

## Stock Market

### Dhaka stocks keep plunging as poor financial reports pour in

New Age, October 30, 2019

- Dhaka stocks dropped on Tuesday, extending the losing streak to the third day as investors continued selling shares amid declarations of poor earnings and dividends by listed companies. The key index of Dhaka Stock Exchange, DSEX, slumped by 0.60 %, or 28.48 points, to close at 4,670.74 points on Tuesday.
- The DSEX lost 101 points in last three sessions. The index hit a fresh 35-month low on Tuesday after November 22, 2016 when it was at 4,665.35 points, said market operators. A number of companies including Intech, Aramit Cement and Zahin Textile declared no-dividend for the financial year 2018-19.
- Nine more companies — Usmania Glass, Shyampur Sugar Mills, Beximco Synthesis, Shinepukur Ceramics, Aramit Cement, Intech, Zahin Textile, Dulamia Cotton and Imam Button — declared no dividend for the shareholders on Tuesday after nine companies in total declared no dividend on Monday and Sunday.
- Turnover on the DSE increased to BDT 358.18 crore on Tuesday from BDT 305.90 crore on Monday. Out of the 353 scrips traded on the day, 197 declined, 110 advanced while 47 remained unchanged. DSE Shariah index DSES shed 0.65 %, or 7.07 points, to end at 1,067.45 points.
- Blue-chip index DS30 decreased by 0.81 %, or 13.44 points, to close at 1,635.50 points. National Tubes led the turnover chart with its shares worth BDT 18.98 crore changing hands on the day. Sonar Bangla Insurance, Monno Ceramics, Legacy Footwear, Square Pharmaceuticals, Fortune Shoes, VFS Thread Dyeing, Standard Ceramics, Silco Pharmaceuticals and Golden Harvest Agro Industries were the other turnover leaders.
- Alif Manufacturing Company gained the most on the day with 21.13-% increase in its share prices while Intech Limited performed the worst, losing 37 %.

<http://www.newagebd.net/article/89186/dhaka-stocks-keep-plunging-as-poor-financial-reports-pour-in>

### Summit to invest \$5b in infrastructure in 5 years

The Daily Star, October 30, 2019

- Summit Group will invest \$5 bn in various projects in Bangladesh in the next five years to meet the country's growing appetite for infrastructure. Of the investment, \$3 bn will flow to the energy and power sectors and \$1 bn each to the digital infrastructure and the ports and shipping sectors.
- Around 60 % of the planned investment will come from Summit's new shareholder JERA, the largest energy company in Japan. The Japanese firm has recently bought a 22 % stake in Summit Power International (SPI) for \$330 mn, which is incorporated in Singapore and holds all assets of Summit in Bangladesh.
- SPI will raise another \$600 mn by way of listing on the Singapore Stock Exchange, but it will take at least two years. Starting as a small trading company in the 1970s, Summit has now big exposure in energy, power, digital infrastructure, ports and shipping logistics and trading.

#### AT A GLANCE

- Revenue in 2019: **\$1.2b**
- Net profits: **\$100m**
- Assets: **\$2.5b**
- By 2023, assets would be: **\$7b**

- It is the largest independent power producer in Bangladesh with 20 power plants in operation. The plants have a combined installed capacity of 1,941 MW, which is 21 % of the country's total installed capacity in the private sector.
- Summit's incorporation in Singapore made Khan and his family the 40th richest on the Forbes list of the 50 wealthiest in the Southeast Asia nation in 2019. Khan, a permanent resident in Singapore, has a net worth of \$850 mn, according to Forbes.

