

## Stock Market

### Stocks drop as Muhith meeting rescheduled again

New Age, May 28, 2018

- Dhaka stocks on Monday returned to the losing track after a two-day gain as investors started selling shares again after finance minister AMA Muhith rescheduled a meeting with stock-market stakeholders for the fourth time.
- After rescheduling for couple of times, the meeting was scheduled to hold on Sunday but finance minister AMA Muhith postponed the meeting. The meeting, however, is rescheduled for today.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.72 %, or 39.39 points, to close at 5,417.42 points on Monday after gaining 108 points in the previous two sessions. Before the two-day gain, the key index had lost 452 points in 16 trading sessions with only one positive day.
- The market advanced in last two sessions as the stock-market stakeholders at a meeting made pledge of every possible support to the Bangladesh Securities and Exchange Commission for improving the market situation, market operators said.
- The BSEC on May 24 held the meeting with top brokerage houses, merchant banks and asset management companies at the Investment Corporation of Bangladesh office to find ways of improving the market situation.

<http://www.newagebd.net/article/42325/stocks-drop-as-muhith-meeting-rescheduled-again>

### Market follows Chinese influx with cautious optimism

Dhaka Tribune, May 27, 2018

- Business insiders are cautiously enthusiastic about the sudden surge of Chinese investment in the stock market, mobile financial services as well as in e-commerce.
- While the moves had been incubating for some time, the three major events that took place since April made the market abuzz.
- Business leaders, trade analysts and economists think that the flow of new investment will bring changes in e-commerce and online payment with radical changes in terms of technology.
- They said under the Chinese involvement, the stock exchange is likely to see changes towards good governance and new financial products.
- However, they pointed out that regulators should be watchful and ensure sufficient safeguards for smaller local entrepreneurs in the field.
- What is known is that Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), a consortium of Chinese stock market, is buying 25% shares worth BDT945 crore (equivalent to about \$111.8 Mn in current exchange rates) from Dhaka Stock Exchange.
- But bKash, the market leader in mobile financial services, has been quite tight-lipped about what Alipay, the Chinese mobile payment giant owned by Alibaba Group, is paying for 20% of its shares. This move was announced on April 26.

<https://www.dhakatribune.com/business/2018/05/28/market-follows-chinese-influx-with-cautious-optimism>

## Economy

### Three new banks on the horizon

The Daily Star, May 29, 2018

- Approval for three new commercial banks is in the works at a time when the country's banking sector is handicapped by financial irregularities and bad loans.
- Bangladesh Bank has completed the primary process for issuing licenses to two new private banks -- Bengal Bank and People's Bank.
- And the third one -- Community Bank Bangladesh -- proposed by the Bangladesh Police is under consideration, a BB official said yesterday.
- Bangladesh Police Welfare Trust, a concern of Bangladesh Police, applied to the BB on May 23.
- The BB had earlier turned down proposals from Bengal Bank and People's Bank, but it had to go back on the decision following pressure from the government higher-ups.
- In its response to the finance ministry on December 18, the BB said the current precarious conditions of the nine new banks should be considered before allowing yet another bank.
- The capital base of the nine banks, which got licences in 2013, is not good, with two of them being currently on life support, according to the BB letter.
- The central bank is also under pressure to allow another new bank -- Citizen Bank -- from the government higher-ups, the BB official added.

<https://www.thedailystar.net/business/three-new-banks-the-horizon-1583197>

### Defaulters swallow BDT 800b bank money

The Financial Express, May 28, 2018

- Lawmakers have identified the legal loopholes as one of the major reasons why bank-loan defaulters go unscathed, in most cases.
- The 23rd meeting of the parliamentary standing committee on the ministry of finance, held recently, listed the key reasons behind the spread of the default- culture.
- In, at least, 600 cases, the court issued order asking the banks concerned not to show the credit status of the borrowers though the central bank's Credit Information Bureau (CIB) had identified them as defaulters, the meeting was told.
- The lawmakers, who attended the meeting, proposed enactment of a new law by removing the weaknesses of the existing ones, according to proceedings of the meeting.
- In this context, they suggested formation a committee of experts for drafting an appropriate law.
- Experts, however, differed with the lawmakers' proposal and recommended the formation a dedicated bench in the High Court, instead, for settling the loan-default cases.
- Speaking at the meeting, committee chairman Abdur Razzak said the defaulters are able to take the advantage of stay orders from the court due to the weaknesses in the relevant laws.
- Courts even issue order asking the banks not to show the accused borrowers as 'defaulters', he added.

<https://thefinancialexpress.com.bd/economy/defaulters-swallow-BDT-800b-bank-money-1527479257>

## **Inaccurate credit reports on foreign traders open door to forgeries**

New Age, May 28, 2018

- Inaccurate credit reports on foreign importers and exporters open the door to different forgeries in export and import services, said experts at a discussion organised by the Bangladesh Institute of Bank Management.
- While presenting the research paper at the discussion, BIBM director Shah Mohammad Ahsan Habib said, 'Recently, 26 companies exported products against a single export order but none of them received payment and even the importer were not identified.'
- 'Irregularities worth BDT 600 crore later came to our knowledge,' he said adding that such incident could be avoided if measures were taken as per the credit report.
- He termed expenses around \$1.5 crore each year for credit report as reasonable considering the importance of the report.
- Ahsan, also a BIBM professor, said that the credit reports of the foreign importers and exporters were mostly traditional without any analysis, which resulted in forgery by fake companies.
- BIBM chair professor Barkat-e-Khuda said banks should remain alert to prevent forgery or irregularities in international trade.

