

Stock Market

Stocks gain on some banks' better earnings disclosures

New Age, August 01, 2019

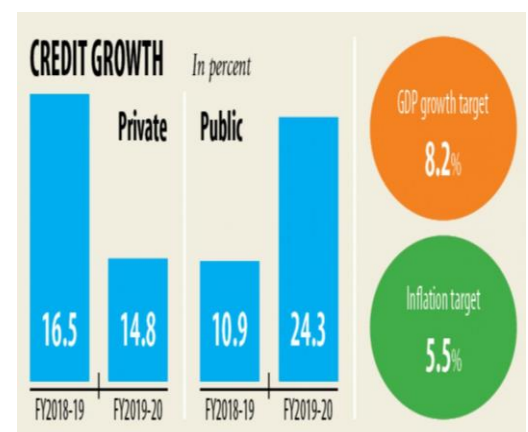
- Dhaka stocks gained marginally on Wednesday as a section of investors went for buying shares of banks and non-bank financial institutions for better earnings disclosures by a number of financial companies. DSEX, the key index of Dhaka Stock Exchange, added 0.26 %, or 13.76 points, to close at 5,138.79 points on Wednesday after losing 35.72 points in the previous three sessions.
- The central bank announced the MPS for the financial year 2019-20, slashing the private sector credit growth target to 13.2 % for July-December and 14.80 % for January-June of the fiscal year. Besides, the mutual funds continued declaring lower dividends, to the investors' dismay.
- Most of the mutual funds declared just 3 % cash dividends on Wednesday that was far below their previous year's rates. The average share prices of the mutual fund sector plunged by 5.68 % on Wednesday.
- Out of the 353 scrips traded on Wednesday, 197 declined, 120 advanced and 36 remained unchanged. Turnover on the bourse increased to BDT 447.60 crore on Wednesday from BDT 429.69 crore in the previous session. DS30, the blue-chip index of DSE, added 0.05 % or 0.99 points, to close at 1,827.90 points.
- DSE Shariah index DSES gained 0.34 %, or 4.00 points, to close at 1,181.20 points. Monno Ceramics led the turnover chart with its shares worth BDT 16.14 crore changing hands. Monno Ceramic Industries gained the most on the day with a 9.93-% increase in its share prices while Sunlife Insurance Company was the worst loser, shedding 26 %.

<http://www.newagebd.net/article/80257/stocks-gain-on-some-banks-better-earnings-disclosures>

Liquidity crunch dictates new monetary policy

The Daily Star, August 01, 2019

- The Bangladesh Bank yesterday unveiled a loose monetary policy for fiscal 2019-20 as it looks to pump money into the economy to alleviate the banking system's prolonged liquidity crunch. For instance, it has set net domestic asset target of 16 % for fiscal 2019-20 in contrast to 12.3 % in June.
- It has also set a public sector credit growth target of 24.3 %, up from 21.1 % last month. The slower-than-expected remittance and exports earnings growth in comparison to GDP has compelled the central bank to take the stance.
- In the year-long monetary policy, the private sector credit growth target has been set at 14.8 % although the growth rate dropped to a six-year low of 11.29 % last fiscal year. The central bank governor though blamed the low private sector credit growth on banks straightening out their lending practices.



- He went on to express satisfaction about the ongoing situation in the money market as the net foreign assets (NFAs) increased last fiscal year, mitigating the liquidity crunch in banks. The central bank has projected the NFAs will register a 0.3 % growth this fiscal year, whereas it grew 2.2 % last fiscal year.

<https://www.thedailystar.net/business/news/liquidity-crunch-dictates-new-monetary-policy-1780087>

