

Stock Market

Stocks drop as banks, GP lose stream

New Age, August 30, 2018

- Dhaka stocks dipped on Wednesday as investors went for selling shares to book some profits, especially from banks and Grameenphone shares. DSEX, the key index of Dhaka Stock Exchange, dropped 0.28%, or 16.16 points, to close at 5,603.25 points on Wednesday after gaining 34 points in the previous session. The market had dropped on Monday after a five-day gain.
- Media reports on the defaulted loan situation in the country's banking system also dampened the investors' mood, they said. On top of that, most of the scheduled banks are shilly-shallying to implement single-digit interest rates as per a government direction, they said.
- A good number of investors expected that the market would remain positive ahead of the prime minister Sheikh Hasina's scheduled visit to the Bangladesh Securities and Exchange Commission on September 12 to attend the 25th anniversary programme of the commission, they said.
- The turnover on the DSE advanced further to BDT 633.38 crore on Wednesday compared with that of BDT 611.71 crore in the previous trading session.
- IPDC Finance, Baraka Power, Bangladesh Export Import Company, Khulna Power Company, Square Pharmaceuticals, Nahee Aluminum, BBS Cables, Active Fine Chemicals and National Housing Finance were the other turnover leaders.

<http://www.newagebd.net/article/49406/stocks-drop-as-banks-gp-lose-stream>

VFS Thread to make share trading debut Sept 9

The Financial Express, August 29, 2018

- VFS Thread Dyeing will make its share trading debut on September 09 on both bourses under "N" category, officials said. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday.
- VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 mn from the capital market.
- The company raised the said amount by floating 22 mn ordinary shares at an offer price of BDT 10 each under the fixed price method. The company's public subscription was held on June 24 to July 02.
- The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses.
- According to financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share stood at BDT 19.90 (without revaluation). The weighted average of earnings per share (EPS) was BDT 2.02.
- Citizen Securities & Investment and First Security Islami Capital & Investment are jointly working as the issue managers of the company's IPO.

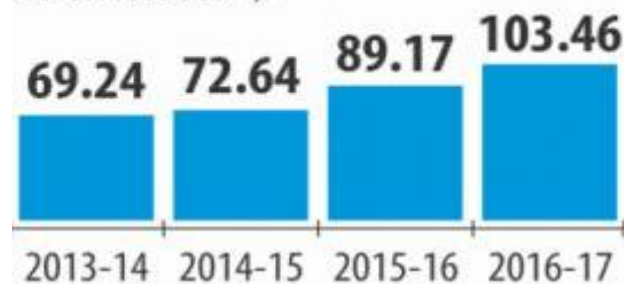
<http://thefinancialexpress.com.bd/stock/bangladesh/vfs-thread-to-make-share-trading-debut-sept-9-1535538681>

Pharma winning global markets

Exports cross \$100m mark

The Daily Star, August 30, 2018

EXPORT OF MEDICINE in million \$



THE SECTOR AT A GLANCE

Five years' average growth rate: **14.6%**

97% demand met locally, rest via export

Top 10 companies hold **68%** market share

80% generic drugs, **20%** patented

Sector contributes **1.85%** to GDP

- Pharmaceuticals export has crossed \$100-mn mark for the first time in the country's history, according to the Export Promotion Bureau. Export earnings from the sector hit \$103.46 mn in 2017-18, up 16.03% from a year ago thanks to improved compliance by the local manufacturers.
- Shipment of pharmaceutical products registered an average 14.6% growth between 2011 and 2016. "Pharmaceutical companies have the potential to earn \$1 bn a year through exports in the next five years, but the sector needs fiscal benefits and policy support to do so," Abdul Muktadir, managing director of Incepta Pharmaceuticals, told The Daily Star recently.
- Local players dominate Bangladesh's pharmaceutical industry. Square Pharmaceuticals is the major player with 18.8% share. Incepta holds 10.2% share, Beximco 8.5%, Opsonin 5.6%, Renata 5.1% and Eskayef 4.5%, according to the Bangladesh Association of Pharmaceuticals Industries.
- Multinational companies Radiant, Sanofi and Novo Nordisk also have significant presence and are focused on some specialised products. Bangladesh exports pharma products to 144 countries and caters 97% of the domestic need. Per capita consumption of medicine in Bangladesh was about \$15.36 in 2017.
- In 2012, the local market size stood at BDT 9,390.4 crore and rose to BDT 18,755.6 crore in 2017, according to IMS Health Care Report 2017. Currently, Bangladesh has the ability to produce advanced medicines such as bio-similar drugs, vaccines and oncology products as well as medical devices.
- The country has a surplus of pharmaceutical industry-focused human resources, Muktadir said, adding that the formulation industry is well-developed and investing heavily for future growth. Mizanur Rahman Sinha, managing director of ACME Laboratories Ltd, said the export figure is insignificant but the sector has a good future in the foreign market.
- Since the beginning of the decade, the pharmaceutical industry has experienced double-digit growth driven by a large consumer base, improved health consciousness and a supportive regulatory framework.
- Two effective policies have accelerated the growth of the sector. One was the Drug Control Ordinance 1982, which banned foreign companies from selling imported pharmaceutical products in the country last year, according to a research of LR Global, an asset management firm. The other was the relaxation of the World Trade Organisation's agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which permitted Bangladesh to reverse engineer patented generic drugs. The relaxation of TRIPS for least developed countries has been extended to 2032.

