

Stock Market

Stocks dip after 2-day rise as nervousness persists

New Age, October 01, 2019

- Dhaka stocks dropped on Monday after gaining in the previous two sessions as investors went for shares sales amid lack of confidence. DSEX, the prime index of Dhaka Stock Exchange, declined by 0.56 %, or 28.09 points, to close at 4,947.63 points on Monday after gaining 24 points in the previous two sessions.
- Share prices of all the sectors except mutual fund dropped on the day. The average share prices of textile, telecommunication, pharmaceutical and bank sectors dropped by 2.02 %, 1.30 %, 0.58 % and 0.17 % respectively.
- Turnover on the bourse advanced to BDT 595.78 crore on Monday from BDT 384.12 crore in the previous session due mainly to a huge block trade of Bank Asia shares. Out of the 352 scrips traded on the day, 221 declined, 92 advanced and 41 remained unchanged. Blue-chip index DS30 decreased by 0.45 %, or 8.01 points, to close at 1,759.96 points.
- DSE Shariah index DSES shed 0.94 %, or 10.83 points, to close at 1,138.70 points. Monno Jute Stafflers led the turnover chart with its shares worth BDT 11.66 crore changing hands on the day. Bangladesh Shipping Corporation, Summit Power, National Tubes, Fortune Shoes, Premier Bank, Stylecraft, Grameenphone, Monno Ceramic Industries and Sonar Bangla Insurance were the other turnover leaders.
- Golden Harvest Agro Industries gained the most on the day with a 9.92-% increase in its share prices while ICB AMCL Second Mutual Fund was the worst loser, shedding 6.02 %.

<http://www.newagebd.net/article/86212/stocks-dip-after-2-day-rise-as-nervousness-persists>

BO accounts drop off in lakhs as investors bolt

The Daily Star, October 01, 2019

- On January 24, when DSEX, the benchmark index of the DSE, stood at 5,950, the highest yet this year, the total number of BO accounts was 28.13 lakh, according to data from the Central Depository of Bangladesh (CDBL).
- As per the latest CDBL data, which is of September 26, there are 25.62 lakh BO accounts. On that day, DSEX stood at 4,947.63. During the period, the market lost BDT 46,134 crore, which is 10.98 % of its capitalisation.
- Some investors left the market as they incurred huge losses for the depressed state of the stock market, while some squeezed their investment into one or two portfolios, said a high official of a brokerage house, which is allowed to open BO accounts.
- In the first nine months of the year eight companies got listed, in contrast to 13 companies and one mutual fund in 2018, according to data from the DSE. Those who manage stocks during the IPO pay the face value and later sell at at least twice the price.

<https://www.thedailystar.net/business/news/bo-accounts-drop-lakhs-investors-bolt-1807741>

Robi to be enlisted on stock market: Khairul

Corporate tax rate not conducive for listing, says Robi

New Age, October 01, 2019

- Bangladesh Securities and Exchange Commission chairman M Khairul Hossain on Monday said that mobile phone operator Robi expressed its intention to get listed on the country's stock market. The BSEC in cooperation with other capital market stakeholders is observing the week to improve financial knowledge of investors.
- Khairul said, 'Robi has expressed its intention to come to the capital market through the book building method of initial public offering, but we recommended the fix price method so that the general investors can be benefitted. He also said that problems over audit claims involving Robi and Grameenphone would be solved soon.
- In a statement, Robi chief corporate and regulatory officer Shahed Alam said, 'We have recently had a fruitful discussion with the Bangladesh Securities and Exchange Commission on the possibility of floating corporate bond in the market.'

<http://www.newagebd.net/article/86209/robi-to-be-enlisted-on-stock-market-khairul>

Two banks to issue perpetual bonds

The Financial Express, September 30, 2019

- The board of directors of two private commercial banks -- ONE Bank Ltd and Jamuna Bank Ltd-- have decided to issue non-convertible perpetual bond worth BDT 4.0 billion each.
- ONE Bank: The ONE Bank will issue non-convertible perpetual bond (at floating rate) worth BDT 4.0 billion, according to an official disclosure on Sunday.
- The bank will issue the bond for raising fund to meet regulatory capital support of the bank under Tier-1, subject to the approval of the regulatory authorities - BB and Bangladesh Securities and Exchange Commission (BSEC), the disclosure said.
- Jamuna Bank: The board of directors of Jamuna Bank has decided to raise fund against issuance of coupon-bearing non-convertible perpetual bond worth BDT 4.0 billion through private placement. The bank will issue the bond for raising fund as part of the additional Tier-I of revised regulatory capital framework for banks in line with Basel-III.