ACI to set up joint-venture with CO-RO A/S

The Financial Express, July 31, 2019

- ACI Limited will set up a joint-venture company with renowned Danish juice manufacturing company CO-RO A/S, said an official disclosure on Wednesday. In this regard, the board of directors of the ACI has approved a Joint-Venture Arrangement to form and establish a joint-venture company with CO-RO A/S under the name, ACI CO-RO BANGLADESH LTD.
- The CO-RO A/S is a renowned Danish juice manufacturing company having its operation in 80 countries and market leader in several Asian countries. The ACI will invest BDT 499 mn over a period of next two years against its 49.9 % holding in the company.
- Each share of the ACI, which was listed on the Dhaka bourse in 1976, closed at BDT 254 on Tuesday. Its share traded between BDT 240 and BDT 398 in the past one year. The company's consolidated earnings per share (EPS) turned negative BDT 6.25 for January-March 2019 as against BDT 0.93 for January-March 2018.
- In nine months for July 2018 to March 2019, its consolidated EPS was also negative BDT 5.81 for as against BDT 8.64 for July 2017-March 2018. The consolidated net operating cash flow per share (NOCFPS) was negative BDT 67.72 for July 2018-March 2019 as against negative BDT 64.16 for July 2017-March 2018.
- The consolidated net asset value (NAV) per share was BDT 206.06 as on March 31, 2019 and BDT 222.09 as on June 30, 2018. The ACI disbursed 115 % cash and 3.50 % stock dividend for the year ended on June 30, 2018.

<http://thefinancialexpress.com.bd/stock/aci-to-set-up-joint-venture-with-co-ro-as-1564552635>

Ring Shine Textile's subscription to begin Aug 25

The company to raise BDT 1.50b through IPO

The Financial Express, July 31, 2019

- The IPO subscription of Ring Shine Textiles Limited is set to begin August 25, aiming to raise a capital worth BDT 1.50 bn from the capital market. The company's initial public offering (IPO) subscription will continue until September 9, officials said.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on March 12 this year to raise the said amount through IPO. As per the BSEC approval- under the fixed price method- Ring Shine Textiles will float 150 mn ordinary shares at an offer price of BDT 10 each to raise BDT 1.50 bn.
- It would be the highest amount raised by a textile company through IPO in fixed price method from the country's capital market. The company will utilize the IPO proceeds for purchasing and installation of

machinery for the existing factory unit, partial repayment of bank loans of the company and to meet the IPO expenses, within 18 months of receiving the IPO funds.

- According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share (without revaluation) was BDT 23.17 and the weighted average earnings per share (EPS) stood at BDT 1.86.

<http://thefinancialexpress.com.bd/stock/ring-shine-textiles-subscription-to-begin-aug-25-1564552355>

Economy

BB unveils monetary policy with a word of caution

The Daily Star, August 01, 2019

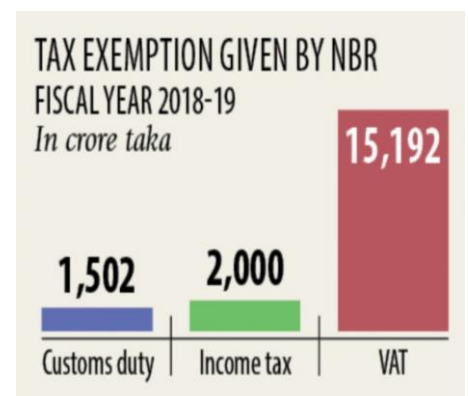
- The Bangladesh Bank today announced the Monetary Policy Statement for the FY20 cautioning on a couple of near-term domestic risk factors that may hamper attainment of the monetary program objectives.
- The Bangladesh Bank will be closely monitoring the risk factors to attainment of FY20 monetary program objectives and will address them if the need arises.
- The BB's FY20 monetary policy stance and monetary program will cautiously accommodate monetary and credit expansion needs of all productive pursuits for attaining the FY20 real GDP growth target of 8.2 %. They will also keep the CPI inflation contained within the targeted ceiling of 5.5 %.

<https://www.thedailystar.net/business/bangladesh-bank-unveils-monetary-policy-word-caution-1779679>

Tax receipts fall short of target by 20pc

The Daily Star, August 01, 2019

- Tax collection fell short of target by 20 % in fiscal 2018-19, with the National Board of Revenue (NBR) blaming exemptions and discounts given to various sectors, election and state-run agencies' reluctance to pay arrears for the slowing receipts.
- Last fiscal year it collected BDT 223,892 crore against the target of BDT 280,000 crore, up 10.7 % year-on-year, which is the lowest in six years.
- VAT, a type of consumption tax paid by the final consumer, accounted for 39 % of the total tax collection, followed by income tax at 32.6 % and tariff from imports at 28.3 %. However, the NBR said total collection might increase to some extent in the final count.
- This fiscal year, the NBR has been tasked to collect BDT 325,600 crore, which is 45 % higher than the actual collection in fiscal 2018-19. The NBR is also banking on a survey that it has been carrying out for the past couple of months to net more people who evade paying taxes despite having the capacity to do so.



