

Stock Market

Stocks snap five-week bull run on BB move

New Age, March 31 2018

- DSEX, the key index of Dhaka Stock Exchange, gained by 0.30 % or 16.86 points, in the shortened week to close at 5,597.44 points on Thursday after losing 470 points in previous five weeks.
- Share prices of telecommunication, energy and pharmaceutical sectors declined by 2.1 %, 1.0 % and 0.2 % respectively over the week.
- Turnover on the bourse, however, declined to BDT 320.92 crore compared with that of BDT 353.88 crore in the previous week because of low turnover in the first three trading sessions.
- Of the 340 companies and mutual funds traded, 202 declined, 109 advanced and 29 remained unchanged in the week.
- DS30, the blue chip index of the DSE, advanced by 1.14 %, or 23.75 points, to close at 2,082.27 points over the week.

<http://www.newagebd.net/article/38026/stocks-snap-five-week-bull-run-on-bb-move>

BSEC allows bond issue of two banks

The Financial Express, March 31 2018

- The capital market regulator has allowed raising capital through issuance of subordinated bond of two private commercial banks –Dhaka Bank and Jamuna Bank -amounting to BDT 5.0 bn each.
- The approval came at a meeting of the Bangladesh Securities and Exchange Commission presided over by its chairman Prof. M Khairul Hossain in Dhaka on Wednesday.
- The Dhaka Bank will issue non-convertible floating rate subordinated bond amounting to BDT 5.0 bn.
- The tenure of the non-convertible subordinated bond of Dhaka Bank will be seven years. Per unit of the bond will be BDT 1.0 mn.
- The units of the bond will be sold to banks, financial institutions, insurance companies, corporate bodies, asset management companies, mutual funds and high net worth individuals through private placements “other than existing” shareholders of the company in cash consideration.
- The BSEC also gave green light to Jamuna Bank’s non-convertible coupon bearing subordinated bond worth BDT 5.0 bn.
- The Jamuna Bank will issue non-convertible coupon bearing subordinated bond to strengthen the capital base and meet capital requirement under Tier-II only through private placement, subject to the approval from Bangladesh Bank.

<https://thefinancialexpress.com.bd/stock/bsec-allows-bond-issue-of-two-banks-1522302328>

GDP to grow 7.8pc next fiscal year

The Daily Star, April 14 2018

- Bangladesh will be able to attain 7.8 percent economic growth in the next fiscal year, said Finance Minister AMA Muhith yesterday.
- The government has set a target of 7.4 percent GDP growth for the current fiscal year of 2017-18.
- The Meghna Economic Zone that received the first licence from the Bangladesh Economic Zones Authority as a private economic zone housed five new industrial plants.
- The factories are Meghna Pulp and Paper Mills, Meghna Edible Oils Refinery, MPP Power Plant, Sonargaon Flour and Dal Mills, and Tasnim Chemical Complex Unit-2.
- Mostafa Kamal, chairman and managing director of Meghna Group, said he has invested about BDT 3,000 crore to set up the eight new factories.
- Some 5,000 jobs were created. Kamal said he is in talks with investors from China, Australia, and Germany who want to set up industrial plants in the zones.

<http://www.thedailystar.net/business/gdp-grow-78pc-next-fiscal-year-1556401>

Star Ceramics to raise capital for expansion

The Financial Express, March 31 2018

- Star Ceramics, a tiles and sanitary-ware maker, will raise BDT 600 mn from the capital market under the book-building method for expanding its existing plant.
- Star Ceramics held a road show for the eligible institutional investors on Thursday at the Radisson Blu Dhaka Water Garden Hotel in the city.
- Eligible investors such as merchant banks, asset management companies, stock-dealers, banks, financial institutions, insurance companies, alternative investment fund-managers and other institutions approved by the securities regulator attended the event.
- Star Ceramics has been able to acquire 16 % of the domestic tiles market and 9.0 % sanitary ware market.
- The present production capacity of the factory is 22,000 sqm of tiles a day and 1,200 pcs of sanitary ware a day, he said.
- The company will utilise the IPO proceeds to expand the sanitary-ware plant at a cost of BDT 433 mn, repay the bank loans of BDT 132 mn while meeting the IPO expenses of BDT 35 mn, according to the prospectus of the company.

