

Stock Market

Top 10 pharma cos keep holding nearly 68pc of market: data

New Age, February 06, 2019

- The top 10 local pharmaceutical companies continue holding more than 67 per cent share of the Bangladesh medicine market while 194 others hold only 32 per cent, according to the IQVIA data.
- The data of IQVIA, an American multinational product-based company serving the combined industries of health information technologies and clinical research, showed that market share of the top 10 companies in 2018 decreased by 0.3 percentage points to 67.82 per cent from 68.12 per cent in 2017.
- According to the data, Square Pharmaceuticals Ltd holds the highest market share (16.95 per cent) with annual sales worth BDT 3,476.25 crore of the total market size of BDT 20,511.88 crore.
- Although the annual sales of Square Pharma in 2018 increased by BDT 106.24 crore from BDT 3,370.01 crore in 2017, the market share of the company declined by 0.52 percentage points from 17.47 per cent, the data showed.
- Of the other companies, Incepta holds 11.08 per cent market share with annual sales worth BDT 2,272.99 crore, Beximco 8.26 per cent with BDT 1,694.26 crore, Renata 5.20 per cent with BDT 1,066.43 crore, Health Care 5.17 per cent with BDT 1,061.07 crore, Opsonin 5.08 per cent with BDT 1,042.53 crore, ACI 4.38 per cent with BDT 898.79 crore, Eskayef 4.37 per cent with BDT 895.71 crore, Aristopharma 4.11 per cent with BDT 842.48 crore and ACME 3.52 per cent with BDT 721.66 crore.
- Of the top 10 companies, six including Square, Beximco, Opsonin, ACI, Aristopharma and ACME lost their market share in 2018. The data also showed that the sales of eight companies increased in 2018 while only two companies including Opsonin and ACME witnessed negative sales growth.

<http://www.newagebd.net/article/63935/top-10-pharma-cos-keep-holding-nearly-68pc-of-market-data>

Stocks drop before Genex Infosys debut

New Age, February 06, 2019

- Dhaka stocks returned to the negative zone on Tuesday as investors went for selling shares especially the financial scrips for collecting funds ahead of the trading debut of Genex Infosys Limited. DSEX, the key index of Dhaka Stock Exchange, lost 0.47 per cent, or 27.82 points, to close at 5,800.24 points on Tuesday after gaining 26.73 points in the previous session.
- The core index gained 460 points in January with an average turnover of BDT 972 crore. The financial sector led the dive on Tuesday as life insurance, general insurance, non-bank financial institution and bank dropped by 3.24 per cent, 2.51 per cent, 1.12 per cent and 0.54 per cent respectively.
- Out of the 30 traded bank scrips, 21 declined, seven advanced and two remained unchanged while out of the 23 traded NBFIs, 19 dropped, just one advanced and three remained unchanged.
- Share prices of miscellaneous, pharmaceutical and telecommunication advanced by 3.44 per cent, 0.61 per cent and 0.26 per cent respectively. Among the prominent scrips, a decline in share prices of National Life Insurance Company, Titas Gas, Padma Oil and Olympic Industries weighed on the index.
- The turnover on DSE dropped to BDT 706.66 crore on Tuesday compared with that of BDT 889.05 crore in the previous trading session. Of the 336 companies and mutual funds traded on Tuesday, 214 declined, 104 advanced and 29 remained unchanged.
- United Power Generation Company led the turnover leaders for the second day with its shares worth BDT 55.39 crore changing hands on Tuesday. Monno Ceramics, Bangladesh Submarine Cable Company, Simtex Industries, Premier

Bank, Singer Bangladesh, Bangladesh Shipping Corporation, Powergrid, Baraka Power and Berger Paint Bangladesh were the other turnover leaders.