<http://thefinancialexpress.com.bd/stock/two-banks-to-issue-perpetual-bonds-1569818321>

\$10b leather export possible by 2025

Says economist at Asia Foundation dialogue

The Daily Star, October 01, 2019

- Bangladesh has the potential to earn as much as \$10 billion from leather and leather goods exports by 2025 if the country can improve compliance, protect labour rights and obtain international certification within a short time, said an economist yesterday.

- The government has a target to export \$5 billion worth of leather and leather goods by 2021 whereas last year's receipts amounted to \$1.2 billion. Vietnam could export \$20 billion worth of leather and leather goods, he said at a dialogue on the prospects and challenges in the tannery sector organised by Asia Foundation at The Daily Star Centre in Dhaka.
- Because of poor compliance and working conditions in the leather sector as well as a lack of the LWG certification, Bangladeshi tanners have to sell tanned leather at 40 % below international rates.
- However, the authority of the newly established Savar Tannery Industrial Estate (STIE) under the Bangladesh Small and Cottage Industries Corporation (BSCIC) is moving very slowly with regards to improving compliance.
- The CETP can treat 25,000 cubic metres of water per day but during peak seasons tanneries discharge between 36,000 and 38,000 cubic metres of water a day, which is beyond the capacity of the plant, said Mir Mohammad Shahinul Islam, a representative of the BSCIC.

<https://www.thedailystar.net/business/news/10b-leather-export-possible-2025-1807732>

Economy

Bangladesh's export to grow 8pc this year

The Daily Star, October 01, 2019

- Bangladesh's exports will grow by 8 % in 2019 and 7 % next year, according to an analysis by the Hongkong and Shanghai Banking Corporation Limited (HSBC). The projection is some way off the 10.55 % clocked in fiscal 2018-19.
- Lippoldt shared his insights from the latest HSBC Global Research report, "Asian Trade Prospects – Navigating turbulent seas", published in August. The report puts a spotlight on what factors would be driving trade, economies and markets for the rest of the year and in the coming ones.
- Lippoldt said 2019 has been a challenging year for Asia-Pacific trade prospects. The nascent recovery in trade growth from 2017 to 2018 has been stunted by softer global demand and the policy disruptions that began in 2018 and has carried on into 2019.
- The HSBC's macroeconomic team forecasts only 0.9 % export volume growth in 2019 after healthy annual export growth of 6.6 % for the region in 2018. This deceleration would see export growth in the Asia-Pacific region fall below the forecast for the worldwide average of 1.7 %.

<https://www.thedailystar.net/business/news/bangladeshs-export-grow-8pc-year-1807726>

Digital platform Dmoney starts commercial operation

The Daily Star, October 01, 2019

- Digital payments and services platform Dmoney yesterday announced the launch of its commercial operation for the Bangladesh market. Vice Chairman and CEO of Dmoney Sonia Bashir Kabir expressed her excitement terming Dmoney as the most advanced app ever launched in Bangladesh by a Bangladeshi entity.

- Users can also bring money to their Dmoney accounts from any debit card or credit card. Dmoney also has a range of lifestyle services available within the app, such as mobile top-up, bill payments, ticketing, foods purchase, insurance, health and many more on-demand services.
- The app is available for download in both app store and Google play store. Dmoney users will also get different touch points to pay bills through QR code and online gateway. Currently about 2,500 offline and online stores accept Dmoney payment.
- Moreover, customers of multiple leading banks, including One Bank, Trust Bank and Al Arafah Islami Bank will be a part of Dmoney's QR alliance.
- In the programme, Dmoney shared their plan to grow its QR payment touch points to 100,000 by next year. The company has obtained payment service provider licence from Bangladesh Bank earlier in January this year. Currently, 16 financial organisations have the licences to run mobile financial services and only a few of them are in operation.

