

## Stock Market

### Stocks inch up on cautious trading before MPS unveiling

New Age, July 29, 2019

- Dhaka stocks inched up on Sunday despite a fall in the share prices of two-thirds of the traded scrips as some institutional investors continued buying shares of sector-specific large-capitalised companies while many investors remained cautious ahead of the monetary policy announcement by the central bank.
- DSEX, the key index of Dhaka Stock Exchange, added 0.01 %, or 0.67 points, to close at 5,133.93 points on Sunday after gaining 55.96 points in the previous session. The index gained 27 points within the first 20 minutes of the day's session, but dipped to the red zone soon after before finishing slightly up.
- After DSEX dipped to a 31-month low on July 22, the Bangladesh Securities and Exchange Commission held meetings with the market intermediaries last week to find out reasons for the fall. The average share prices of food sector advanced by 2.04 %, pharmaceuticals 0.52 %, energy 0.18 % and bank 0.12 %
- On the other hand, mutual fund dropped by 6.83 %, general insurance 1.92 %, non-bank financial institution 0.74 % and textile 0.56 %. Out of the 353 scrips traded on Sunday, 214 declined, 111 advanced and 26 remained unchanged
- Turnover on the bourse dropped to BDT 406.00 crore on Sunday from BDT 467.93 crore in the previous session. DS30, the blue-chip index of DSE, gained 0.18 %, or 3.35 points, to close at 1,839.54 points. DSE Shariah index DSES added 0.23 %, or 2.75 points, to close at 1,176.48 points.
- Bangladesh Autocars gained the most on the day with a 9.98-% increase in its share prices while Progressive Life Insurance Company was the worst loser, shedding 23.66 %.

<http://www.newagebd.net/article/79975/stocks-inch-up-on-cautious-trading-before-mps-unveiling>

### Insurers agree not to give over 15pc commission

The Daily Star, July 29, 2019

- General insurance companies have decided not to provide over 15 % commission to agents to comply with a regulatory notice issued in 2012. Moreover, they would also stay vigilant to ensure that the peers are compliant.
- The decisions came in a meeting of Bangladesh Insurance Association (BIA) at Dhaka Club on Saturday night, when CEOs and chairpersons of all the companies were present.
- Sheikh Kabir Hossain, president of the BIA, chaired the meeting. The Insurance Development & Regulatory Authority (Idra) had issued the notice against the backdrop of some insurers going as far as to offer 60 %.
- When compliant insurers refuse to pay such amounts, parties go to others without considering the risks. The regulator recently decided to clamp down on the practice for the sake of the sector. This prompted the BIA to sit together and settle on implementing the decision.

<https://www.thedailystar.net/business/news/insurers-agree-not-give-over-15pc-commission-1778527>

## Bata Shoes' EPS plunges 55 pc

The Daily Star, July 29, 2019

- The half-yearly earnings per share of Bata Shoes plunged 55.83 % to BDT 20.50. The shoe maker informed they gave emphasis on the collection of dues and cut down on credit sales. As a result, turnover declined. But dues declined and net operating cash flow per share increased to BDT 28.01 from BDT 17.42 in the negative.
- Bata Shoe also offered a big clearance sale to clear stock for more than 12 months old, which impacted the gross margins of the second quarter.

<https://www.thedailystar.net/business/news/bata-shoes-eps-plunges-55-pc-1778521>

## DBBL sponsor transfers his entire shares

The Daily Star, July 29, 2019

- Abedur Rashid Khan, one of the sponsor-directors of Dutch-Bangla Bank, transferred his entire holding of 2.61 crore shares to Horizon Associates for BDT 181.37 crore in an out-of-market deal.

<https://www.thedailystar.net/business/news/dbbl-sponsor-transfers-his-entire-shares-1778515>

## Refusal to list controversial Coppertech on DSE costs Majedur's job

*BSEC rejects bourse board's proposal to extend his tenure as MD*

New Age, July 29, 2019

- The Bangladesh Securities and Exchange Commission has rejected a Dhaka Stock Exchange board's proposal to extend the tenure of KAM Majedur Rahman as DSE managing director to punish him for his refusal to list controversial Coppertech Industries on the bourse, said sources at BSEC and DSE.
- The BSEC at a commission meeting on July 23 made the decision of rejecting reappointment of Majedur, whose tenure ended on July 11. In a letter to the DSE, the commission did not mention any reason for the refusal. It was the first time that the BSEC declined a DSE'S proposal regarding its MD.
- Majedur on July 11, 2016 joined the DSE as managing director for a three-year term. The DSE' board of directors in June this year approved time extension for Majedur and sought permission from the BSEC in this regard.
- Despite a huge pressure from the government high-ups in favour of the company's listing, Majedur refused to give listing approval to Coppertech before the allegations against the company were investigated, said DSE sources.
- After Majedur's tenure ended, the DSE board members, who were previously against listing a controversial company, agreed to list it on the bourse. Observing that the DSE was unwilling to give listing approval to Coppertech, the BSEC ordered the bourse to pay the share subscription money to the company's bank account, putting more pressure on the bourse.