<http://www.newagebd.net/article/63937/stocks-drop-before-genex-infosys-debut>

Esquire Knit holds IPO lottery draw tomorrow

The company to allocate 14.06m IPO shares

The Financial Express, February 06, 2019

- The IPO lottery draw of Esquire Knit Composite will be held tomorrow (Thursday) which will allocate 14.06 mn ordinary shares among the successful applicants. The event will be held at 10:30 am at the Institution of Engineers, Bangladesh (IEB) in Dhaka, officials said.
- The IPO draw results will be published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. The initial public offering (IPO) subscription of Esquire Knit was held between January 06 and January 20. The company raised a total capital of BDT 1.50 bn through issuing 34.89 mn ordinary shares under the book-building method.
- Of the total shares, 60 per cent or 20.83 mn shares (worth BDT 937 mn) are reserved for eligible investors at a cut-off price. The remaining shares are offered for public subscription. The cut-off price of Esquire Knit share was fixed at BDT 45 each on July 14 last year by the institutional investors through electronic bidding.
- The remaining 40 per cent or 14.06 mn shares are available for the individual investors, including affected small investors and non-resident Bangladeshis. The general investors will get IPO shares at 10 per cent discount on the cut-off price, meaning they will get each share of the company at BDT 40. The proceeds will be used to buy machinery, construct buildings and meet the IPO expenses.
- On January 23 last year, the securities regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- allowed the Esquire Knit to conduct bidding for its shares to set the cut-off price of its shares. The bidding took place from July 9 to 12. The export-oriented knit garments company held a road show in April 2017.

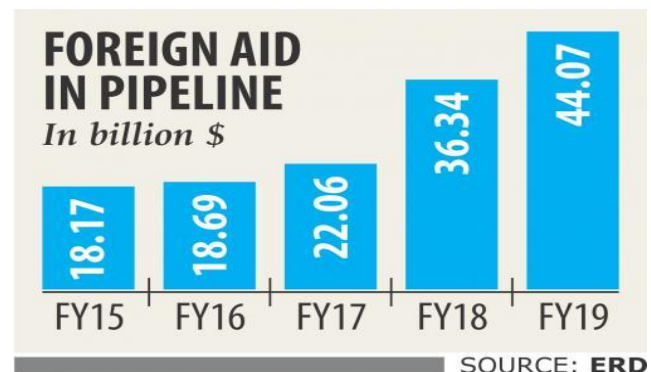
<http://thefinancialexpress.com.bd/stock/bangladesh/esquire-knit-holds-ipo-lottery-draw-tomorrow-1549427752>

Foreign aid budget to be slashed

Commitments outstrip capacity

The Daily Star, February 06, 2019

- The government is likely to revise down the foreign aid allocation by 15 percent in fiscal 2018-19 -- at a time when there is a record high level of the low-cost fund sitting idle in the pipeline. The revision comes as the government finds itself unable to keep pace with the rate at which development partner countries are pouring in funds to Bangladesh, encouraged by the country's solid economic growth over the past decade.
- Foreign aid allocation would now be BDT 51,000 crore (\$6.09 bn), down from BDT 60,000 crore (\$7.17 bn)



earmarked at the beginning of the fiscal year. The adjustment came after the Economic Relations Division (ERD) sat down with the ministries and divisions to make out how much foreign aid they would be able to spend in the end

- Of the BDT 9,000 crore shaved off from this fiscal year's foreign aid allocation, BDT 5,000 crore would come from the transport sector as it finds its various mega projects falling behind schedule due to problems in land acquisition. One such project is the Padma Bridge Rail Link, which has failed to utilise a single paisa from its foreign aid portion in the first five months of fiscal 2018-19.
- The project was initially allotted BDT 3,000 crore in foreign aid, but it would now be cut down to BDT 1,300 crore. Last fiscal year, the ministries and divisions spent a record \$6.1 bn, which was double the amount they managed each year between fiscals 2012-13 and 2016-17. In the first five months of the fiscal year, utilisation of foreign aid rose 9.36 percent year-on-year to \$1.87 bn.
- As of November last year, unused foreign aid in the pipeline stood at \$48.75 bn, up from \$44.51 bn on June 30. Bangladesh used to receive aid commitments of \$1 bn to \$2 bn every year until fiscal 2009-10, after which the amount jumped to \$5 bn and progressively edged up. Last fiscal year, the country received foreign aid commitment of \$14.86 bn. In practice, when a loan agreement is signed with a development partner the funds are ready for utilisation right away; the unused portion is added to the pipeline.

