

Stock Market

Stocks rise for 2nd day amid mixed disclosures

New Age, April 28, 2018

- The turnover at the bourse, however, declined to BDT 485.07 crore on Wednesday compared with that of BDT 495.35 crore in the previous session.
- Dhaka stocks on Thursday rose slightly, adding to the previous session's gain, amid mixed earnings disclosures by a number of companies.
- The key index of Dhaka Stock Exchange, DSEX, gained 0.20 %, or 11.76 points, to close at 5,813.79 points on the day, after gaining 24.67 points in the previous session.
- The market was vibrant from the beginning of the day, with the DSEX gaining 30 points at one point of the day as a section of investors kept share purchasing amid optimism.
- Investors, mainly the institutional ones remained on share buying after fall in share prices of many companies in recent days, overlooking their poor earnings results.
- Share prices of Investment Corporation of Bangladesh, Grameenphone and GlaxoSmithKline returned positive after continuous fall for their quarterly profit decline announcement.
- Share prices of Shahjalal Islami Bank and Social Islami Bank increased on Thursday despite declaring poor earnings and dividends for the year 2017.
- Average share prices of engineering, non-bank financial institutions and bank sectors increased 2.19 %, 0.9 % and 0.7 % respectively.

<http://www.newagebd.net/article/39946/stocks-rise-for-2nd-day-amid-mixed-disclosures>

IPO subscription of Bashundhara Paper Mills begins April 30

The Financial Express, April 29, 2018

- The IPO subscription of Bashundhara Paper Mills Limited begins April 30 and ends May 9.
- The company will raise BDT 2.0 Bn with a face value of BDT 10 each. However, the offer price is BDT. 80 with the premium of BDT 70 per share.
- Bashundhara Paper Mills Limited (BPML) is one of the major concerns of Bashundhara Group.
- The principal activities of the company is manufacturing different types of paper and allied products in "Unit-1 & Unit-2" tissue and allied products in "Unit-3" and marketing the same for domestic consumption as well as for exports.
- A total of 67.50 % of the IPO fund will be used for Expansion of Business (installation of factory machinery) while, 30.00 % for Repayment of Bank loan and 2.50 % for IPO expenses.
- The market lot is 100 units. The EPS was BDT. 2.61 for the period ended on June 30, 2017 while, NAV was BDT. 31.85 as on June 30, 2017.
- The major products of the company are Paper & Tissue, PP Woven Bag, Paper Sack Bag, Duplex Board , Sludge Board, Sanitary Napkin, Baby Diaper, Kitchen Towel, Hand Gloves etc.

<https://thefinancialexpress.com.bd/stock/bangladesh/ipo-subscription-of-bashundhara-paper-mills-begins-april-30-1524987192>

Chinese party may get nod today

The Daily Star, April 30, 2018

- A Chinese consortium, comprising the Shenzhen Stock Exchange and the Shanghai Stock Exchange, is likely to win approval from the members of the Dhaka Stock Exchange to become the strategic partner of the bourse.
- The exchange will hold an extraordinary general meeting today at the Purbani Hotel where its members are expected to give a nod to the proposal of the Chinese consortium.
- The meeting has been convened about a month after the Bangladesh Securities and Exchange Commission (BSEC) instructed the DSE to send a revised proposal to it upon receiving consent from the members.
- KAM Majedur Rahman, managing director of the bourse, said: “We are hopeful of getting the approval from the DSE members and the BSEC.”
- A senior official of the BSEC, requesting anonymity, said yesterday: “We are going to approve the proposal of the Chinese consortium tomorrow.”
- “We instructed the DSE to send the revised proposal after getting the approval from the DSE members,” said the BSEC official.
- As per the Act, existing shareholders, known as trading right entitlement certificate-holders or TREC-holders, will retain 40 % shares of the exchange.
- The bourse will sell 25 % shares to the strategic partner. The remaining shares will be sold to institutional and general investors through an initial public offering.
- The Chinese consortium has proposed BDT 22 for each share and will provide a technical support worth \$37 Mn.
- The Act makes it mandatory for the DSE to sell shares to the strategic partner within five years of the demutualisation.

<https://www.thedailystar.net/business/chinese-party-may-get-nod-today-1569622>

Economy

LNG supply begins next month

The Daily Star, April 30, 2018

- The ship carrying Bangladesh's first import consignment of liquefied natural gas has anchored in the Bay of Bengal, with the help of which LNG supply to the national grid is scheduled to begin next month.
- The vessel—Excellence—which brought in 1.37 lakh cubic feet of LNG from Qatar will be permanently attached with the base station or the LNG terminal.
- Excellence will also work as a floating storage and re-gasification unit.
- Gas will be stored here for import through other vessels later.
- The construction of the 91-km pipeline connecting Anwara upazila in Chittagong with the LNG terminal in the Bay is complete.
- A 30-km pipeline from Karnaphuli to Sitakunda is being set up to supply the imported gas to the national grid.