<https://www.thedailystar.net/business/news/summit-invest-5b-infrastructure-5-years-1820443>

## Runner Auto to set up three-wheeler plant

*The company to revise use of IPO proceeds*

The Financial Express, October 29, 2019

- The board of directors of Runner Automobiles Ltd has approved the proposal of setting up a three-wheeler progressive manufacturing plant at the current factory location Bhaluka upazila in Mymensingh. However, setting up the plant is subject to the final agreement with the international partner, said an official disclosure on Tuesday.
- The board also decided to revise the use of IPO proceeds subject to approval of shareholders in the extraordinary general meeting and Bangladesh Securities and Exchange Commission (BSEC). The EGM will be held on December 17 at 10:00am in Trust Milonayaton in Dhaka.
- The record date for EGM is November 19. The company also informed that the details of the revised use of proceeds and the economic benefits aligned with the new mode of proceeds utilization are as follows: Chassis welding line BDT 121.80 mn, body welding BDT 71 mn, paint booth BDT 277.20 mn and vehicle assembly and testing BDT 160 mn.
- The company has decided to set up progressive plant of CNG/LNG based 3-wheelers with the existing 2-wheelers manufacturing facilities to grab the huge potential market all over Bangladesh.
- Through implementing the project, the company will be able to improve the excellence for producing and distributing rapidly expanding 2-wheelers at its own plant which will reduce cost of materials and flourish the existing market portfolio.

<https://thefinancialexpress.com.bd/stock/runner-auto-to-set-up-three-wheeler-plant-1572328747>

## Private sector loan growth hits fresh 9-yr low in Sept

New Age, October 30, 2019

- The private sector credit growth hit a fresh nine-year low in September this fiscal year (2019-2020) amid sluggish business activities in the country. In September, the private sector credit growth dropped to 10.66 %, the lowest after September, 2010, when it was 6.09 %, according to the Bangladesh Bank data.
- In the first three months (July-September) of FY20, the growth rate remained far below the central bank's curtailed estimation — 14.8 % — for the current fiscal year. The private sector credit growth was 11.26 % year-on-year in July and 10.68 % in August of the current fiscal year.

- Secondly, the government's high borrowing from the banking sector has been squeezing the banks' capacity to finance the private sector for investments, he said, adding that the banks preferred giving fund to the government to taking the risk of financing private entities in fear of loan defaulting.
- At the end of September, 2019, the outstanding credit to the private sector increased to BDT 10,16,696 crore from BDT 9,18,745 crore at the end of September, 2018. Credit to the government from the banking sector increased by 44.4 % to BDT 1, 66,528 crore at the end of September, 2019.

<http://www.newagebd.net/article/89182/private-sector-loan-growth-hits-fresh-9-yr-low-in-sept>

## Economy

### Aid disbursement drops in Q1

*Donors, however, pledge more assistance during the period*

The Financial Express, October 29, 2019

- Foreign aid received by Bangladesh from development partners has dropped by US\$56 mn in the first quarter of the current fiscal year (FY) 2019-20 compared to that of the same period in the previous fiscal, officials said on Tuesday.
- The Economic Relations Division's provisional data showed that multilateral and bilateral development partners (DPs) disbursed \$940.80 mn worth of concessional assistance during the July-September period of FY 2019-20.
- The DPs provided \$996.85 mn worth of assistance during the same period of FY'19, the official statistics showed. Out of \$940.80 mn foreign aid disbursed during Q1 of this fiscal, \$935.23 mn came as loan while \$5.57 mn as grant.
- Meanwhile, aid commitment from DPs including the World Bank, the Asian Development Bank, the Japan International Cooperation Agency, China and India increased by \$193 mn to \$2.01 bn in the Q1 of the current fiscal, the data showed.
- During the same period in FY'19, they confirmed \$1.82 bn worth of foreign assistance through signing several aid agreements with the government. Out of the \$2.01 bn aid commitment in the Q1 of this fiscal, the DPs confirmed \$1.99 bn worth of loan while the remaining \$25 mn as grant.

<https://thefinancialexpress.com.bd/economy/bangladesh/aid-disbursement-drops-in-q1-1572408137>

### Poor dividends pull stocks down

The Daily Star, October 30, 2019

- Poor dividends announced by the listed companies and forced sale of shares by merchant bankers are pushing stocks down, adding further woes to the investors whose confidence in the market has already been dented, investors and analysts said.
- The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), declined for the third straight day yesterday, giving up 28.48 points, or 0.60 %, to finish at 4,670.40. The broader index shed 101.26 points in

the last three trading sessions and it came after 100 listed companies declared dividend in the last three days for the year that ended on June 30, 2019.