<http://www.newagebd.net/article/42322/inaccurate-credit-reports-on-foreign-traders-open-door-to-forgeries>

## **International**

### **Oil prices mixed but expected output increase drags**

Reuters, May 29, 2018

- Oil prices were mixed in Asian trading on Tuesday, but remained under pressure from expectations that Saudi Arabia and Russia would pump more crude to ease a potential shortfall in supply.
- Brent crude futures LCOc1 were up 31 cents, or 0.41 %, at \$75.61 a barrel at 0213 GMT, after settling at their lowest since May 8 at \$75.30.
- U.S. West Texas Intermediate (WTI) crude CLc1 was down \$1.05, or 1.55 %, at \$66.83 a barrel, sitting around its lowest since April 17.
- "Investors have started pricing in the likelihood of Saudi Arabia and Russia increasing crude oil production," ANZ Bank said in a note.
- "However, doubt remains, with any agreement to be finalised at the June OPEC meeting."
- Concerns that Saudi Arabia and Russia could boost output have put downward pressures on oil prices, along with rising oil production in the United States.
- Saudi Arabia and Russia have discussed raising OPEC and non-OPEC oil production by some 1 Mn barrels per day to make up potential supply shortfalls from Venezuela and Iran.

<https://www.reuters.com/article/us-global-oil/oil-prices-mixed-but-expected-output-increase-drags-idUSKCN1IU02M>

## Shares fall on Italian turmoil, euro, oil at multi-week lows

Reuters, May 28, 2018

- MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS dipped 0.3 % after three consecutive sessions of gains.
- Japan's Nikkei .N225 skidded 0.8 % while South Korean .KS11 shares slipped 0.5 %. Australia's benchmark index was a touch firmer. Liquidity is expected to be relatively thin with market holidays in Singapore, Malaysia, Indonesia and Thailand.
- "The market has turned its focus to the continuing political situation in Italy," said Nick Twidale, Sydney-based analyst at Rakuten Securities Australia.
- "This should keep the risk trades pressured to the downside.... (The) focus will remain on the on-again, off-again U.S.-North Korean summit and the U.S.-China trade relationship as we move through the Asian trading session," Twidale added.
- E-Mini futures for the S&P500 ESC1 gained 0.1 %. Globally, trade was subdued overnight with market holidays in the world's two biggest financial centers - London and New York.
- The tick up in U.S. stock futures came as South Korean President Moon Jae-in flagged more impromptu talks and summits with North Korea's Kim Jong Un after the pair's surprise meeting at the weekend.

<https://www.reuters.com/article/us-global-markets/shares-fall-on-italian-turmoil-euro-oil-at-multi-week-lows-idUSKCN1IT26S>

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## BASL Research Team

Mr. Shariful Alam Chowdhury  
Head of Research & Investments

tushar@basl-bd.com, tusharbd@bloomberg.net

Mr. Shohidul Islam  
Research Analyst

shohidul@basl-bd.com, shohidulbd@bloomberg.net

Mr. Md. Monirul Islam  
Research Associate

abir@basl-bd.com

Mr. Monir Hossain  
Research Associate

monir@basl-bd.com

## BASL Branches

### Head Office

Hadi Mansion (7th Floor)  
2, Dilkusha Commercial Area  
Dhaka-1000, Bangladesh  
Phone: +88-02-9515826-28  
Fax: +88-02-9567884

### Modhumita Extension Office

158-160 Modhumita Building  
(5th Floor)  
Motijheel C/A, Dhaka-1000  
Phone: +88-01819118893

### Dhanmondi Branch

Meher Plaza (1st Floor),  
House # 13/A, Road # 05  
Dhanmondi, Dhaka - 1207  
Phone: +8802-8624874-5

### Mirpur Branch

Nishi Plaza, plot # 01,  
Avenue-04, Section-06, Block-  
C  
Mirpur, Dhaka - 1216  
Phone: +88-02-9013841

### Uttara Branch

House # 79/A, (4th Floor),  
Road # 07, Sector # 04  
Uttara Model Town, Dhaka-  
1230  
Phone: +88-02-8958371

### Banani Branch

Nur Empori, Plot # 77 (1st  
Floor), Road No # 11, Banani,  
Dhaka-1213  
Phone: +8801716180767

### Khulna Branch

28, Sir Iqbal Road (1st Floor)  
Khulna  
Phone: +88-041-731208-9

For International Trade & Sales, please contact **Mr. Sumon Das, Chief Executive Officer**. Please call at +8801993111666, +880 02 9515826, Ext:101 at Business hour.

For further query, write to us at [research@basl-bd.com](mailto:research@basl-bd.com).