<https://www.thedailystar.net/business/news/foreign-aid-budget-be-slashed-1698133>

BRB's growing interest in state-owned firms

Dhaka Tribune, February 06, 2019

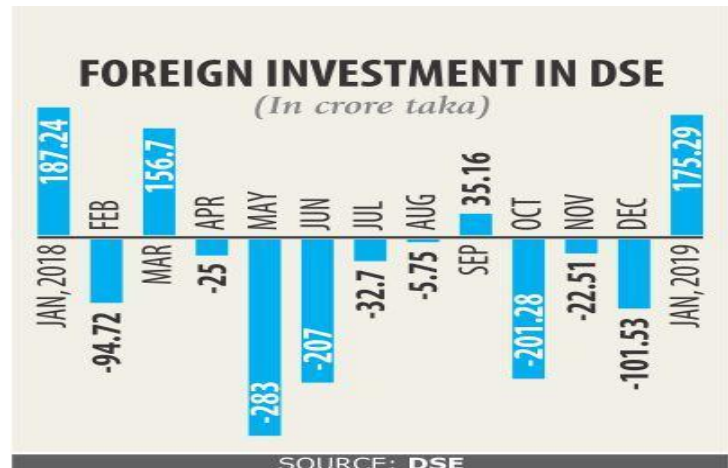
- The group acquires 26.89% shares of Renwick Jajneswar & Company after it buy 18% of Eastern Cable's shares. Just a few weeks after getting four seats at state-owned Eastern Cable Limited's (ECL) board, senior management officials of BRB group are now going to sit on the board of another state-owned listed company, Renwick Jajneswar & Company (BD) Limited, after acquiring 26.89% of its total shares.
- Of the 2,000,000 shares of Renwick Jajneswar, BRB Cables hold 175,055 shares, BRB Polymer holds 164,040 shares, BRB Cable Chairman Md Mozibar Rahman holds 126,046 shares, Managing Director Parvez Rahman holds 14,686 shares, Vice Chairman Selima Begum holds 12,836 shares, and MRS Industries—a sister concern of BRB—holds 45,197 shares. The group now owns a total of 537,860 shares of Renwick Jajneswar.
- As a state-owned company, 51% of Renwick Jajneswar's shares are owned by the government, while stock market investors own the remaining 49%_of which 17.38% is owned by institutional investors and 31.62% by general shareholders, as per data on Dhaka Stock Exchange's (DSE) website.
- According to rules set by the Bangladesh Securities and Exchange Commission (BSEC), any individual or institution is eligible to become a director of a listed company if they hold a minimum of 2% share of the company. BRB recently proposed four names for the directorship posts on Renwick Jajneswar's board_Md Mozibar Rahman and Parvez Rahman representing BRB Cables, Mofizur Rahman representing BRB Polymer, and BRB Director Shamsur Rahman representing MRS Industries.
- The company owns and operates sugar mills in the country that produce raw sugar, liquid sugar and refined sugar from sugarcane and sugar beets. BRB Cable Industries recently bought nearly 18% shares of Eastern Cables, a state-owned loss-making firm listed on the stock market.

<https://www.dhakatribune.com/business/2019/02/05/brb-s-growing-interest-in-state-owned-firms>

Overseas investors back to stock markets

The Daily Star, February 06, 2019

- Net foreign investment in the Dhaka Stock Exchange bounced back in January as investors shook off the election jitters. Last month, foreign investors bought shares worth BDT 495.19 crore and sold shares worth BDT 319.90 crore, taking their net investment to BDT 175.29 crore.
- In December, it stood at BDT 101.53 crore in the negative, as fears of political uncertainty centring the national polls on December 30 reigned supreme. Yesterday, the DSEX -- the benchmark index of the bourse -- declined 27.82 points, or 0.47 percent, finishing the day at 5,800.24.
- The turnover fell 20.51 percent from the previous day to BDT 706.66 crore, with 17.19 crore shares and mutual fund units changing hands on the DSE floor. Of the traded issues, 104 advanced, 214 declined and 29 closed unchanged. United Power Generation dominated the turnover chart with its transaction of 13.81 lakh shares worth BDT 55.39 crore, followed by Monno Ceramics, Bangladesh Submarine Cable, Simtex and Premier Bank.
- Dulamia Cotton was the day's best performer with a 9.80 percent gain, while Prime Insurance was the worst loser, shedding 8.2 percent. Chittagong stocks also declined with the bourse's benchmark index, CSCX, shedding 70.91 points, or 0.65 percent, to finish at 10,728.49. Losers beat gainers as 187 declined, 64 advanced and 29 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 86.09 lakh shares and mutual fund units worth BDT 25.14 crore.