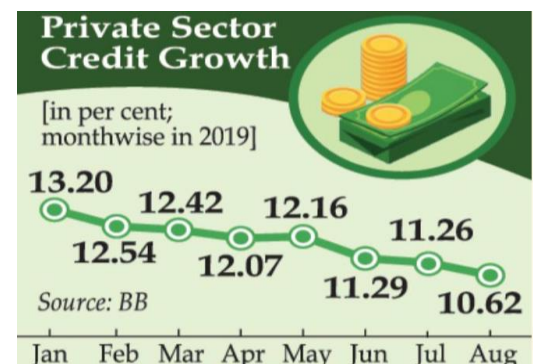
<https://www.thedailystar.net/business/news/digital-platform-dmoney-starts-commercial-operation-1807735>

Aug private sector credit growth falls

Revised ADR rules, falling import blamed

The Financial Express, September 01, 2019

- Private credit growth decelerated further in August as some banks had to prepare for complying with the central bank's revised advance-deposit ratio rules.
- They, however, expected the credit growth to pick up slightly in September as the central bank had backtracked from its previous decision on slashing the ADR to facilitate the bankers to invest more needed to give the current fiscal's growth a boost.
- The sector's credit growth came down to 10.68 % in August 2019 on a year-on-year basis from 11.26 % a month earlier, according to the Bangladesh Bank's latest statistics. This growth was 2.52 %age points lower than the central bank's target of 13.20 % for the first half (1H) of fiscal year 2020
- On September 17, the central bank announced that the ADR would remain unchanged at 85 % for all conventional banks and at 90 % for the Shariah-based Islamic banks. The central bank had earlier re-fixed the ADR at 83.50 % and 89 % for the conventional banks and the Islamic banks respectively. These rates were scheduled to come into effect from September 30.
- In terms of settlement of letters of credit, the country's import shrank by over 2.0 % to US\$ 4.57 billion in July of FY' 20, which was \$ 4.69 billion during the same period the year before, the central bank data showed. Meanwhile, outstanding loans with the private sector rose to BDT 10,073.98 billion in August from BDT 9,101.66 billion a year ago. It was BDT 10,029.66 billion in July 2019.



<http://thefinancialexpress.com.bd/economy/bangladesh/aug-private-sector-credit-growth-falls-1569901748>

International

Record US tariff award over Airbus aid could fuel trade tensions

The Daily Star, October 01, 2019

- Transatlantic trade ties face renewed disruption this week when global arbiters are expected to grant the United States a record award allowing it to hit European imports with billions of dollars of tariffs in a long-running aircraft subsidy dispute.
- The World Trade Organization (WTO) has found that both European planemaker Airbus and its US rival Boeing received billions of dollars of illegal subsidies in a pair of cases that have run for 15 years. Both sides have threatened tariffs after the Geneva body found neither adhered fully to its findings. However, the United States has a head start, with the European Union having to wait until early in 2020 to hear what level of retaliation it can exact over Boeing.
- The WTO is expected this week to reveal the amount of EU goods the United States can target. People familiar with the case say the three-person tribunal is expected to award it around \$7.5 billion, a record for the 24-year-old watchdog.
- Such retaliation rights are rarely granted by the WTO - most parties reach settlements - and in many cases complainants do not exercise their rights. The United States though has indicated it will target EU goods to the fullest extent.
- It has already published a \$25 billion list from which it will pick items to target from aircraft and aerospace parts to wine, cheese and luxury goods. The WTO award in the world's largest corporate trade dispute could fuel already strained trade tensions, diplomats say.
- The Trump administration has concluded that tariffs were effective in bringing China to the negotiating table over trade, and in convincing Japan to open its agricultural market to US products. Washington is unlikely to skip the opportunity to implement tariffs in the case over aircraft subsidies, according to current and former US officials.

<https://www.thedailystar.net/business/news/record-us-tariff-award-over-airbus-aid-could-fuel-trade-tensions-1807699>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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