

## Stock Market

### Stocks fall for 3rd day as sell-offs continue

New Age, September 04, 2018

- Dhaka stocks slid for the third consecutive session on Monday as investors continued selling financial scrips and focusing their attention on energy stocks. DSEX, the key index of Dhaka Stock Exchange, shed 0.18%, or 10.21 points, to close at 5,590.42 points on Monday, the first trading day in this week. The trading at the bourse remained closed on Sunday due to a public holiday.
- The share prices of almost two-thirds of the traded scrips fell on the day while the financial sectors led the dive with 1.58% fall in the share prices of banks and 1.34% decline in the share prices of non-bank financial institutions. Out of the 30 traded banks, 27 declined, just one advanced, and two remained unchanged, while out of the 23 traded NBFIs, 18 dropped, two advanced, and three remained unchanged.
- The turnover on the DSE also dropped to BDT 707.89 crore on Monday compared with that of BDT 722.37 crore in the previous trading session. United Power Generation Company, BBS Cables, Unique Hotel, Aman Feed, Dragon Sweater, Summit Power, IPDC Finance, Saiham Textile Mills and National Housing and Finance Services were the other turnover leaders.

<http://www.newagebd.net/article/49777/stocks-fall-for-3rd-day-as-sell-offs-continue>

### Participation of foreign investors in DSE trading hits 4-yr low

New Age, September 04, 2018

- Net foreign investment at Dhaka Stock Exchange dropped for fifth consecutive month in August with the foreign turnover seeing the biggest drop in four years over investors concerns over national elections and its possible impact on financial sectors. In August, the foreign investors sold shares worth BDT 181.76 crore against their purchase of shares worth BDT 176.01 crore with their net investment dipping to negative BDT 5.75 crore.
- The total foreign turnover stood at BDT 357.77 crore in August, hitting a four-year low. Before this August, the lowest foreign turnover was at BDT 317 crore in August 2014. The foreign turnover in August fell sharply from July this year as the foreign investors continued to go into shell as the country's national elections are nearing.
- Total turnover in July this year was BDT 856 crore. The net foreign investment remained negative for five consecutive months since April. It was BDT 24.69 crore negative in April, BDT 282.32 crore negative in May and BDT 206.68 crore negative in June.
- Market experts said that foreign investors were keeping eye on the political development in Bangladesh, especially whether there would be a participatory election. Besides, media reports about various scams in the banking sector had made the foreign investors wary as they apprehended that the upcoming election may worsen the situation further.
- The net investment by the foreign investors at the country's premier bourse surged to BDT 1,704.94 crore in 2017 from BDT 1,340.70 crore in 2016. Overseas investors' turnover at the bourse was BDT 3,362.11 crore in 2010, BDT 1,904.19 crore in 2011, BDT 2,355.23 crore in 2012, BDT 2,834.90 crore in 2013, BDT 6,600.94 crore in 2014 and BDT 7,465.4 crore in 2015. The net overseas investment at the bourse was negative BDT 767.58 crore in the year of market crash (2010).

<http://www.newagebd.net/article/49774/participation-of-foreign-investors-in-dse-trading-hits-4-yr-low>

## Chinese group becomes DSE strategic investor today

New Age, September 04, 2018

- The Chinese consortium of Shenzhen and Shanghai stock exchanges will receive 25% shares of the Dhaka Stock Exchange today as the group on Monday deposited in a Bangladeshi bank BDT 947 crore to buy the bourse's shares to be its strategic investor.
- A senior DSE official said that the Chinese group deposited the amount in Standard Chartered Bangladesh that would be transferred to the DSE account with City Bank today. The bourse, on the other hand, would transfer its 45,09,44,125 ordinary shares to a beneficiary owners' account to be opened with the Central Depository Bangladesh Limited in favour of the group on the same day.
- The DSE will hold a press conference at 2.30pm today at the Pan Pacific Sonargaon Hotel in Dhaka to officially announce the consortium as its strategic partner. At least 11 senior officials from the Chinese stock exchanges would be present at the briefing.
- Before the press briefing, the DSE will hold a board meeting at 11.00pm at its office in Dhaka, where Xie Wenhui, head of IT management committee of Shenzhen Stock Exchange, would be officially appointed as director to the board of the DSE. DSE officials said the consortium would begin its official activities as a strategic partner of the DSE from today.

<http://www.newagebd.net/article/49778/chinese-group-becomes-dse-strategic-investor-today>

## Runner allowed to make 500cc bikes

The Daily Star, September 04, 2018

- The government has given the go-ahead to Runner Automobiles to import raw materials and components to make motorcycles of over 165cc to 500cc, widening export opportunities for the local company. "We are very happy. The move will help us expand our export market and meet the growing demand of the international customers to a great extent," said Hafizur Rahman Khan, chairman of the company.
- The commerce ministry gave the import permission to Runner through a letter issued on August 30. However, the letter attached a condition that no motorcycle above 165cc can be sold in the domestic market and none of the imported parts can be handed over to other companies.
- Runner was also asked to take adequate safety measures to prevent sale of the higher capacity motorcycles and their components, according to the letter issued to the chief controller of the Office of the Chief Controller of Imports and Exports. Runner started manufacturing two-wheelers in the country in 2010 and made its first shipment in January 2017.
- "We have seen that there is demand for higher engine capacity motorcycles in Nepal, Bhutan, Sri Lanka and even in Myanmar," Khan said. "There is demand for higher capacity bikes in African countries also." Khan said his company would be able to manufacture motorcycles of over 165cc from early next year to cater to the annual global demand of 2 crore units of two-wheelers. "We will primarily focus on making 200cc to 250cc bikes."
- Runner has exported more than 1,000 units of motorcycles last fiscal year and aims to ship 2,000 units of higher capacity motorcycles by the end of 2019, Sharma said. The withdrawal of the cap on import of components of over 165cc bikes came from the government as part of its efforts to diversify the export basket, an official of the commerce ministry said.

