

Stock Market

Stocks rebound on bargain hunting

New Age, July 05, 2018

- Dhaka stocks rebounded on Wednesday due mainly to bargain hunting by investors after a three-day plunge that had pushed down the Dhaka Stock Exchange's key index to a one-and-a-half-year low in the previous trading session.
- DSEX, the key index of the DSE, rose by 0.68 %, or 35.95 points, to close at 5,309.11 points on Wednesday after losing 155.81 points in the previous three trading sessions.
- The market rebounded as bargain hunters were out in force, stockbrokers said.
- As a result, the market witnessed positive vibe from the very beginning of the session and the trend continued throughout the session, they said.
- DS30, the blue chip index of the DSE, finished at 1,902.57 points, adding 0.42 % or 8.04 points.
- The Shariah index of the bourse, DSES, rose 0.72 %, or 8.94 points, to close at 1,245.47 points.
- Bashundhara Paper Mills Limited led the turnover chart with its shares worth BDT 59.15 crore changing hands. The newly listed company also became the top gainer on the day, adding 9.99 %.
- Monno Ceramic Industries, United Power Generation and Distribution Company, Legacy Footwear, Ratanpur Steel-Rolling Mills, Alif Industries, Shepherd Industries, Prime Textile Spinning Mill, Sinobangla Industries and Dragon Sweater and Spinning were the other turnover leaders.
- Modern Dyeing and Screen Printing was the worst loser on the day with its share prices declining by 5.96 %.

<http://www.newagebd.net/article/45186/stocks-rebound-on-bargain-hunting>

Stocks open higher on bourses

The Financial Express, July 05, 2018

- Prices of most of the shares on bourses witnessed upward trend in early hour of trading on Wednesday as investors are active on sector specific stocks.
- Following the previous three days' fall, the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) opened on positive note amid rising trading activities.
- Within first 15 minutes of trading, the key index of the country's prime bourse rose more than 24 points while the CSE All-Share Price Index (CASPI) of port city's bourse gained 21 points at 10:45am.
- After 30 minutes of trading, the DSEX rose more than 33 points while the CSE All-Share Price Index (CASPI) of port city's bourse gained 35 points at 11:00am when the report was filed.
- DSEX, the prime index of the DSE, went up by 33.53 points or 0.63 % to reach at 5,306 points at 11:00am.
- The DS30 index, comprising blue chips, also rose 13 points to reach at 1,907 points.
- The DSE Shariah Index index advanced 7.0 points to reach at 1,243 points till then.
- Turnover, the important indicator of the market, stood at BDT 1.41 bn when the report was filed at 11:00am.
- The newly listed Bashundhara Paper Mills was the most traded stocks till then with shares worth BDT 300 mn changing hands, closely followed by Legacy Footwear BDT 154 mn, Prime Textile BDT 84 mn, Monno Ceramic BDT 78 mn and Ranatpur Steel BDT 76 mn.

<https://thefinancialexpress.com.bd/stock/stocks-open-higher-on-bourses-1530683232>

Merchant banks get more time for loss provisioning

The Financial Express, July 05, 2018

- The securities regulator has extended the timeframe by two years to complete provisioning of the unrealised losses in the portfolios of merchant banks and their clients.
- The Bangladesh Securities and Exchange Commission (BSEC) extended the timeframe following a request by Bangladesh Merchant Bankers Association (BMBA).
- The existing timeframe in this regard is scheduled to end on December 31, 2018. Previously, the BSEC extended the timeframe for five times.
- Mohammad Saifur Rahman, a BSEC executive director, said the regulator extended the timeframe considering the situation of the merchant banks.
- He explained that many of the merchant banks are yet to come out of the woes of 2010-11 stock market debacles. The regulator also considered the market situation, he added.
- Presently, there are 60 merchant banks operating in the country's capital market.

<https://thefinancialexpress.com.bd/stock/merchant-banks-get-more-time-for-loss-provisioning-1530679932>

Economy

Exports miss target for second year

The Daily Star, July 05, 2018

- Exports fell short of target for the second consecutive year in fiscal 2017-18, in what can be viewed as a worrying development for the government.
- Last fiscal year, exports fetched USD36.66 bn, up 5.81 % from a year earlier, but fell short of the government's target of USD37.5 bn, thanks in part to below-par performance in June.
- Apart from apparel, only two product categories were able to cross the USD1-bn mark last fiscal year.
- One of them is leather and leather goods, which earned USD1.08 bn, down 12.03 % year-on-year. The earnings were also 21.34 % below the annual target of USD1.38 bn
- Leather and leather goods have been bringing in more than USD1 bn for the last five years on the back of higher shipments of quality products to the EU, the US and Japan. It declined in fiscal 2017-18 as most of the tanneries that shifted to the Savar leather estate from the city's Hazaribagh area are yet to become fully operational, tanners said.
- Exports of home textiles were up 9.95 % to USD878.68 mn, agricultural products 21.79 % to USD673.70 mn, and pharmaceuticals 16.03 % to USD103.46 mn.
- Bicycle exports grew 3.97 % to USD85.73 mn, ceramics 32.70 % to USD51.94 mn, and furniture 20.27 % to USD63.18 mn.
- On the other hand, frozen and live fish exports declined 3.42 % to USD508.43 mn, plastic goods 15.79 % to USD98.48 mn, rubber 9.21 % to USD25.84 mn, and terry towel 4.4 % to USD42.35 mn.