<https://www.thedailystar.net/business/news/overseas-investors-back-stock-markets-1698118>

BSEC approves FSIBL bond

The Financial Express, February 06, 2019

- The securities regulator has approved the proposal of issuing mudaraba subordinated bond worth BDT 7.0 bn by the First Security Islami Bank Limited. The approval came Tuesday at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC).
- The tenure of the bond will be seven years and the characteristics are non-convertible, fully redeemable, unsecured and unlisted. The bond will be issued to different financial institutions, insurance companies, corporate entities, and other eligible investors through private placement.
- The fund will be raised to strengthen the bank's tier-II capital base. The offer price of the bond will be BDT 1.0 mn per unit. Green Delta Insurance Company and Asian Tiger Capital Partner Investments are working as the trustee and lead arranger of the bond respectively.

<http://thefinancialexpress.com.bd/stock/bsec-approves-fsibl-bond-1549427281>

Green Delta launches AR calendar

The Financial Express, February 06, 2019

- Green Delta Insurance Company, a leading non-life insurance entity of the country, has launched the country's first-ever Augmented Reality calendar. This AR calendar is also the first of its type in whole Asia, according to Green Delta officials
- The whole augmented reality experience is delivered through a mobile application called 'GD Calendar' developed by Green Delta. The application is available for download in both iOS App Store and Android and Google Play Store.
- This digital version of the desk calendar works in a way when an individual looks at the desk calendar through the app's built-in camera-the still images of the calendar turn into a live or animated story while showing the hidden messages. The augmented reality scheme was unveiled at a press briefing held in the capital on Tuesday.

<http://thefinancialexpress.com.bd/stock/green-delta-launches-ar-calendar-1549384992>

United Power tops turnover chart after earnings results

Ten cos snare 28pc turnover

The Financial Express, February 05, 2019

- United Power dominated the Dhaka bourse's turnover chart on Monday while top ten traded companies captured 28 per cent transaction. The company's earnings per share (EPS) (separate) rose 15.18 per cent to BDT 5.31 for July-December. The EPS (separate) was BDT 4.61 for July-December, 2017. The company reported its consolidated EPS of BDT 7.69 for July-December, 2018.
- According to statistics from the DSE, about 1.49 mn shares of United Power were traded, generating a turnover of BDT 600 mn, which was 6.75 per cent of the DSE's total turnover. The total turnover on the DSE stood at BDT 8.89 bn on Monday which was BDT 9.84 bn in the previous day. The power generation company's share price closed at BDT 401.20 on Monday, gaining 1.93 per cent over the previous day.
- The United Power, which was listed on the DSE in 2015, disbursed 90 per cent cash and 20 per cent stock dividend for the year ended on June 30, 2018. The company's paid-up capital is BDT 4.70 bn, authorised capital is BDT 8.0 bn and the total number of securities is 479.08 mn.
- The sponsor-directors own 90 per cent stake in the company, while institutional investors own 5.43 per cent, foreign investors 0.13 per cent and the general public 4.44 per cent as of December 31, 2018. Bangladesh Submarine Cable followed next, with shares worth BDT 347 mn changing hands. Its share closed at BDT 150, losing 3.72 per cent over the previous day.

<http://thefinancialexpress.com.bd/stock/united-power-tops-turnover-chart-after-earnings-results-1549341995>

Economy

BB moves to amend bankruptcy act

The Daily Star, February 06, 2019

- The central bank will hold a meeting today to amend the Bankruptcy Act, 1997 with the view to handing out exemplary punishment to habitual defaulters. The meeting, which will explore all legal options, will involve the

managing directors of banks, Law Commission Chairman ABM Khairul Haque and Bangladesh International Arbitration Centre CEO Muhammad A (Rume) Ali.