<http://www.newagebd.net/article/49402/fin-min-advises-bsec-to-extend-tenure-of-mfs-by-10-years>

UCB MD resigns

The Daily Star, August 30, 2018

- United Commercial Bank Ltd Managing Director AE Abdul Muhaimen yesterday submitted his resignation just a year after he was appointed for a three-year term. A UCB official told The Daily Star that Muhaimen tendered his resignation at a meeting of the board of directors, citing personal reasons.
- “The UCB board subsequently accepted Muhaimen's resignation letter. The board also accepted his leave application for one month. His resignation will be effective on the completion of the leave,” he said.
- As per the board decision, Arif Quadri, additional managing director of the bank, will take over the role of the acting managing director.
- Muhaimen joined UCB in July 2013 as an additional managing director and was promoted to managing director in July last year. Prior to that, he was the managing director of National Finance Limited.

<https://www.thedailystar.net/news/business/ucb-md-resigns-1626553>

GSK's EGM on pharma unit closure Oct 14

The Financial Express, August 29, 2018

- GlaxoSmithKline informed that an extraordinary general meeting (EGM) regarding closure of their pharmaceuticals unit will be held on October 14. The EGM will be held at 11am to consider and approve the above agenda. The venue of the EGM will be notified later, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday. The record date for EGM is on September 19, 2018.
- Recently, GlaxoSmithKline, one of the world's leading research-based pharmaceutical and healthcare companies, has decided to close its medicine manufacturing unit in Bangladesh after over six decades of operation. GSK, however, will continue with its consumer healthcare unit that produces Horlicks, Sensodyne and Glaxose-D in Bangladesh as the company makes a healthy profit from this segment.
- The company has further informed that changes in the pharmaceuticals business operations by the company in Bangladesh will have no impact on the consumer healthcare business in Bangladesh. Each share of the company, which was listed on the Dhaka bourse in 1976, closed at BDT 1,175.40 each on Tuesday.

<http://thefinancialexpress.com.bd/stock/bangladesh/gsk-egm-on-pharma-unit-closure-oct-14-1535523216>

Economy

Agent banking accounts increase by 21pc

New Age, August 30, 2018

- The number of agent banking accounts across the country increased by 21.01% or 3.08 lakh in April-June quarter compared to the previous quarter of January-March in 2018. According to the quarterly data of April to June, 2018 of Bangladesh Bank, the number of accounts with agents increased to 17,77,400 from 14,68,797 in the January-March period of 2018.
- In the April-June period, the number of agents increased to 3,588 from 3,216 in the January to March quarter and the number of bank agent outlets also increased to 5,351 from 4,905 in the same quarter. During the quarter, deposit

collection through the agent banking went up to BDT 2,012.77 crore, which was BDT 1,634.36 crore in the January-March period.

- During the April-June period, official data show, Bangladeshi expatriates sent BDT 3,514.22 crore through the agent banking channel, which was BDT 2,673.99 crore in the January to March quarter.
- The central bank launched agent banking in 2013 by giving license to Bank Asia. A total of 20 commercial banks have already taken licenses from Bangladesh Bank while 17 banks are running their activities across the country.
- The commercial 17 banks, which are currently running agent banking activities, are Dutch Bangla Bank, Bank Asia, Al-Arafah Islami Bank, Social Islami Bank, Modhumoti Bank, Mutual Trust Bank, NRB Commercial Bank, Standard Bank, Agrani Bank, First Security Islami Bank, Mid Land Bank, The City Bank, Islami Bank Bangladesh Limited, The Premier Bank, United Commercial Bank Limited, AB Bank and NRB Bank.

<http://www.newagebd.net/article/49370/agent-banking-accounts-increase-by-21pc>

International

China's bankers have one too many balls in the air

The Daily Star, August 30, 2018

- Chinese loan officers are finding themselves torn between conflicting policy goals. Beijing wants the country's commercial banks to help fund infrastructure spending to support cooling growth, but isn't relaxing a campaign to cut a \$290 bn pile of bad debt. They also need to somehow remain profitable. First-half earnings show the pressure is pushing them headlong into consumer lending.
- For lenders, especially those below the Big Four state-owned heavyweights, 2018 looks likely to get tougher. Chief finance enforcer Guo Shuqing is forcing them to recognise more non-performing loans while exiting lucrative shadow banking business lines. Smaller players are struggling, and consolidation is underway; some may even be allowed to go bankrupt.
- A rumbling trade war with the United States has further complicated the outlook. Business confidence has showed signs of softening, and the pace of urban fixed-asset investment hit its weakest rate on record in July. Concerned officials are loosening fiscal purse strings and cutting bank reserve requirements to support infrastructure investment. Unfortunately there's a shortage of viable projects: China has been on a road-and-subway building binge since 2008. Similarly, thanks to overcapacity and price wars, many healthy private companies are wary of using debt to invest; those seeking to borrow are often rolling over bad loans.

<https://www.thedailystar.net/news/business/chinas-bankers-have-one-too-many-balls-the-air-1626532>

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