<https://www.thedailystar.net/business/exports-miss-target-second-year-1600339>

Country's Islamic banks lack products to hedge risks, say experts

The Daily Star, July 05, 2018

- Country's Islamic banks lack products despite the fact that the entities control 22 % share of the banking business, experts said on Wednesday.
- They said that the country's Islamic banks were yet to introduce the Islamic bond known as Sukuk, a popular product in many countries including Saudi Arabia and Malaysia.
- Lack of products offers limited options to mitigate risk to eight banks which operate full-fledged Islamic banking and 17 others through separate Islamic banking windows in the country, they said.
- The banking experts made the observations while speaking at a discussion on 'product diversification of Islamic banks: prospects and challenges' held at the Bangladesh Institute of Bank Management auditorium in the capital, Dhaka.
- Former Pubali Bank managing director and BIBM supernumerary professor Helal Ahmed Chowdhury said that the Islamic banks' stake was 22 % in the overall banking sector of the country but the entities lacked adequate number of products.
- Former Islami Bank Bangladesh managing director Md Forid Uddin Ahmed said that it was very much essential for the Islamic banks to diversify their products for hedging risks.
- He suggested that the entities should introduce Sukuk bonds for liquidity management.
- Former Bangladesh Bank executive director Yeasin Ali said that introducing new products by the Islamic banks would also help them compete with the traditional banks.

<http://www.newagebd.net/article/45184/countrys-islamic-banks-lack-products-to-hedge-risks-say-experts>

Govt working to launch Sukuk, says BB official

The Daily Star, July 05, 2018

- The government is working on launching Sukuk, a Shariah-compliant or Islamic bond, to help Islamic finance industry to flourish in the country, Bangladesh Bank's Deputy Governor Abu Hena Mohd Razee Hassan said yesterday.
- Two to three Bangladeshi teams have already visited some countries that are practising Islamic banking, including Malaysia and Bahrain, to gather experience on introducing Sukuk and a new team will be doing the same soon, he said.
- According to Islamic Financial Service Industry Stability Report 218, Saudi Arabia has issued the largest share of Sukuk issuance (38.81 %) whereas Malaysia possesses 32.88 %.
- Md Alamgir, associate professor of BIBM, presented a keynote paper, saying that Sukuk was playing a vital role in the global Islamic financial market and its introduction had become the need of the time to expand Islamic banking activities in Bangladesh.
- The instrument will help the government, central bank, corporate groups and Islamic banks to mobilise funds and in liquidity management, he said.
- Mohammed Haider Ali Miah, managing director of Exim Bank, said Malaysia had introduced Sukuk 28 years ago and they had recently introduced green Sukuk, which resembles the green banking model launched by the BB.
- "It is good news that the finance ministry has approved the issue to introduce the Sukuk. We should think to implement the Shariah-compliant rules to settle the transaction of the savings certificates, repo (repurchase agreement), reverse and special repo," he said.

<https://www.thedailystar.net/business/govt-working-launch-sukuk-says-bb-official-1600327>

International

Asian Stocks Decline, Yuan Slips as Policy Eyed: Markets Wrap

Bloomberg News, July 05, 2018

- Asian stock markets declined, with the region's shares falling to the lowest in nine months, ahead of the planned implementation this week of trade restrictions between the U.S. and China. The yuan slipped despite the strongest fixing to its daily reference rate since October.
- Shares in Tokyo headed for their lowest level since March, while equity benchmarks in China, Hong Kong and South Korea fell at least 0.5 %. Australian stocks outperformed while U.S. futures pared gains. Treasury yields ticked higher as trading resumed after the Independence Day holiday and the dollar steadied. Earlier, the euro got a lift and market pricing for a September 2019 interest-rate hike jumped as some European Central Bank policy makers were said to be uneasy that investors aren't betting on an increase until December next year.
- Trader focus is shifting to a busy end to the week, with trade action looming alongside minutes from the last Federal Reserve meeting and American employment numbers for June. On the trade front, China has pledged it won't implement tariffs before the U.S. is scheduled to do so on Friday, accounting for the difference in time zones.

<https://www.bloomberg.com/news/articles/2018-07-04/asia-stocks-to-start-mixed-euro-erases-decline-markets-wrap>

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