<https://thefinancialexpress.com.bd/stock/star-ceramics-to-raise-capital-for-expansion-1522471937>

Economy

BDT 342cr deposited in schoolchildren's accounts in 2017

New Age, March 31 2018

- The total deposits in the bank accounts owned by schoolchildren in the country increased by 33.52 % or BDT 342 crore to BDT 1,363 crore as of December 31, 2017 from that of BDT 1,021 crore as of December 31, 2016.
- The number of school banking accounts also rose by 15.59 % to 14.53 lakh at the end of December 31, 2017 compared with that of 1.96 lakh a year ago, Bangladesh Bank data showed.
- The balance in the schoolchildren's accounts increased by BDT 262 crore in the last quarter of 2017 against an increase of BDT 80 crore in the first three quarters of the year.
- The minimum balance ranges between BDT 100 and BDT 500 depending on banks.
- Islami Bank opened the highest (2,37,398) number of school banking accounts, while Dutch-Bangla Bank received highest amount of deposit, BDT 406.72 crore, through the accounts.
- The amount of schoolchildren's deposits in the private commercial banks increased to BDT 949.29 crore as of March 31, 2017 from BDT 861.63 crore as of December 31, 2016.

<http://www.newagebd.net/article/37947/BDT-342cr-deposited-in-schoolchildrens-accounts-in-2017>

57 firms seek allocation in RMG Park in Mirsarai SEZ

The Daily Star, March 31, 2018

- Bangladesh Garment Manufacturers and Exporters Association for getting allocation of about 400 acres of land in the proposed RMG Park under Mirsarai Special Economic Zone in Chittagong.
- The BGMEA and the Bangladesh Economic Zone Authority recently signed a memorandum of understanding to allocate 500 acres of land to the garment exporters for setting up a well-planned readymade garment factory park in the SEZ.
- According to the BGMEA circular, the area of each plot will be 1 acre and the lease money for the plot will be BDT 1 crore.
- Interested RMG factory owners will have to pay 26 % of the total lease money, including 1 % earnest money, as non-refundable booking money and then they will get instalment facility to pay the rest of the amount.

<http://www.newagebd.net/article/38030/57-firms-seek-allocation-in-rmg-park-in-mirsarai-sez>

Experts oppose banks owners' demand for cash reserve cut

New Age, March 31 2018

- Banking experts have opposed the demand of the Bangladesh Association of Banks to decrease the cash reserve requirement of banks to 3.5 % from the existing 6.5 % for the sake of depositors.
- Former Bangladesh Bank governor Salehuddin Ahmed on Saturday said the central bank should not compromise with the present rate of the CRR as it would weaken the safeguard maintained by it for protecting the depositors' savings.
- He expressed doubt about improvement in liquidity crisis in the private banks projected by BAB chairman Nazrul Islam Mazumdar following implementation of the demand that guarantees cash flow of additional BDT 30,000 crore in the market.
- Salehuddin feared that the additional cash flow would be evaporated soon because of aggressive lending and selection of borrowers on political consideration.
- The private banks are facing severe liquidity crisis due to withdrawal of funds by the depositors, including government agencies in wake of loan scams in some private banks including Farmers Bank which failed to repay more than BDT 852 crore of deposits to its clients.
- Bangladesh Institute of Bank Management director general Toufic Ahmad Choudhury said the present demand by the BAB was nothing but a ploy to exploit the government again before the next general election.

<http://www.newagebd.net/article/38028/experts-oppose-banks-owners-demand-for-cash-reserve-cut>

European Investment Bank looks to dole out €110m loan for Railway

New Age, March 31 2018

- The European Investment Bank (EIB) intends to provide €110 mn in loan to help Bangladesh purchase new rolling stock for the Railway.
- The total cost of the project is €270 mn and consists of the purchase of about 200 rail passenger carriages and about 40 locomotives for regional and intercity services.
- They will be deployed on the 1,230-km long broad/dual-gauge network across Bangladesh as well as international services to India, an international railway communication platform said Saturday.
- The project consists of the partial replacement of obsolete vehicles and a partial expansion of the fleet to better meet the growing demand.
- The project is a part of the 20 Year Railway Development Plan.
- The Asian Development Bank approved a US\$360 mn loan in February, which includes the implementation of the railway reform in the country.
- This project has a total cost of \$453 mn, which will be supported by the government, which will provide \$93 mn.
- Under the project, 40 locomotives, 125 luggage vans and 1,000 freight wagons will be purchased.

