

Stock Market

Lafarge, Singer financial reports lift Dhaka stocks

New Age, March 04, 2019

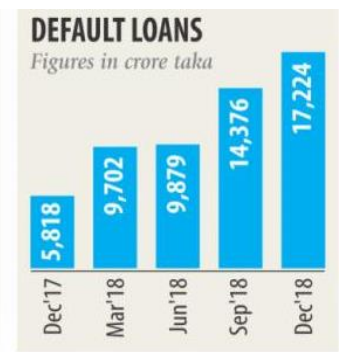
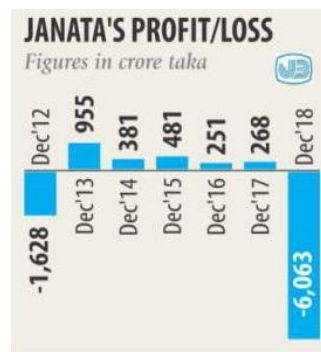
- Dhaka stocks on Sunday gained marginally after a fall in the previous two sessions as a section of investors, encouraged by the dividend declarations of Singer and Lafarge Holcim, went for bargain hunting share buying. DSEX, the key index of Dhaka Stock Exchange, added 0.19 %, or 11.24 points, to close at 5,723.07 points on Sunday after losing 44 points in the previous two sessions.
- The day's trading began in negative mood but DSEX started to rise and finished in the positive zone as a section of investors went for share buying, especially those of multinational companies including Lafarge Holcim Bangladesh and Singer Bangladesh.
- The share prices of Singer surged by 3.5 % as it announced 30 % stock dividends for 2018 with its profits rising by 22.47 % in the year compared with that in the previous year. Besides, the share prices of Lafarge Holcim soared by 7.59 % as the company declared 10 % cash dividends for 2018 against 5 % cash in the previous year.
- The company's EPS also rose by 39 % to BDT 0.96 per share in 2018 from BDT 0.69 per share in the previous year. Average share prices of non-bank financial institution and bank sector rose by 0.44 % and 0.30 % respectively. Share prices of cement, engineering and textile sectors also advanced on the day.
- Average share prices of general insurance, energy and telecommunication dropped by 2.51 %, 1.39 % and 0.81 % respectively. The turnover on the bourse dropped to BDT 662.27 crore on Sunday from BDT 689.24 crore in the previous trading session amid BDT 33.88 crore block transaction of United Commercial Bank Limited.
- Monno Ceramic Industries led the turnover leaders with its shares worth BDT 38.73 crore changing hands on the day. Singer Bangladesh, Premier Bank, Fortune Shoes, Bangladesh Submarine Cable Company, Alif Industries, United Power Generation Company, National Polymer, Monno Jute Stafflers and National Tubes were the other turnover leaders.

<http://www.newagebd.net/article/66406/lafarge-singer-financial-reports-lift-dhaka-stocks>

Janata sinks into BDT 6,063cr loss

The Daily Star, March 03, 2019

- Just two big borrowers have plunged the once-profitable Janata Bank into such a precarious situation that the state-owned lender may need years to get rid of it. The bank made a net profit of BDT 268 crore in 2017, but a year later its loss skyrocketed to a whopping BDT 6,063 crore, mainly because of the failure of two borrowers -- AnonTex and Crescent -- in repaying the loans that were given without due diligence.
- This was the first time a local bank has incurred such a huge amount of net loss in a single year in recent history. Non-performing loans, a core indicator of a bank's health, surged 196 % to BDT 17,224 crore last year, the highest among all banks, from BDT 5,818 crore in 2017, Bangladesh Bank data showed.



- Large borrowers AnonTex and Crescent that together took loans of BDT 8,300 crore are mostly responsible for the massive deterioration in the bank's health as the loans were given through irregularities. Of the amount, BDT 7,600 crore turned defaulted in December last year, according to the bank.
- The BB unearthed the two scams at the beginning of last year. Besides, continuous undue favour doled out to the large borrowers, which restructured their loans under a special restructuring package in 2015, squeezed the earnings of Janata Bank.
- Janata Bank extended its exceptional concession to Beximco Group by rescheduling its large loan and reducing the instalment size by almost half in December last year, after the conglomerate failed to repay two consecutive instalments. The group's loan has doubled to BDT 3,619 crore from BDT 1,849 crore that was restructured, putting more pressure on Janata as the amount accounted for 75 % of the lender's capital, also a breach of the ceiling set by the central bank.

