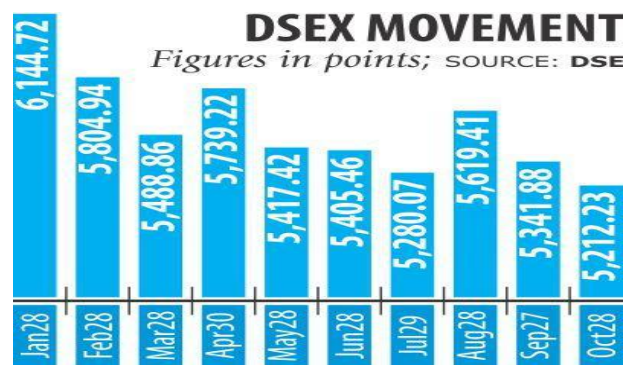


## Stock Market

### Stocks sink to 22-month low

The Daily Star, October 29, 2018

- Dhaka stocks sank to a 22-month low on the back of slow retreat of institutional investors upon anticipation of political uncertainty in the run-up to the national election, market insiders said.
- DSEX, the benchmark index of Dhaka Stock Exchange, dropped 69.80 points, or 1.32 %, to close the day at 5,212.23 points. The last time the index was lower than this was on January 8, 2017; it stood at 5,158.69 points then.
- In the past, there was turmoil ahead of the election. But this year, with less than two months to go for the election, the situation is very normal still. Besides, the ICB will invest BDT 1,500 crore after getting funds from selling a bond worth BDT 2,000 crore. The process to issue the bond is underway, he said.
- Turnover, another important indicator of the market, declined 12.56 % to BDT 371.71 crore yesterday. Khulna Power was the top traded stock with its transaction of 19.25 lakh shares worth BDT 24.26 crore, followed by Monno Ceramics, Shahjalal Islami Bank, BBS Cables and Active Fine.
- Mozaffar Hossain Spinning Mills was the day's best performer with its 15.04 % gain, while Indo-Bangla Pharmaceuticals was the biggest loser, shedding 11.81 %. Losers outnumbered gainers by 247 to 64, while 28 securities remained unchanged. Chittagong Stock Exchange also witnessed a big fall: its key index plunged 128.82 points to end the day at 9,714.28 points. The port city bourse traded 66.95 lakh shares and mutual fund units worth BDT 14.85 crore.



<https://www.thedailystar.net/business/news/stocks-sink-22-month-low-1653169>

### BB serves notices on nine banks for dollar rate violation

New Age, October 29, 2018

- Bangladesh Bank on Sunday issued show-cause notices to nine banks for selling dollars at rates higher than the inter-bank exchange rate set by the central bank. BB executive director and spokesperson Md Serajul Islam told New Age that the central bank would take further course of action against the banks if the banks failed to provide satisfactory explanations in this regard.
- The central bank served the notices on BASIC Bank, City Bank, Dutch-Bangla Bank, Dhaka Bank, EXIM Bank, Mutual Trust Bank, NCC Bank, Prime Bank and Trust Bank after receiving allegations against the entities.
- The BB's Sunday notice asked the banks to explain in three days why fine would not be imposed on them for the violation and providing false statement on dollar sales. In 2017, the central bank issued show-cause notices to 20 banks on the same ground.
- A number of banks, among the 20, were fined as they had failed to give satisfactory replies. Although the central bank has been investing heavily to contain the exchange rate of the US dollar, constant increase in import payments has resulted in an increased pressure on the greenback.
- To contain the exchange rate of the US dollar against the taka, the central bank injected \$2.31 bn in the fiscal year of 2017-2018 against only \$175mn in the previous fiscal year. The current account deficit also hit a record \$9.78 bn in FY18 as import payments rose and the foreign direct investment decreased.

- The trend was also reflected in the latest available central bank data of July of FY19. As the country's import payments continued to remain high, the country's trade deficit in July of FY19 increased by 12.14 % to \$1,173mn compared with that of \$1,046mn in July of FY18.