<http://www.newagebd.net/article/79973/refusal-to-list-controversial-coppertech-on-dse-costs-majedurs-job>

## Monetary policy to beef up capital market

*BB unveils statement Wednesday*

The Financial Express, July 25, 2019

- The central bank is set to unveil its first half-yearly (H1) monetary policy for the current fiscal year, 2019-20, on Wednesday, with the policy rates likely to remain unchanged.
- The monetary instrument is also expected to continue its policy support for the country's moribund stock market. The policy rates, including CRR (cash reserve requirement), SLR (statutory liquidity ratio), Repo and Reverse Repo, may remain unchanged for H1 of FY'20, according to central bank officials.
- As part of the strategy, the BB is likely to focus on boosting loans for micro, small and medium enterprises (MSMEs) and the agriculture sector along with microcredit to help create job opportunities across the country.
- In the H1 MPS, the central bank is likely to maintain its cautious position on containing inflationary pressure on the economy, as the average core inflation has witnessed an upward trend in recent months. The core inflation rose to 5.48 % on an annual average basis in June 2019 from 5.44 % a month ago. It was 4.65 % in December 2018.
- Currently, the central bank is measuring the core inflation, excluding non-food and non-fuel components from the consumer price index (CPI).

<http://thefinancialexpress.com.bd/stock/monetary-policy-to-beef-up-capital-market-1564372206>

## Economy

### BB to unveil MPS on Wednesday

- The Bangladesh Bank will unveil its monetary policy statement (MPS) for the first half of the current fiscal year (2019-20) on Wednesday. Earlier, a senior official of the central bank said the MPS would be announced on the basis of the national budget for the 2019-20 financial year and the fiscal policy directions.

<http://thefinancialexpress.com.bd/economy/bangladesh/bb-to-unveil-mps-on-wednesday-1564322903>

### Foreign loan commitment reaches \$9,795.86m in FY19

New Age, July 29, 2019

- The commitment of foreign loan to Bangladesh during the last fiscal year reached \$9,795.86 mn whereas the disbursement of foreign aid totalled \$6,210.05 mn.
- This was disclosed at the 2nd meeting of the parliamentary standing committee on Ministry of Finance of 11th Jatiya Sangsad held at Jatiya Sangsad Bhaban on Sunday. The meeting was informed that the amount of foreign currency reserve during the FY18 reached \$32.75 bn.

<http://www.newagebd.net/article/79976/foreign-loan-commitment-reaches-979586m-in-fy19>

## Teletalk to take LG's bn-dollar loan

The Daily Star, July 29, 2019

- The government has decided to take a bn-dollar loan from Korean company LG U+ for expanding Teletalk's network coverage and making the state-run operator's infrastructure 5G compatible.
- The Korean company has offered \$1.2 bn as loan last year and the proposal was placed before Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy in a meeting recently, where he gave the green signal, according to officials working on the matter.
- LG also wants to improve Teletalk's core network to make it capable of handling 2.4 crore customers, reads the proposal. The government has targeted to launch 5G commercially by 2023.
- Since Teletalk is lagging behind in 4G coverage the project will upgrade its network. And when it is time for 5G roll-out a little additional investment would make the network ready to deliver the latest technology. The proposal was placed before the planning commission last year but found no response.
- Saudi Telecom Company is also engaged in a dialogue with the government on seven projects including telecom. However, it is not certain whether they will invest in Teletalk.

### AT A GLANCE

Korean company LG U+ offered  
\$1.2b as loan

The offered interest rate is 3pc  
(negotiable)

Payback period is 25 years with 5 years'  
grace period

The loans require no sovereign  
guarantee

Teletalk wants to use the fund for  
expansion and network upgradation

<https://www.thedailystar.net/business/news/teletalk-take-lgs-bn-dollar-loan-1778545>

## Export of plastic products rises as new markets emerge

The Daily Star, July 29, 2019

- Shipments of plastic products rose 22 % year-on-year to \$120 mn in fiscal 2018-19, something manufacturers and traders attribute to the emergence of new export destinations. In fiscal 2017-18, the export had seen a 16 % year-on-year drop when China stopped importing PET (polyethylene terephthalate) bottle scrap, according to the Export Promotion Bureau.
- The main raw material for producing plastic goods is polyolefin, which is derived during the refining of crude oil and cracking or distillation of natural gas liquids. The PET resin pellets are availed by type-based sorting, shredding, cleaning and melting of waste plastic.
- Despite having no polyolefin manufacturing facility, Bangladesh currently manufactures over 142 plastic items and mainly exports intermediate products like film plastic, household items and garment accessories.

### EXPORT OF PLASTIC PRODUCTS

In million dollars



SOURCE: EPB

<https://www.thedailystar.net/business/news/export-plastic-products-rises-new-markets-emerge-1778539>

## International

### Cautious hopes before new round of US-China trade talks

New Age, July 29, 2019

- US trade negotiators return to China this week for a fresh round of talks in a new city, but experts warn a change of air is unlikely to quickly solve an impasse between the world's two biggest economies.
- The meetings in Shanghai on Tuesday and Wednesday will be the first face-to-face discussions since negotiations collapsed in May after president Donald Trump accused China of reneging on its commitments. Washington and Beijing have so far hit each other with punitive tariffs covering more than \$360 bn in two-way trade in the tense stand-off.
- Despite an agreement by Trump and president Xi Jinping at the G20 in Japan to cease hostilities, there has been little progress since — and the US leader has irritated the Chinese side by claiming the slowing economy is forcing them to make a trade deal.
- The dispute has centred on US demands for China to curb the alleged theft of American technology and provide a level-playing field to US companies in the Asian country. Trump has also angered China by blacklisting telecom giant Huawei over national security concerns.

<http://www.newagebd.net/article/79984/cautious-hopes-before-new-round-of-us-china-trade-talks>

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