is already tied up with multiple banks, telecoms operators and mobile money service providers in the country. International transfers to bKash mobile money wallets via WorldRemit are instant. Recipients can then transfer funds from their bKash wallets to other bKash wallets, top-up mobile airtime, and pay for bills and groceries at shops and businesses that accept bKash payments.
- Customers can also withdraw money as cash at bKash agent locations or store their funds in their bKash accounts, officials informed. Since its launch in 2011, bKash has become the largest mobile financial services (MFS) provider in Bangladesh, attracting 30 mn customers.

<http://thefinancialexpress.com.bd/trade/brac-bank-bkash-join-hands-with-worldremit-1543339888>

## Economy

### Handset sales drop

The Daily Star, November 28, 2018

- Mobile phone sales dropped in the first nine months of the year, with the industry now bracing itself for a full-year of negative growth -- a first for the sector. Bangladesh Mobile Phone Importers Association (BMPIA) is blaming the slump on the illegal imports and counterfeit products.
- Illegal imports have soared more than 40 %, depriving the government of revenue of about BDT 4,000 crore, according to the association's estimation. In 2017 the industry had imported 3.44 crore units of handsets. But this year, the number will be less than 3 crore. In first nine months of the year, smartphone import dropped 17 % year-on-year to 50 lakh units.
- Most of the Xiaomi and iPhone smartphones enter the market illegally and Samsung is also facing this problem, according to Mahbub, who is also the chairman of Fair Group, a distributor of Samsung phones. BMPIA urge the government to reduce the supplementary duty from 10 % to 5 % on mobile phone imports and waive the 5 % value-added tax.

<https://www.thedailystar.net/business/telecom/news/handset-sales-drop-1666054>

## Shipbuilding industry: Govt produces skilled workforce of 7,500 in three years

The Financial Express, November 28, 2018

- The government is working to produce skilled manpower for the shipbuilding industry, and it already trained up a workforce of over 7,500 in three years, officials said. With the financial support of Asian Development Bank (ADB), the government is developing the manpower at different organisations, including Western Marine Shipyard Limited (WMSL).
- Under Skills for Employment Investment Programme (SEIP), the government and the Association of Export Oriented Shipbuilding Industry Bangladesh (AEOSIB) are jointly training up the manpower for enhancing productivity in the sector.
- During a visit to WMSL in Chattogram's Patia area on Monday, it was found that workers were being trained up under six different courses -- welding and fabrication, electrical and navigation, machine tools operation, machinery installation, painting, and piping.
- ADB is providing US\$350 mn funds for the government's \$445.5-mn SEIP. The Manila-based lender has provided \$100 mn in the first tranche between 2014 and 2018, while another \$100 mn in the second tranche between 2017 and 2020. In the third tranche, ADB has planned to provide assistance amounting to \$150 mn up to 2024 for developing manpower in Bangladesh's different sectors.

<http://thefinancialexpress.com.bd/trade/shipbuilding-industry-govt-produces-skilled-workforce-of-7500-in-three-years-1543376779>

## Imported LNG: Bracing for gas rates rationalisation

The Financial Express, November 27, 2018

- Rupantarita Prakritic Gas Company Limited (RPGCL), a subsidiary of Petrobangla, is responsible for import and supply of imported liquefied natural gas (LNG) in the country. Re-gasified LNG supply is conducted through a Floating Storage and Re-gasification Unit (FSRU) at Moheshkhali, Cox's Bazar.
- The FSRU has been installed and being operated by the US company Excelerate Energy within the scope of an agreement with Petrobangla. A second FSRU of similar kind is scheduled to be commissioned in April 2019 under an agreement between Petrobangla and Summit Group in partnership with Japan's Mitsubishi.
- RPGCL has scrapped several other proposals for installation of FSRU in the Bangladesh coast including those of the Indian Reliance Power, a consortium of Hongkong Shanghai Manjara Power and Malaysia's Petroleum National Bhd, Trafigura, Gunvor and Vitol, Exmar NV of Belgium etc. Earlier, Petrobangla decided to shelve the proposal for three small-scale FSRUs following objections from the Chittagong Port Authority.
- Meanwhile the government has decided not to build or allow anymore new FSRU, managing director of RPGCL disclosed to the media recently. Although commissioned in April 2018, the Excelerate FSRU started supplying gas to the national gas pipelines grid in August 2018. Within a few weeks of commencement of re-gasified LNG supply, the FSRU had to suspend its operation on November 04, 2018 as a sub-sea valve required urgent repairing to continue gas supply.
- It took 12 days to fix the technical glitch in the sub-sea pipelines and valve systems to restore gas supply. In the meantime, several power plants, industries, CNG pumps and households from a large part of the country suffered badly due to gas supply shortages.

<http://thefinancialexpress.com.bd/views/reviews/imported-lng-bracing-for-gas-rates-rationalisation-1543332675>

## International

### H&M to close down its struggling Cheap Monday brand

New Age, November 28, 2018

- H&M, the world's second-biggest fashion retailer, said on Tuesday it would close down its struggling independent brand Cheap Monday. H&M in 2008 bought Fabric Scandinavien AB, the owner of the Cheap Monday brand, whose trademark product is low-priced skinny jeans, and the store chains Weekday and Monki.
- Cheap Monday products are sold mainly through around 3,000 resellers world-wide. They are also sold through its own online store, a flagship store in London and on online marketplaces Asos and Zalando. Fabric Scandinavien was H&M's first-ever acquisition. H&M has since then launched several independent chains such as COS and & Other Stories to broaden its customer base.
- Its core H&M brand, which has struggled to adapt to the online shift in the industry, still accounts for the bulk of business. H&M said it aimed to complete the closure of Cheap Monday, which affects around 80 employees, by the end of June 2019.

<http://www.newagebd.net/article/57263/hm-to-close-down-its-struggling-cheap-monday-brand>

## Bank Asia Securities Ltd. News

### Bank Asia Securities Celebrates 19th anniversary of Bank Asia

- Bank Asia Securities Ltd has celebrated the 19th anniversary of Bank Asia at the securities Head office at Hadi mansion, Dilkusha, Dhaka. All the 127 branches of the Bank, along with 5 Islamic windows and its subsidiaries in Bangladesh and overseas observed the anniversary in a befitting manner.
- Sumon Das, Chief Executive Officer of Bank Asia Securities Ltd inaugurated the occasion along with honorable clients. Deputy Chief Executive Officer, Chief Operating Office and all employees were also present in the occasion.



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