<http://www.newagebd.net/article/54426/bb-serves-notice-on-nine-banks-for-dollar-rate-violation>

## Global investors express concern over Bangladesh leather sector

New Age, October 29, 2018

- Some 58 global investors have expressed their concern over the labour and human rights and environmental practices in Bangladesh leather sector mainly in tanneries. Interfaith Center on Corporate Responsibility, the coalition of the institutional investors, on Monday sent letters to the government expressing their concerns over the leather sector. Investors claimed that workers in tanneries in Hazaribagh and Savar were working in hazardous environments with little protective gear and many of them were underage.
- The ICCR has sent letters to industries minister Amir Hossain Amu, state minister for Labour Mujibul Haque, commerce secretary Shubhashish Bose, Bangladesh Small and Cottage Industries Corporation chairman Mustak Hassan Md Iftekhar and director general of the Department of Environment Sultan Ahmed highlighting concerns around labour rights and environmental practices in tanneries.
- State minister for labour Md Mujibul Haque, however, differed with the claim that child labour in the tanneries continues saying that they (investors) unaware of the real picture of the sector. Citing the death of two workers from hydrogen sulphide inhalation at the Savar tannery estate in May 2018, the investors said that the government needs to inspect tanneries to enforce occupational health and safety laws as workers are often soaked in chemicals and frequently breathe in hazardous fumes.
- The ICCR said that 110 of the 155 factories had already relocated to Savar from Hazaribagh but primary component of the project, the Central Effluent Treatment Plant was yet to be fully functional and there was no effective system yet in existence to remove salt from effluent

<http://www.newagebd.net/article/54425/58-global-investors-express-concern-over-bangladesh-leather-sector>

## Four new banks to get licence

The Daily Star, October 29, 2018

- Giving in to pressure from government high-ups, Bangladesh Bank has set in motion the process of giving licences to four proposed commercial banks. As part of the move, the central bank will place proposals at today's meeting of its board of directors. If the four new banks get approval, the number of banks in the country will be 62.
- The four proposed banks are: Community Bank Bangladesh, Bengal Bank, People's Bank and Citizen Bank. Community Bank Bangladesh, proposed to be set up by Bangladesh Police Welfare Trust (BPWT), is a concern of Bangladesh Police, while the sponsors of the other three have strong links with the ruling Awami League.
- Last year, the BB turned down the proposals for giving licences to new banks despite pressure from the finance ministry. Experts also opposed such move, saying the sector is already saturated and its overall health, especially that of the relatively new banks, has been declining.
- In the letter, the minister told the governor that government high-ups recently decided to issue licences to the proposed banks at a meeting where the BB governor was also present. Seeking anonymity, a BB official said the central bank's board sent a letter of intent (LoI) to Bangladesh Police Welfare Trust on August 28 for taking necessary measures to set up its bank company.

- The board is likely to approve the proposals regarding Community Bank Bangladesh. It would also decide when the rest of the proposed banks would be given licences, the BB official told this newspaper yesterday. In September last year, the central bank turned down the finance minister's proposals for approving more banks on the grounds that the deteriorating financial health of many banks, especially the new nine, does not warrant any new addition to the sector.
- The health of the nine new banks also deteriorated in recent times. Of those, Farmers Bank and NRB Commercial Bank are in a bad shape in the absence of corporate governance. The BB provided licences to the nine banks in 2013. Many of the sponsors of the fourth generation banks have direct links either with the AL or its allies.

