

## Stock Market

### Stocks rebound on institutional investors' support

New Age, October 30, 2018

- DSEX, the key index of Dhaka Stock Exchange, advanced by 0.65 %, or 34.27 points, to close at 5,246.51 points on Monday after losing 69.80 points and hitting a 21-month low in the previous session. The DSEX began with bearish trend but started going up in late hours as institutional investors including ICB went for buying shares to check the downfall at the market, market operators said.
- The average share prices of textiles, pharmaceuticals, bank and non-bank financial institution added 2.36 %, 1.34 %, 0.57 % and 0.21 % respectively.
- The key index lost 200 points in just 12 trading days this month as political tension ahead of national elections took its toll on the market. The average share prices of cement, food and telecommunication fell by 1.26 %, 0.19 % and 0.05 % respectively on Monday.
- The turnover on DSE increased to BDT 442.80 crore on Monday compared with that of BDT 371.71 crore in the previous trading session. Of the 336 companies and mutual funds traded on Monday, 199 advanced, 110 declined and 28 remained unchanged. DS30, the blue-chip index of DSE, also gained 0.40 %, or 7.50 points, to close at 1,860.34 points. Shariah index DSES added 0.71 %, or 8.68 points, to finish at 1,219.10 points.
- Khulna Power Company led the turnover chart with its shares worth BDT 20.37 crore changing hands. Monno Ceramics, Intech Limited, Peninsula Chittagong, Saiham Textile Mills, Alif Industries, Nurani Dyeing, BBS Cables, Grameenphone and Summit Power were the other turnover leaders. Libra Infusions gained the most on the day with a 29.24-% increase in its share prices, while Khulna Printing and Packaging was the worst loser, shedding 27.80 points.

<http://www.newagebd.net/article/54495/stocks-rebound-on-institutional-investors-supports>

### Golden Harvest to issue rights for business expansion

The company recommends 10pc stock dividend

The Financial Express, October 29, 2018

- The board of directors of Golden Harvest Argo Industries Ltd has decided to issue rights shares, said an official disclosure on Sunday. The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount rate to market price.
- The raised fund will be used for expansion of existing production and distribution channels and pay-off long-term loans of the company, according to the disclosure. The food & allied sector company, which was listed in Dhaka bourse in 2013, will issue one rights share for existing one share at BDT 10 per share.
- The rights issue is subject to the approval of shareholders, Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities. The board of director has recommended 10 % stock dividend for the year ended on June 30, 2018.
- The board has also decided to increase the authorised capital of the company from BDT 2.0 bn to BDT 2.50 bn by amending clause "V" of the Memorandum of Association and Clause -5 of the Articles of Association of the company, subject to the approval of the shareholders in the annual general meeting (AGM). The AGM will be held on December 19 on factory premises in Gazipur. The record date is on November 19.

- The company has also reported earnings per share (EPS) of BDT 2.04, net asset value (NAV) per share of BDT 22.31 and net operating cash flow per share (NOCFPS) of BDT 4.31 for the year ended on June 30, 2018 as against BDT 1.89, BDT 22.20 and BDT 3.47 respectively for the same period of the previous year.

<http://thefinancialexpress.com.bd/stock/bangladesh/golden-harvest-to-issue-rights-for-business-expansion-1540787796>

## Skill shortage hampers RMG sector's climb up the value chain

The Financial Express, October 30, 2018

- Bangladesh's garment industry needs to move up the value chain to remain competitive in the global market, experts have said. They also underlined the need for enhancing negotiation capacity of entrepreneurs. The suggestions came at a seminar on Monday organised by private think tank South Asian Network for Economic Modeling (SANEM) in Dhaka.
- Dr. Raihan noted that the ongoing trade war between the United States (US) and China was already posing some uncertainties to the global trade regime. Quoting an ongoing international study, chairman of SANEM Dr. Bazlul Haque Khondker said apparel workers in Bangladesh work for 60 hours per week while it is 47 hours in Cambodia and 46 hours in India. Former governor of Bangladesh Bank Dr. Atiur Rahman, who chaired the event, called for introducing a pension scheme for the garments workers.
- The former central bank governor also called for establishing a green transformation fund to encourage the industries to go green. Experts at the seminar also emphasised incentivising other potential sectors to diversify the export basket. Speakers at the seminar also called for better integration with regional and international market to expand the export market.