<https://www.thedailystar.net/business/news/janata-sinks-BDT-6063cr-loss-1710289>

SEML FBLSL Growth Fund' to make debut Monday

The Financial Express, March 04, 2019

- Trading of the units of 'SEML FBLSL Growth Fund,' a closed-end mutual fund, will commence at DSE from Monday (March 04) under 'A' category. The DSE trading code for the fund is 'SEMLFBSLGF', according to a disclosure posted on the Dhaka Stock Exchange (DSE) on Sunday.
- The securities regulator - Bangladesh Securities and Exchange Commission (BSEC) gave consent to the 'SEML FBLSL Growth Fund' for raising capital on November 04, 2018. The total size of the 'SEML FBLSL Growth Fund', which has a 10-year tenure, is BDT 1.0 bn.
- Of the fund's total size, BDT 100 mn was financed by FBL Securities Limited, the sponsor of the mutual fund, and BDT 350 mn was collected through pre-IPO placement. Remaining BDT 550 mn was collected through initial public offering (IPO) from general investors. The face value of the fund is BDT 10 each.
- The IPO subscription of the fund was held from December 02 to December 13, 2018. Strategic Equity Management is the fund manager, while Bangladesh General Insurance Company and Brac Bank are the trustee and custodian of the Fund respectively.
- The objective of the fund is to provide attractive dividend to the unit holders by investing the proceeds in the various financial instruments in the Bangladesh capital as well as money markets, according to its IPO prospectus. Currently, 37 closed-end mutual funds are listed on the Dhaka bourse.

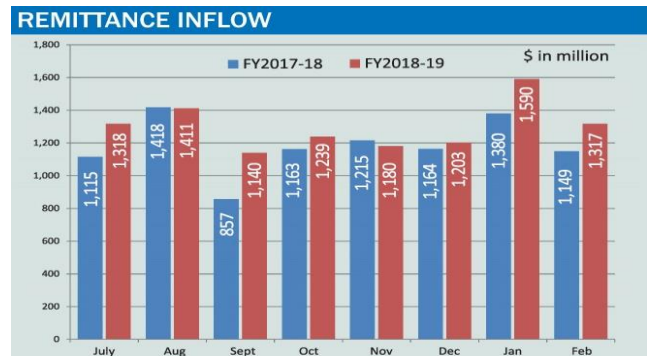
<http://thefinancialexpress.com.bd/stock/seml-fblsl-growth-fund-to-make-debut-monday-1551594293>

Economy

Remittances rise by 10pc in 8 months on strong dollar

New Age, March 04, 2019

- Inflow of remittances rose by 9.94 % in July-February in the current fiscal year compared with that of the same period of last year amid depreciation of the taka against the dollar, prompting expatriate Bangladeshis to send money home.
- Bangladesh Bank data released on Sunday showed remittance inflow rose to \$10.40 bn in the first eight months of the fiscal year 2018-2019 against \$9.46 bn in July-February of FY18. Monthly remittance inflow posted a healthy growth of 14.68 % in February rising to \$1.32 bn from \$1.15 bn in February a year ago as the taka lost more grounds against the dollar in the month.
- Remittance inflow started to pick up pace in recent months due mainly to transfer of fund by the expatriates through the legal banking channel amid rising value of the dollar. According to Bangladesh Bank data, the interbank exchange rate of a US dollar increased to BDT 84.15 on Sunday from BDT 83.95 at the beginning of February.
- In last the two years, the taka was devalued by 6.88 % against the dollar as the interbank rate of a dollar was BDT 78.7 in January, 2017. Bank officials also said that the central bank's move to prevent remittance inflow through the illegal channels, including mobile financial services, was among other reasons for the rise in remittance inflow in recent months. Expatriates' remittance sending posted 17.39 % rise in the fiscal year of 2017-2018.
- In FY18, they sent \$14.98 bn, the second highest, considering the country's highest remittance receipt of \$15.31 bn in the fiscal year 2014-2015.