<https://www.thedailystar.net/backpage/news/four-new-banks-get-licence-1653208>

## **Jute can foster green growth: analysts**

The Daily Star, October 29, 2018

- Jute pulp has the potential to be a growth driver for the economy and can enable Bangladesh to make strides towards becoming a green economy, said analysts yesterday. The optimism was shared at a session on jute organised by the Dhaka Chamber of Commerce and Industry at the Bangabandhu International Conference Centre marking its 60th anniversary.
- The views come at a time when jute production is rising. Exports are also growing, with raw jute and jute yarn constituting 79 % of the total exports value of \$1 bn fetched by the sector in the fiscal year of 2017-18. However, non-traditional items account for only 9 % of the total export earnings.
- Showing a biodegradable "Sonali" polybag made of jute polymer, Mubarak Ahmad Khan, scientific adviser of Bangladesh Jute Mills Corporation, said it was now being produced under a pre-piloting scheme at a state mill. Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, chaired the event while Rina Parveen, additional secretary to the textiles and jute ministry, also spoke.

<https://www.thedailystar.net/business/news/jute-can-foster-green-growth-analysts-1653154>

## **LPG use jumps four-fold in three years**

The Financial Express, October 28, 2018

- Consumption of liquefied petroleum gas (LPG) in the country has witnessed a stunning four-fold growth over the past three years, as more and more households, commercial entities and vehicles are opting for it. Around 1.0 mn tonnes of LPG are likely to be consumed in the current calendar year 2018, up from around 250,000 tonnes in 2015, deputy secretary of the Ministry of Power, Energy and Mineral Resources Akramuzzaman told the FE on Saturday.
- The volumes of LPG consumption were around 400,000 tonnes in 2016 and 650,000 tonnes in 2017, according to stakeholders and market players. A government strategy to promote the use of LPG instead of piped natural gas in order to cope with the fast-depleting natural gas reserves in the country has also pushed up the LPG consumption.
- According to officials, some 55 firms have so far obtained licences from the MPEMR to run LPG business in Bangladesh. Enhancing the storage capacity of LPG firms and their efforts to ensure easy access to LPG are also helping propel the LPG growth in the country, they said.
- Continued drives by the state-run gas distribution and marketing companies against illegal piped gas connections, especially in households and commercial units, have also contributed to the increase in the use of LPG use in Bangladesh. According to the state-owned Titas Gas Transmission and Distribution Company Ltd. (TGTDCL), it alone removed 1,223 kilometres of illegal gas distribution lines between 2015 and 2017 and snapped gas connections to 748,461 burners.

- The use of LPG as Autogas in Bangladesh is rising steadily due to its cost competitiveness, compared with octane and petrol. Currently, Autogas sells at BDT 50 per litre while octane at BDT 89 per litre and petrol at BDT 86 per litre at the filling stations. Laugfs Gas, which acquired Petredec in October 2015, installed eight more LPG refuelling stations across the country.
- Over the past several years, the National Board of Revenue (NBR) reduced duties on LPG and the import of LPG cylinders, resulting in a drastic price fall and boom in LPG consumption. The government has also waived 15% value added tax (VAT) on LPG and withdrew customs duty (CD) to keep its prices reasonable in the domestic market. Currently, the LPG firms are paying only 2.0% advance import tax (AIT) to import LPG.
- The cost of import of LPG cylinders dropped significantly as a result, which in turn is helping LPG firms sell the gas to consumers at lower prices. A 12kg LPG cylinder is now cheaper by BDT 250 (US\$3.0) only due to VAT waiver, said Mr Islam of Laugfs Gas

<http://thefinancialexpress.com.bd/trade/lpg-use-jumps-four-fold-in-three-years-1540701422>

## Economy

### BB cuts loan interest for dairy farmers to 4pc

New Age, October 29, 2018

- Bangladesh Bank has cut the interest rate to 4 % from 5 % on loans that the dairy farmers get from the central bank's BDT 200 crore refinancing fund for the sector. BB in a circular on Sunday asked banks and non-bank financial institutions concerned to disburse loans from the fund, which was created for raising milk production and artificial insemination, at 4 % interest with effect from November 1. BB created the fund in 2015.
- The central bank in its circular also asked banks and NBFIs to claim real amount of interest compensation against the loans to the central bank instead of the existing additional 5 % subsidy. BB officials said that the central lent fund to the banks at 5 % interest from the refinancing fund while the total cost of fund of the banks for disbursing loans to the dairy farmers was much higher.
- According to the circular, to avail the compensation against the loans, banks would have to submit application mentioning the real amount of interest compensation to the central bank within one month after concluding a year. The tenure of the revolving refinancing scheme is 5 years while an investor can take loan for up to three years.