<http://thefinancialexpress.com.bd/trade/skill-shortage-hampers-rmg-sectors-climb-up-the-value-chain-1540870045>

## Community Bank gets BB nod

*Proposals on three other banks to be placed again*

The Financial Express, October 30, 2018

- Bangladesh Bank (BB) board of directors gave its final approval to the proposed Community Bank Limited on Monday. But it asked the officials concerned to place again three other proposals to launch new banks with required documents for further consideration.
- The decisions were taken at a meeting of the central bank's board of directors, held at its headquarters in Dhaka, with BB Governor Fazole Kabir in the chair. On August 28, the central bank board gave clearance for issuing licence to proposed Community Bank Limited, owned by Bangladesh Police Welfare Trust, after completing all rules and regulations.
- Meanwhile, the BB officials concerned were asked in the meeting to submit the proposal for allowing Bengal Commercial Bank Ltd before the board after settling the tax-related cases of its three proposed sponsor shareholders with High Court, according to the spokesperson.
- After Awami League formed government in 2009, nine banks were given permission on 'political consideration' despite opposition by different quarters. Besides, Shimanto Bank Limited, owned by BGB Welfare Trust, was given licence in 2016. Currently, there are 58 banks in Bangladesh. Of them, 40 are local private banks, nine are foreign banks, and nine are state-owned banks.

<http://thefinancialexpress.com.bd/trade/community-bank-gets-bb-nod-1540868889>

## Singer Bangladesh posts 23pc rise in profit

The Daily Star, October 30, 2018

- The profit of Singer Bangladesh rose 23 % year-on-year to BDT 84.05 crore thanks to the record sales during the Eid-ul-Azha festival in 2018. The company's revenue also increased 26 % year-on-year to BDT 1,160 crore in the first nine months of the year, Singer said in a statement yesterday.
- Operating profit during the period rose by 41.3 % with higher gross margins at 26.9 % versus the prior year of 26.5 %. "Singer continued to focus on managing operating expenses, which at 15.6 % of revenue in the period was reduced from 16.5 % in the prior year," the company said in the statement.
- "Singer Bangladesh continued to report strong growth and record festival sales and this was achieved despite heavy rain during summer in many parts of the country which affected our distribution network," said Gavin Walker, chairman of Singer Bangladesh.

<https://www.thedailystar.net/business/news/singer-bangladesh-posts-23pc-rise-profit-1653688>

## Economy

### Central banks of Russia, BD to create a platform

The Financial Express, October 29, 2018

- The central banks of Bangladesh and Russia will provide a platform to discuss topical issues on financial and banking cooperation between the two countries. The recently held meeting of Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation of the two countries agreed to assign the task to their central banks.
- They also agreed to further explore the possibility of expanding inter-bank cooperation and correspondent relations as well as using direct correspondent accounts. The three-day bilateral meeting took place in Moscow of Russia on October 22-24, where a 14-member Bangladesh delegation led by Economic Relations Division (ERD) Senior Secretary Kazi Shofiqul Azam took part.
- Currently, both the countries lack direct trade arrangement and connectivity, which affects bilateral trade, business and investment between them. The countries also agreed to boost bilateral trade turnover within the next few years.
- For increasing bilateral trade they agreed to take necessary steps, like - streamlining export-import transactions, improving connectivity, boosting regulatory cooperation, increasing institutional linkage, and setting up necessary infrastructure like warehouse and distribution network at both ends.
- Responding to Dhaka's request to allow duty-free and quota-free (DFQF) access of Bangladeshi major export products, including garment items, in the region, Moscow suggested Dhaka to send an official request to Eurasian Economic Commission (EEC) mentioning the items. Currently, some less-exportable Bangladeshi items enjoy the facility in the Russian market.
- Both the states also agreed to support the intention of Gazprom Group and Bapex to sign a memorandum of understanding (MOU) on joint venture roadmap for evaluating Bhola island fields. The countries also discussed increasing bilateral cooperation in sectors like agriculture, fisheries and livestock, and information and communication technology (ICT) etc.