<https://www.thedailystar.net/business/lng-supply-begins-next-month-1569625>

Banking sector at risk due to aggressive lending

Dhaka Tribune, April 28, 2018

- The automotive battery market size hit BDT 8,000 crore last year on the back of runaway popularity of easy bikes and battery-run rickshaws.
- The banking sector is at grave risk due to disbursement of massive loans to a handful of large businesses, experts have said.
- There have been complaints that banks are lending to large-scale businesses while the small and medium enterprises are ignored.
- When powerful businessmen are unable to pay their dues on time, the banks are powerless to act against them, which in turn causes a liquidity crisis in the banking sector.
- According to a Bangladesh Bank (BB) report, a total of 233% of the entire paid up capital of banks were given as large loans to big organizations.
- Last year, Janata Bank's paid-up capital was BDT2,979 crore and against it the bank loaned BDT13,377 crore.
- The bank has given of 365% more than the paid-up capital.
- At the same time, Sonali Bank disbursed loans up to a total of 546% more than its paid-up capital and Rupali Bank gave 555% more than the paid-up capital.
- Agrani Bank had paid-up capital worth BDT3,053 crore, against which it gave loan of BDT7,957 crore, that is 199% more than the paid-up capital.
- In this way 55 banks against their total paid-up capital of BDT90,131 crore, gave loan of BDT3.5 lakhs crore, which is 233% more than the total paid-up capital.

<https://www.dhakatribune.com/business/2018/04/28/banking-sector-risk-due-aggressive-lending/>

200MW plant of Bangla Trac starts power supply to national grid

The Financial Express, April 29, 2018

- Net inflow of foreign direct investment in the country declined by 7.72 % last year, with officials attributing the drop-off to geo-political tension, the central bank has said.
- Bangla Trac has started supply of electricity from its 200MW power plant in Daudkandi of Cumilla.
- According to the company, the 200MW Bangla Trac Power Unit-1 at Daudkandi was commissioned on April 24 and commenced the supply of electricity to the national grid.
- Earlier, Bangla Trac Unit-2, which was set up in Noapara of Jashore with generation capacity of 100MW, was commissioned on April 16.
- With the latest 200MW plant in Daudkandi, the total generation capacity of Bangla Trac, a local business group, reached 300MW.
- Group chairman of Bangla Trac Mohammad Aminul Haque said a fully dedicated team has been working to ensure uninterrupted operation of the company's power generation units.
- Bangla Trac Group managing director Tarique Ekramul Haque said the company has a plan to invest more in power sector with vision to make more contribution to the country's development.

<https://thefinancialexpress.com.bd/national/200mw-plant-of-bangla-trac-starts-power-supply-to-national-grid-1525013634>

International

Asian shares climb as Korea tensions ease, earnings boom

Reuters, April 25, 2018

- Asian shares extended gains on Monday as tensions in the Korean Peninsula eased and first-quarter earnings shone, although some investors were cautious about the outlook amid the backdrop of a simmering U.S.-China trade dispute.
- MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS climbed 0.9 % after gaining more than 1 % on Friday. The index is poised to eke out a modest rise this month after two consecutive losses.
- South Korea's KOSPI index .KS11 rose 0.6 % and is set to end April nearly 2.5 % higher following record profits from tech giant Samsung Electronics (005930.KS) and after a spectacularly successful inter-Korean summit.
- Hong Kong's Hang Seng index .HSI climbed 1.6 %, Australia's benchmark index gained 0.5 % while New Zealand shares .NZ50 gave up early losses to be up 0.3 %.
- Liquidity was low on Monday with Japan, China and India on holiday and much of Asia closed on Tuesday.
- Overall, stocks continue to be supported by strong first quarter corporate earnings. More than half of Wall Street's S&P 500 .SPX companies have reported and 79.4 % have beaten consensus estimates.
- Analysts now expect earnings growth of 24.6 %, more than double forecasts at the beginning of the year and thanks in large part to hefty tax cuts.

<https://www.reuters.com/article/us-global-markets/asian-shares-climb-as-korea-tensions-ease-earnings-boom-idUSKBN1I101A>

Xiaomi's \$10 Bn IPO Risks a Hong Kong Cash Crunch

Bloomberg, April 30, 2018

- Earnings per share: \$1.69 adjusted vs. \$1.35 expected by a Thomson Reuters consensus estimate
- Hosting what's shaping up to be the world's biggest initial public offering of 2018 may be a double-edged sword for Hong Kong.
- Chinese smartphone maker Xiaomi Corp. is preparing a share sale that will raise at least \$10 Bn, people familiar with the matter said. The city's red-hot IPO market usually sees offerings oversubscribed -- sometimes by hundreds of times -- as investors borrow heavily to place orders.
- For clues on how this may play out, consider that China Literature Ltd.'s \$1.1 Bn IPO last year locked up a third of the city's monetary base, the South China Morning Post reported at the time.

<https://www.bloomberg.com/news/articles/2018-04-29/looming-10-Bn-ipo-has-hong-kong-bracing-for-a-cash-crunch>

Oil slips after U.S. rig count rises; Iran concerns cap downside

Reuters, April 30, 2018

- Oil prices edged lower on Monday as a rising rig count in the United States pointed to higher production, but prices held near more than three-year highs and were on track to rise for a second consecutive month.
- The oil complex has been driven by supply concerns amid prospects of the United States reimposing sanctions on Iran, while OPEC-led producers continue to withhold supplies.
- Brent crude futures LCOc1, the international benchmark, dipped 39 cents, or 0.5 %, to \$74.25 a barrel at 0305 GMT. Prices climbed as high as \$75.47 last week, levels not seen since November, 2014.
- U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$67.89 a barrel, down 21 cents, or about 0.3 %, from their last settlement.
- “There’s a small drop in trading this morning but volumes are low and there’s not much commitment in the selling. The overall trend is positive and there’s potential for the market to close higher again today,” said Michael McCarthy, chief marketing strategist at CMC Markets.

<https://www.reuters.com/article/us-global-oil/oil-slips-after-u-s-rig-count-rises-iran-concerns-cap-downside-idUSKBN1I1038>

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