<https://www.thedailystar.net/business/news/tax-receipts-fall-short-target-20pc-1780081>

BB has 'no data on remittance outflow'

New Age, July 31, 2019

- Bangladesh Bank does not maintain any data on remittance outflow although it has updated data on remittance inflow, said its officials. Their remarks came when reporters wanted to know what amount of remittance is being taken away by the foreigners working in Bangladesh, legally or illegally.
- The Bangladesh Bank website, however, provides updated data on remittance inflow which is mainly sent by expatriate Bangladeshis living abroad. But there is no data available on the central bank website about the remittance outflow.

<http://www.newagebd.net/article/80232/bb-has-no-data-on-remittance-outflow>

Revised digital commerce policy underway

The Daily Star, August 01, 2019

- With the aim of attracting more foreign investment and expanding e-commerce in Bangladesh, 'Digital Commerce Policy-2018' was being revised by the government, keeping a provision of cent % ownership for foreign company, said officials.
- They said that the commerce ministry had already sent the revised draft policy to the cabinet division for final approval, as the global e-commerce accounted for \$ 5 trillion trade last year where Bangladesh's equity was only \$ 7 bn.
- In the existing policy, no foreign company would run business in Bangladesh without joint-venture and the equity ratio is 51:49. The revision is being carried out following business-to-consumer index of UNCTAD.
- The government framed and enacted the Digital Commerce Policy-2018 for the balanced development of e-commerce last year following the boost of online and social media based business in the country.

<http://www.newagebd.net/article/80259/revised-digital-commerce-policy-underway>

Biman logs BDT 272cr profit on anti-graft drives

The Daily Star, August 01, 2019

- Biman Bangladesh Airlines posted a profit of BDT 272 crore in 2018-19 thanks to increasing ticket sales, for which the officials of the national flag carrier give credit to the steps taken to cut corruption. M Mahbub Ali, state minister for civil aviation, shared the information in a press briefing at the ministry's conference room.
- The state minister also announced that Biman will soon spread its wings to new destinations, including Manchester, Tokyo, Madina and Guangzhou, as four new factory-made aircraft will be added to Biman's fleet within the next year.
- Biman has incurred losses in most of the years since its inception in 1972 due to widespread corruption and mismanagement, aviation experts said. In 2007, the then military backed caretaker government turned Biman into a public limited company with an aim to make it a profitable venture, which also failed to bring any good for the airline.

- Biman at present flies to 17 international and seven domestic destinations with a fleet of 15 aircraft. Six of the planes have been taken on lease. Except for 2014-15, 2015-16 and 2016-17, Biman incurred losses every year since 2009-10, officials of the state-owned carrier said. In 2017-18, the amount of its loss stood at over BDT 201 crore.

<https://www.thedailystar.net/business/news/biman-logs-BDT-272cr-profit-anti-graft-drives-1780078>

International

India expects coal-fired power capacity to grow 22pc in 3yrs

New Age, August 01, 2019

- India's coal-fired power generation capacity is expected to rise by 22.4 % in three years, the federal power ministry's chief engineer said on Wednesday, potentially neutralising its efforts to cut emissions by boosting adoption of renewable energy.
- India, the third biggest emitter of greenhouse gases, saw its annual coal demand rise 9.1 % to nearly 1 bn tonnes in the year ended March 2019. Coal demand from utilities accounted for over three-quarters of total consumption.
- Electricity demand in the country rose 36 % in the seven years to April 2019 while coal-fired generation capacity during the period grew by 74 % to 194.44 GW, according to the Central Electricity Authority (CEA).
- An increase in coal-fired power generation capacity would be bad news for India's cities, 14 of which feature in the World Health Organisation's 20 most polluted in the world. Thermal power companies account for 80 % of all industrial emissions of particulate matter, sulphur and nitrous oxides in India.

<http://www.newagebd.net/article/80262/india-expects-coal-fired-power-capacity-to-grow-22pc-in-3yrs>

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