<https://thefinancialexpress.com.bd/economy/european-investment-bank-looks-to-dole-out-110m-loan-for-railway-1522554582>

Govt okays \$2.67b Chinese hard loan

The Financial Express, March 30 2018

- The construction work of Padma Bridge railway link is going to start this year, as the government approved US\$ 2.67 bn Chinese hard loan for the project on Thursday, officials said.
- The country's single largest Padma Bridge rail-link project was approved by the government nearly two years ago at a cost of BDT 349.90 bn. Its construction work was scheduled to start from January 2016.
- The state-owned Bangladesh Railway (BR) signed a commercial contract with China Railway Group in August 2016 for starting the construction of 172-km railway line from Dhaka to Jessore through Padma Bridge.
- The project was taken to establish direct rail-link between Dhaka and the country's southern parts, particularly the Mongla sea-port and the Benapole land-port.
- The Chinese government adopted a 'silent mode' over the years on its assured \$2.67 bn loan. It was not responding to the Bangladesh government's repeated requests for confirming the loan.
- The ERD officials said the Chinese loan will have to be repaid in 20 years with 2.0 % fixed interest rate. Besides, 0.25 % management fee and 0.25 % commitment fee are applicable for the single largest loan from China.

<http://today.thefinancialexpress.com.bd/first-page/govt-okays-267b-chinese-hard-loan-1522344529>

BD to enjoy LDC trade benefits for nine years

The Financial Express, March 30 2018

- Even after formally being graduated from the Least Developed Country (LDC) category in 2024, Bangladesh will be able to enjoy the existing trade benefits for another three years or up to 2027.
- Thus the country is eligible to enjoy the current trade-related benefits, tariff-free market access to be precise, for next nine years from now on.
- In the middle of the month, United Nations formally disclosed that Bangladesh has fulfilled the threshold of the graduation in all the three criterions.
- According to the UN norms, its Committee for Development Policy (CDP) will review the progress of the country in 2021 and again in 2024 when the formal declaration of the graduation will come.
- Bangladesh is currently enjoying tariff-free market access to 50 developed and advance developing countries. The benefit will continue up to 2027.
- An estimate by the Centre for Policy Dialogue, however, showed that once trade benefits ended after the graduation, Bangladeshi products have to face additional 6.7 % tariff on average and this will lead to annul export losses of \$2.7 bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-to-enjoy-ldc-trade-benefits-for-nine-years-1522417369>

International

France-Myanmar trade reaches over \$200m

The Financial Express, March 31 2018

- Bilateral trade between France and Myanmar hit 234 mn US dollars as of January in present fiscal year 2017-2018, the official Global New Light of Myanmar has reported.
- The country's export amounted to 64.086 mn US dollars while its imports shared 170 mn US dollars.
- In last FY 2016-2017, the country's trade with France totaled 176 mn US dollars, reports Xinhua.
- Myanmar mostly exports vegetables, clothing accessories, textile products, charcoal, pearl and wood while machinery, mechanical appliances, plastic products, glassware, paper and paperboard from France are mainly imported to the country.
- A total of 14 projects with 7.34 mn US dollars' worth of investment from France entered into the country so far, according to the Directorate of Investment and Company Administration (DICA).
- Exports of pharmaceutical products registered 14.6 % growth in 2011-2016. Pharmaceuticals raked in \$60.24 mn in the July-January period of the current fiscal year, up 14.44 % year-on-year.

<https://thefinancialexpress.com.bd/economy/france-myanmar-trade-reaches-over-200m-1522486306>

Eager for calming news, investors look to earnings

Reuters, March 30 2018

- Nervous stock investors are hoping an unusually U.S. strong earnings season can restore some of the optimism that characterized equity markets last year.
- Imploding technology stocks and fears of a trade war have pummeled the market in recent days. Given the surge in volatility this year, there is no guarantee that worst is over.
- Analysts predict strong results when reporting season starts up next month, with first-quarter S&P 500 profit growth on track to be the highest in seven years, according to Thomson Reuters data. That follows a blockbuster fourth-quarter period, and recent corporate tax cuts that boosted forecasts for all of 2018.
- A robust earnings period would bring back the focus on fundamentals and possibly put a floor under prices, supporting views that the 9-year-old bull market will go on, strategists said.
- "It's going to be earnings," said Robert Pavlik, chief investment strategist and senior portfolio manager at SlateStone Wealth LLC in New York. "The market has given up so much that earnings can start to redirect attention back into a market."

<https://www.reuters.com/article/us-usa-stocks-weekahead/eager-for-calming-news-investors-look-to-earnings-idUSKBN1H52ZZ>

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