- Of them, only nine companies announced dividends that were higher than the last fiscal year's, while 52 companies declared lower dividends. Twenty-two companies declared no dividend. Of the companies that announced no dividend, three plummeted by more than 20 % yesterday: Intech Online fell by 36 %, Usmania Glass declined 28 %, and Tosrif Industries gave up 20.58 %.

## KEY POINTS

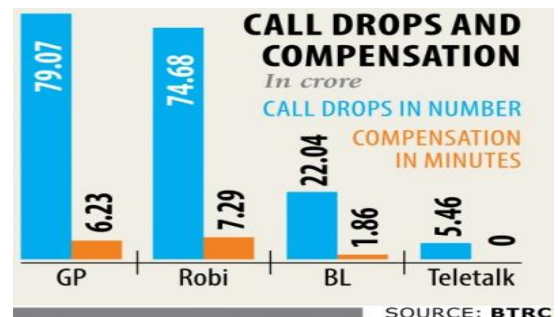
- 100 firms declared dividends in the last three days
- 9 companies' dividend rose
- 52 firms' dividend declined, that of 37 unchanged
- 22 declared no dividend

<https://www.thedailystar.net/business/news/poor-dividends-pull-stocks-down-1820422>

## Telcos compensate for only 8.48pc cases of call drops

The Daily Star, October 30, 2019

- Mobile operators have cut back on compensation for call drops in recent months, in a worrying development for customers. Between August last year and July this year, there were 181.25 crore call drops, according to the Bangladesh Telecommunication Regulatory Commission.
- As compensation, the mobile operators credited subscribers with 15.36 crore minutes, as per an internal report of the telecom regulator.
- In contrast, between August 2017 and September last year there were 222.15 crore call drops and operators gave back 69.38 crore free minutes as compensation. As per rules, if customers face more than two call drops in a day, they will receive compensation of one minute for every call drop from the second drop onwards.
- However, mobile operators are only compensating for drops in calls on their own network, which they feel could be due to some glitch on their end. But for drops when on call to another network they are not providing compensations as more than one parties are involved -- like another operator, interconnection exchange and fibre cable company -- in the call and the drop could arise for a problem at their end too.
- According to the report, market leader Grameenphone reported the highest number of call drop of 79.07 crore. It compensated back only 6.23 crore minutes, which is less than the market average of 7.88 %. As of August, Grameenphone has 7.57 crore active customers in their network.
- Robi, which is the country's second largest carrier with 4.78 crore active customers, has reported 74.68 crore drops and compensation of 7.29 crore minutes. Banglalink's call drop total was 22.04 crore and compensation 1.86 crore minutes to its 3.48 crore active subscribers.



<https://www.thedailystar.net/business/news/telcos-compensate-only-848pc-cases-call-drops-1820437>

## International

### Indian steelmakers face debt challenges after ill-timed bets

New Age, October 30, 2019

- India's biggest steelmakers may be suffering from buyer's remorse as assets they bought from bankrupt rivals stretch their bottom lines while market conditions have worsened. Less than 18 months after scooping up these distressed assets in the hopes of extracting value and boosting market share, the steelmakers are struggling to meet sales and production targets because of a slowdown in the key construction and auto sectors.
- Tata Steel Ltd, JSW Steel Ltd and others are also wrestling with falling revenues amid high debt loads. Steel prices were high and demand was booming then. Now, confronted with falling prices and slower consumption, steelmakers are facing the risk of credit downgrades, job losses and cuts in capital expenditure.
- A deepening credit crunch in India's shadow banking industry following the collapse of a major infrastructure lender in 2018 has sharply dented spending on cars and real estate in India. Domestic steel consumption in September was at its lowest since the start of the fiscal year 2019/20, according to official data.
- A synchronised global economic slowdown amid the US-China trade war has compounded the problem, quashing global steel consumption and intensifying competition among exporters. JSW Steel Ltd, which bought Monnet Ispat & Energy Ltd in September last year, had promised to turn it around within a year but now says it will take another year.

<http://www.newagebd.net/article/89192/indian-steelmakers-face-debt-challenges-after-ill-timed-bets>

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