<http://www.newagebd.net/article/54424/bb-cuts-loan-interest-for-dairy-farmers-to-4pc>

### Govt signs \$300m deal with WB to modernise social protection cash transfer

The Financial Express, October 28, 2018

- The government on Sunday signed a \$300mn financing agreement with the World Bank (WB) to modernise the cash transfer of major social protection programmes. This will bring transparency and efficiency in the disbursement process and help nearly 6.5mn poorest and vulnerable people, including the elderly, widows, and people with disabilities, get the benefit easily, according to a press release.
- The social protection programs of Department of Social Services (DSS) are: the Old Age Allowance; Allowances for the Widow, Deserted and Destitute Women; Allowances for the Financially Insolvent Disabled; and Stipends for Disabled Students, reports BSS.
- Additional Secretary of Economic Relations Division (ERD) Mahmuda Begum and Qimiao Fan, World Bank country director for Bangladesh, Bhutan and Nepal, signed the agreement on behalf of their respective sides. The credit is provided by the International Development Association, the World Bank's concessional lending arm, which provides grants or zero-interest loans.

- The credit has a 38-year term, including a six-year grace period, and a service charge of 0.75 %. In fiscal year 2018, Bangladesh spent about \$ 5.8 bn on social protection or about 2 % of its Gross Domestic Product (GDP) and improving the efficiency of these programs will help Bangladesh to use public resources more effectively.
- The DSS has already started digitising beneficiary records of its cash transfer programs, and the project will help further strengthen case management and payment processes. To accurately identify recipients of cash transfers, the project will help integrate DSS's management information system with the Bangladesh Bureau of Statistics' National Household Database.
- For more secure and accessible payments to beneficiaries, the system will be linked to the Finance Division's centralized payment platform, and use a network of banking agents, among others. Such actions-utilizing existing or emerging systems-will help further develop an integrated social protection service delivery system in the country.

<http://thefinancialexpress.com.bd/national/govt-signs-300m-deal-with-wb-to-modernise-social-protection-cash-transfer-1540727281>

## Transport strike halts goods release at Ctg port

The Financial Express, October 29, 2018

- Transportation of import and export goods to and from Chittagong port has been stopped due to the ongoing transport strike. However, loading and unloading of goods from ships on the jetties have remained normal, port officials say. Bangladesh Road Transport Workers Federation has started their 48-hour strike from today, Sunday, to push for their eight-point demand.
- No vehicle entered or exited the port since the strike started at 6:00 in the morning. Omar Faruk, secretary of Chittagong Port Authority, said loading and unloading of goods from ships are going on inside the port.
- Import goods are released through covered vans, trucks and container-carrying vehicles, while export goods are done so only through container-carrying vehicles. Local media reports say goods export is being hampered as under the strike, the plying of all goods-carrying vehicles also has been banned.
- None of those vehicles is plying following the strike for what he said they are also supporting the transport strike. Mahbubul Alam President Chittagong Chamber of Commerce & Industry, said goods transportation has been stranded due to the strike across the country. It is impacting on export and imports.

<http://thefinancialexpress.com.bd/trade/transport-strike-halts-goods-release-at-ctg-port-1540722804>