<https://www.thedailystar.net/news/business/runner-allowed-make-500cc-bikes-1628899>

## Economy

### Remittance up 7.13pc

The Daily Star, September 04, 2018

- Remittance posted 7.13% growth in August compared to July thanks to the depreciation of the taka against the US dollar. Expatriates sent home \$1.41 bn last month, up from \$1.31 bn in July. The amount of remittance was also \$1.41 bn in August 2017.
- Bangladeshis living abroad now remit more money through formal channels as their near and dear ones get better rates against the dollar, an official of the central bank said. Many banks are offering higher rates against the remitted greenbacks to encourage the migrant workers to send money via their channels, he said.
- On August 30, the interbank exchange rate was BDT 83.75 per US dollar, up from BDT 80.70 a year earlier. The upward trend of remittance inflow is helping the country to reduce its large current account deficit, the central banker said.
- The deficit hit a record \$9.78 bn last fiscal year. The banking sector has been facing a shortage of greenbacks for several months because of higher import payments.

<https://www.thedailystar.net/news/business/remittance-713pc-1628896>

### Dhaka becomes IDB's regional hub

The Daily Star, September 04, 2018

- The Islamic Development Bank will officially launch its regional office in Dhaka next week. The IDB has taken the decision as part of its ongoing decentralisation push – a move that is expected to help the lender take quick decisions on projects. Prime Minister Sheikh Hasina will formally inaugurate the regional hub in presence of IDB President Bandar MH Hajjar on Sunday. Hajjar will begin his five-day visit to Dhaka on Friday.
- The office will be set up in the IDB Bhaban in Agargaon and will be the 12th hub of the development lender. According to Economic Relations Division (ERD), the regional office will cover member countries such as Bangladesh and the Maldives and some non-member Asian countries such as India, Sri Lanka, Myanmar, Nepal, Bhutan and China.
- Currently, the IDB has a representative office in Dhaka, but it can not take policy decisions without permission from its headquarters in Jeddah. Officials of the ERD said Bangladesh and the IDB signed an agreement to set up the regional office in 2015. Last year, the IDB president also revealed his plan to establish the office during a meeting with Finance Minister AMA Muhith in Jeddah.
- Establishment of the regional headquarters will help the IDB take quick decisions on project activities, said an ERD official. The office will be headed by a regional hub manager. Established in 1973, the IDB has 57 shareholding member-states. Bangladesh is one of the largest recipients of the IDB group financing.
- Since joining the bank in 1974, Bangladesh has received \$17 bn in trade finance and \$2.18 bn in project finance. Of the funds, about 10.01% was concessional and 89.5% non-concessional. According to the Foreign Aid Budgetary Account of the ERD, Bangladesh was the fourth largest recipient of the IDB financing in 2017, receiving \$900.6 mn. The amount was 9.2% of the IDB's total financing for the year.

<https://www.thedailystar.net/news/business/dhaka-becomes-idbs-regional-hub-1628905>

## Collateral fraud: BB to introduce information bank by March

The Financial Express, September 03, 2018

- The Bangladesh Bank is going to introduce an 'information bank' by March next year to check collateral fraudulence. The data repository on mortgaged lands will act as deterrent if anyone tries to avail loans from different lenders showing the same assets.
- The central bank recently informed the finance ministry that they already completed the initiation works of the software of the information bank. Collection of collateral information from various banks and financial institutions are going on, the bank said.
- After getting necessary hardware it will be transformed to the software system and it will be tested then to see its performance. The software of the collateral information system is likely to be delivered by this month.
- After getting the software of the collateral information system it will take six months to finish the preparatory activities by the Credit Information Bureau (CIB). Meanwhile, the central bank has also informed the Finance Ministry that the rules under Bangladesh Bank Order 1972 needed to be amended for opening the collateral-related information for the mass people.
- As per the Sections 46 (1) and 46 (2) of the Bangladesh Bank Order 1972, the central bank cannot open the information to all except the names of banks and the names of borrowers. As per Section 46 (3) this type of information can be delivered openly at the parliament. No Court, Tribunal or any other authority can compel the Bangladesh Bank to publish the information which is kept in the CIB database.

<http://thefinancialexpress.com.bd/economy/bangladesh/collateral-fraud-bb-to-introduce-information-bank-by-march-1535979680>

## International

### Brexit progress fears drive drop in sterling against euro

The Daily Star, September 03, 2018

- The British pound was set on Monday for its biggest daily drop against the euro in more than three months as concerns grew about the progress of Brexit negotiations. Sentiment was also further sapped by UK manufacturing data that underscored the weak state of the British economy.
- Traders bought sterling last week after the European Union's chief Brexit negotiator, Michel Barnier appeared to strike a conciliatory note. That raised hopes a Brexit breakthrough was imminent as Britain and the EU try to agree what a post-Brexit trade deal would look like.
- But developments on the British political front dashed those expectations after Prime Minister Theresa May's former foreign secretary Boris Johnson said her Brexit strategy meant disaster for Britain.
- Against the dollar, the British currency sank 0.8% to \$1.2855 while there were bigger losses against the euro with sterling on track to post its biggest daily drop in more than three months. The EU's Barnier told a German newspaper on Sunday that he strongly opposed Britain's latest proposal.

<https://www.thedailystar.net/news/business/brexit-progress-fears-drive-drop-sterling-against-euro-1628893>

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