<https://thefinancialexpress.com.bd/trade/central-banks-of-russia-bd-to-create-a-platform-1540789230>

## BTRC asks Citycell again to clear dues

New Age, October 30, 2018

- Bangladesh Telecommunication Regulatory Commission has asked out-of-operation mobile phone operator Citycell again to pay BDT 128.07 crore in dues. In May this year, the AD rejected a Citycell plea that challenged the amount of its dues to the government calculated by a BTRC-formed committee led by University of Asia Pacific vice-chancellor Jamilur Reza Choudhury.
- Following the verdict, the commission in August this year issued a letter to Citycell to clear the dues by August 30. But, the mobile phone entity submitted the review petition with the AD. The BTRC official said that the commission asked Citycell to pay the dues again as the AD did not issue any instruction following filing of the review petition by the operator. The operation of Citycell has remained suspended since October, 2016 amid regulatory intervention due to the dispute over dues.
- On April 26, 2017, the BTRC in a letter asked Citycell as to why legal action would not be taken against the operator for non-payment of fresh dues to the commission for the period of October, 2016 to March, 2017. The operator, however, in its letter also mentioned that the mobile phone company's dues to the BTRC was BDT 346.99 crore for the period, meaning that an additional BDT 129.27 crore had already been paid by the operator to the telecom regulator.
- Dissatisfied with the Citycell reply, the BTRC on July 24, 2017 decided to cancel the licence of Pacific Bangladesh Telecom Limited (Citycell is its brand name) for non-payment of fresh dues for the period from October, 2016 to March, 2017. The Appellate Division, however, on July 25, 2017 asked the telecom regulator to restore the licence of the mobile phone operator following a petition filed by the operator.

<http://www.newagebd.net/article/54492/btrc-asks-citycell-again-to-clear-dues>

## China firm keen to invest \$200m

*Plans petrochemical tie-up with Deshbandhu*

The Daily Star, October 30, 2018

- Jiangsu Sanfangxiang Group (SFX Group), a Chinese conglomerate, is keen to invest \$200 mn in Bangladesh to set up a petrochemical and chemical fibre production park in a joint venture with Deshbandhu Group. The parties are holding talks with the Bangladesh Economic Zones Authority seeking to get more than 100 acres of land at the Mirsarai economic zone in Chattogram for the complex.
- In the second phase, a petrochemical plant would be established with local infrastructure and investment, said the entrepreneur. Mostafa said they would eventually require \$2 bn in investment and a minimum of 1,000 acres of land, creating 2,500 jobs directly. Bangladesh needs to import 4 lakh tonnes of polyester staple and 1.5 lakh tonnes of PET chips annually.
- An agreement will be signed next month to form the joint venture with a view to becoming a pioneer in the export of raw materials for textiles in the near future, making use of Bangladesh's duty-free access to many countries. With a production capacity of 2 mn tonnes of polyester per year, SFX Group's annual sales amount to \$8.62 bn while export earnings standing at \$900 mn. Deshbandhu, a leading corporate house in Bangladesh, earns \$30 mn per year exporting edible oil, sugar and sweaters to European countries.

<https://www.thedailystar.net/business/news/china-firm-keen-invest-200m-1653709>

## No FTAs before LDC graduation

The Daily Star, October 30, 2018

- The government is approaching the preparations to negate the erosion of trade privileges following graduation to a developing country at a leisurely pace, with no free trade agreement yet to be signed with any of the important trading partners. Bangladesh will graduate from the least-developed country bracket in 2024 as it has already met all three criteria of the United Nations.
- But it will enjoy preferential trade treatment for three more years, after which free trade agreements will be crucial in maintaining its comparative advantage in international trade. Thanks to the guarantee of concessional duty benefit until 2027, the government is taking the matter of sealing free trade deals with no urgency.
- Last month, during the visit of Indian Commerce Minister Suresh Prabhu, both Bangladesh and India agreed to sign the Comprehensive Economic Partnership Agreement (CEPA) as the neighbouring country is an important trading partner. The CEPA will be more comprehensive than a FTA, according to Islam. "Both Bangladesh and India want to take the bilateral relations between the two countries beyond the FTA." But there has been no progress on that front thus far.
- Similarly, Bangladesh and Sri Lanka have been working to sign a comprehensive FTA, which is also similar to the CEPA. The government also started talks with China to sign the FTA. Earlier, initiatives to sign FTAs with countries such as Malaysia and Turkey were taken but no deal could be reached. Upon graduation, Bangladesh's exports will face an additional 6.7 % tariff, which could result in an estimated export loss of about \$2.7 bn in a year, according to a report from the United Nations.