## Raise investment-GDP ratio to improve economic status

The Daily Star, October 29, 2018

- Bangladesh needs to accelerate its investment to gross domestic product ratio to achieve the status of an advanced economy by 2041, said a senior banker of Standard Chartered yesterday.
- When Malaysia got the Asean economic tiger status in the middle of 1990 and 2000 its investment to GDP ratio was more than 35 % to 45 %, although it has come down to 25 %, Anwar said. Similarly, Vietnam's investment-to-GDP ratio stands at 35-37 % and Indonesia's 35 %.
- Achieving the status of an advanced economy by 2041 is possible but Bangladesh's GDP size will have to be \$1.7. The country needs 9 % GDP growth per year and \$16,000 in per capita income to become an advanced economy by 2041, said Prof Shamsul Alam, a member of the General Economics Division of the Planning Commission.
- Bangladesh needs to spend \$8 bn for infrastructure development in a year, but it can spend only \$2.5 bn now, said Alam, adding that foreign direct investment is required for infrastructure development. Currently, 269 Japanese companies have operations in Bangladesh, mainly in the form of buying house and garment factories, said Taiki Koga, representative of the Japan External Trade Organisation in Dhaka.

- The number of Japanese people working in different projects in Bangladesh fell sharply after the death of some Japanese businessmen and officials in the Holey Artisan attack in Dhaka in 2016. Koga said Japanese people have started working in Bangladesh in full swing now.
- The government should improve the quality of service at Hazrat Shahjalal International Airport and ease visa system for foreigners to allow more people to travel to Bangladesh, said Syed Nasim Manzur, managing director of Apex Footwear Ltd. Currently 20 local pharmaceutical companies invest \$700mn a year in the sector in Bangladesh, said Abdul Muktedir, chairman and managing director of Incepta Pharmaceuticals.

<https://www.thedailystar.net/business/news/raise-investment-gdp-ratio-improve-economic-status-1653157>

## ANONTEX LOANS

### Probe to find BB's faults

The Daily Star, October 29, 2018

- The Bangladesh Bank has formed an inquiry committee to probe how approval was given from its end to a questionable proposal from AnonTex Group without the knowledge of the governor and the concerned deputy governor.
- AnonTex has come under the scanner after a BB investigation in January found that it was given loans worth BDT 5,500 crore -- which is 13 times the ceiling set by the central bank -- by Janata Bank. On October 3, BB Deputy General Manager Mizanur Rahman Akon had sent a letter, without the knowledge of deputy governor of the department and the governor, asking Janata to accept AnonTex's new plan.
- The new plan involved allowing the group to: take fresh funds from other state-owned banks, reschedule its existing loans and revalue its assets afresh to make it look like a healthy company. The green light from the BB came even though the Janata board did not consent to the garment manufacturer's proposal to reschedule its loans and revalue its assets.
- On the same day, an additional director of the same department sent another letter to Janata asking it to take necessary steps to recover the previous loans from AnonTex. A confused Janata Bank sent a letter to the BB requesting clarifications.

<https://www.thedailystar.net/business/news/probe-find-bbs-faults-1653163>

## International

### Pakistan reimposes ban on Indian content on TV channels

New Age, October 29, 2018

- Pakistan's Supreme Court on Saturday ordered a ban on all Indian content on TV channels, setting aside an earlier verdict by a lower court, officials said. Chief justice Saqib Nisar issued the order in Karachi while hearing a case filed by producers' associations relating to the broadcasting of foreign content on Pakistan television channels.
- Pakistan newspaper Dawn reported the judge referenced clashes with India over the construction of the planned Diamer-Basha dam in the country's north, located in territory disputed by Delhi, as justification.
- An official of Pakistan Media Regulatory Authority (PEMRA) said Nisar ordered to 'stop airing all Indian content on TV channels'. The ruling covers terrestrial, satellite and cable channels.
- In 2017, the Lahore High court had lifted a ban on Indian TV shows which had been imposed by authorities in October 2016 amid heightened tensions between the nuclear-armed India and Pakistan over the disputed Kashmir region.

- In a series of tit-for-tat moves in the entertainment industry, Pakistan that year suspended screening of all Indian movies until tensions calmed, while Hindu nationalists in India have threatened violence at cinemas showing films with Pakistani actors. Kashmir has been divided between India and Pakistan since the end of British colonial rule in 1947. Both claim the Himalayan territory in full and the countries have fought two wars over there.

<http://www.newagebd.net/article/54376/pakistan-reimposes-ban-on-indian-content-on-tv-channels>



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