<http://www.newagebd.net/article/66409/remittances-rise-by-10pc-in-8-months-on-strong-dollar>

SCBs lag behind in achieving API targets

New Age, March 04, 2019

- Almost all state-owned commercial banks have failed to achieve major aims including reducing the number of loss-making branches and decreasing bad loans in the first half of the current fiscal year despite their commitments under the annual performance indicators.
- According to a document released last week by the financial institute division on its half yearly review on APIs, Sonali, Janata, Rupali and Agrani are off track from their targets to reduce loss making braches. Sonali has succeed in shutting down 93 loss-making branches against the target of 200, while Janata could brought 56 branches back from loss-making activities against the target of 60.
- The number of loss-making branches reduced by Rupali Bank is 8 against the target of 30 and it is 21 for the case of Agrani Bank against its target of 60. Interestingly, BASIC Bank which failed to reduce the amount of bad loan bought 18 branches out of loss making status against the target of 12.
- Bad loan of BASIC bank, which turned sick due to huge shady loans provided by the previous bank's board led by its former chairman Abdul Hye Bacchu between 2009 and 2014, stood at BDT 8618.24 crore against the annual target of BDT 7,700 crore.

- Available data showed that Janata's bad loan skyrocketed to BDT 17,305.77 crore until December against the annual target of BDT 5,500 crore while it could only recover bad loan of about BDT 158.4 crore against the yearly target of BDT 500 crore.
- Largest state-owned commercial bank Sonali, tainted by the stigma of Hallmark loan scandal, could recover bad loans worth BDT 614 crore against the recovery target of BDT 900 crore. Sonali's bad loan stood at BDT 11600.19 crore until December.

<http://www.newagebd.net/article/66408/scbs-lag-behind-in-achieving-api-targets>

Bangladesh businesses want to set up spinning mills in US

New Age, March 04, 2019

- Apparel exporters on Sunday expressed interest in setting up spinning mills in the US if it gave duty benefits in taking garments made in Bangladesh by using yarns produced in the US mills. Leaders of Bangladesh Garment Manufacturers and Exporters Association at a meeting with the newly appointed US ambassador to Bangladesh Earl Robert Miller made the proposal for setting up spinning mills in his country for producing yarns with US cotton.
- 'Some of our entrepreneurs are interested to set up spinning mills in the US and they want to know whether they would get any duty benefit from the US in exporting RMG made by yarns produced in the mills,' BGMEA president Md Siddiqur Rahman told reporters following the meeting.

<http://www.newagebd.net/article/66407/bangladesh-businesses-want-to-set-up-spinning-mills-in-us>

International

French tax on net giants could yield 500m euros a year

New Age, March 04, 2019

- A three % tax on the French revenue of large internet companies could yield 500 mn euros (568.5 mn pounds) per year, French finance minister Bruno Le Maire said on Sunday. Le Maire told Le Parisien newspaper the tax is aimed at companies with worldwide digital revenue of at least 750 mn and French revenue of more than 25 mn euros.
- The paper listed Google, Amazon, Facebook and Apple (the four so-called 'GAFA' companies) but also Uber, Airbnb, Booking and French online advertising specialist Criteo as targets. Fairer taxes are a key demand of the 'yellow vest' protests seen across France in the past three months.
- Le Maire said the tax would target platform companies that earn a commission on putting companies in touch with customers. Companies selling their products on their own websites would not be targeted, such as French retailer Darty which sells TVs and washing machines via its website.
- But companies such as Amazon earning money as a digital intermediary between a producer and a client would have to pay. The tax would also target the sales of personal data for advertising purposes. In order to avoid penalizing companies who already pay taxes in France, the amount paid will be deductible from pretax income, Le Maire said.

<http://www.newagebd.net/article/66386/french-tax-on-net-giants-could-yield-500m-euros-a-year>

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