<https://www.thedailystar.net/business/news/no-ftas-ldc-graduation-1653715>

## Private bank financing for farm sector below 2.0pc: Study

The Financial Express, October 30, 2018

- Private bank financing for the agricultural sector remained less than 2.0 % out of their total loans during the period between 2007 and 2017, according to a latest research. Besides, short-term loan disbursement was higher than that of long-term loan during the period. On the other hand, the financing %age was 8.0 for public banks, it showed.
- The findings were revealed on Monday at a research workshop titled "Addressing Agriculture through Value Chain Financing- How to attract Banks?" Bangladesh Institute of Bank Management (BIBM) conducted the research on some 24 banks. BIBM director general Toufic Ahmad Choudhury presided over the workshop while its executive committee chairman and deputy governor of Bangladesh Bank SM Moniruzzaman was present as the chief guest.
- During the period between 2014 and 2018, 59 % of agricultural credit was disbursed to crops, followed by 10 % to livestock and poultry, 9.0 % to fisheries and 6.0 % to poverty alleviation, the study showed. The credit rate was only 1.0 % for irrigation and agri- equipment and zero % for grain storage and marketing, it revealed. Some 64 % of surveyed banks have separate credit policy for agriculture while the majority (54 %) of them formulated their policy between 2010 and 2014, according to the research.
- Lower interest income, default risk, higher supervisory cost, repayment dependency on external factor, lack of crop insurance policy, unstable prices of agricultural products and dealing with financially illiterate people, among others, have been identified as the risk factors. Showing that non-payment in agricultural loan was low, the study also stressed financing for different segments of the value chain for higher growth.

<http://thefinancialexpress.com.bd/trade/private-bank-financing-for-farm-sector-below-20pc-study-1540870486>

## International

### India signs \$75b currency swap agreement with Japan

The Daily Star, October 30, 2018

- India and Japan yesterday signed a \$75 bn bilateral currency swap agreement that will help bring greater stability in foreign exchange and capital markets in the countries. The Bilateral Swap Arrangement (BSA) is aimed at enhancing financial and economic cooperation, according to India-Japan Vision Statement.
- The statement was issued after the summit-level meeting between Indian Prime Minister Narendra Modi—who is now on an official visit to Japan—and his Japanese counterpart Shinzo Abe. The Indian finance ministry said the swap agreement should "aid in bringing greater stability to foreign exchange and capital markets in India...This facility will enable the agreed amount of foreign capital being available to India for use as and when need arises".
- Indian rupee has depreciated more than 12 % in the last few months and the stock market too had witnessed periodic slumps in the last few weeks.

<https://www.thedailystar.net/business/news/india-signs-75b-currency-swap-agreement-japan-1653691>

### After years of global success, Reliance Industries faces oil shock at home

The Daily Star, October 30, 2018

- Reliance Industries, currently India's second most valuable listed company, got rich by trading fuel across Asia, Africa and Europe while effectively ignoring its home market. Reliance's refineries processed crude from the nearby Middle East and sold fuel to fast-growing markets in North Asia including China, Japan, South Korea and Taiwan.
- That began to change when India's oil demand surged, overtaking Japan as the world's third-biggest consumer. Reliance took more interest in the country's retail fuel sector and has opened more than 1,300 service stations. This push into the domestic fuel market may stumble after India's government imposed cost controls on Oct. 4 on petrol and diesel prices to rein in recent record highs
- Reliance's shares plunged 6.9 % on the day of the announcement and are down about 20 % since their record close on Aug. 28. The decline has pushed Reliance's market capitalization down to 6.64 trillion rupees (\$90.47 bn) and it is no longer India's most valuable company, sitting behind Tata Consultancy Services Ltd at 6.77 trillion rupees.
- The price shock, driven by soaring crude import costs, angered consumers and triggered riots by farmers, forcing the government to react at the cost of its refiners' health. For now, Reliance is staying with its retail plans despite the recent trouble. In line with that, Reliance is planning as many as 2,000 retail stations with oil major BP Plc over the next three years, local media reported on Tuesday.
- Reliance's domestic push made sense in an Asian fuel market that is increasingly crowded with new refinery capacity from the Middle East, Southeast Asia and China.

<https://www.thedailystar.net/business/global-business/news/after-years-global-success-reliance-industries-faces-oil-shock-home-1653466>

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