- The move comes at a time when default loans have reached a record high: as of September last year, the ratio of non-performing loans stood at 11.45 percent of the total outstanding loans. In terms of amount, it is BDT 99,370 crore, according to data from the Bangladesh Bank
- Unscrupulous borrowers usually keep disputed assets as collateral to take loans, which later create a tough situation for the lenders when they try to recover money, said Imran Ahmed Bhuiyan, a deputy attorney general. After climbing several legal steps lenders can then consult the Bankruptcy Act, which empowers the government to sell off the assets of the defaulters to pay back the lenders.
- But the problem with the existing Bankruptcy Act is that there is no specific timeframe by which creditors will get their funds back even after the court declares the defaulters as bankrupt. Furthermore, it is not possible to file a case under the Artha Rin Adalat Ain 2003 and the Bankruptcy Act at the same time.
- If defaulters fail to repay the loans within the deadline, the money loan courts are to send a copy of their verdicts to the bankruptcy court, according to the central bank suggestion. The courts also should keep an option open for defaulters before they are declared bankrupt in order to give them a final chance to repay loans in line with the bankruptcy act in the US.

<https://www.thedailystar.net/business/banking/bangladesh-bank-moves-amend-bankruptcy-act-1997-1698106>

Recast tax provisions to woo investors, suggests BIDA

The Financial Express, February 06, 2019

- The Bangladesh Investment Development Authority (BIDA) opined that the existing tax provisions on depreciation of intangible assets are not investor-friendly in line with the economic advancement, officials said. It also sought rationalisation of the tax provisions on amortisation to attract more investors
- Focusing on the issues, the authority has proposed the National Board of Revenue (NBR) to update the third schedule of the Income Tax Ordinance (ITO) 1984. The third schedule contains the provisions relating to computation of depreciation allowance and amortisation facility.
- Depreciation and amortisation is a form of tax incentive, provided to the investors to reduce tax liability on their profit gain. A discussion on necessity of amending the third schedule will be held at BIDA office in the capital today (Wednesday). Representatives of NBR, among others, will attend the meeting.
- Besides, experts from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the Institute of Chartered Accountants of Bangladesh (ICAB) and other professional bodies will give their opinions in the meeting. Officials said BIDA will prepare its recommendations on the basis of opinions of the stakeholders.
- NBR also offers accelerated depreciation facility to the industry. On accelerated depreciation, the industry enjoys 100 per cent tax depreciation on its equipment in the first two years of commencing production (80 per cent in the first year and 20 per cent in the second year).

<http://thefinancialexpress.com.bd/trade/recast-tax-provisions-to-woo-investors-suggests-bida-1549423569>

International

RBI likely to change monetary policy stance, inching toward rate cut

The Financial Express, February 05, 2019

- The Reserve Bank of India (RBI) is likely to change its monetary policy stance to “neutral” from “calibrated tightening” on Thursday and move closer to a rate cut in April. A softer stance would bode well for the Prime Minister Narendra Modi’s government, which wants to boost lending and lift growth as the ruling party is in an election mode.
- In its budget on Feb. 1, the government doled out cash to farmers and tax cuts to middle-class families, at the cost of a wider fiscal deficit and larger borrowing, reports Reuters. While two-thirds of 65 economists expected the RBI to hold the repo rate at 6.50 per cent, most respondents predicted the six-member monetary policy committee (MPC) would shift its stance to neutral, according to a Reuters poll published on Jan. 24.
- Nearly half of respondents expected a 25 basis point rate cut by mid-2019. At Thursday’s MPC meeting—the first for RBI Governor Shaktikanta Das—it will be tough to balance desire to support economic growth with the need to contain inflationary expectations.
- Some economists said Das, a seasoned bureaucrat, is likely to promote growth and aid the fragile financial sector, as inflation is comfortable at present, in December dropping to an 18-month low of 2.19 per cent. However, for the central bank, cutting rates to support the financial sector by taking comfort from the sharply lower inflation rate might not be as simple as it sounds.
- An expansionary budget could bolster consumer spending and stoke inflation. Also, policymakers are likely to be wary of a third straight miss on the fiscal deficit target, a key factor that weighs on the inflation outlook. Re-emergence of inflationary pressures even as growth stays subdued could keep the central bank from cutting rates, some analysts said.

<http://thefinancialexpress.com.bd/economy/global/rbi-likely-to-change-monetary-policy-stance-inching-toward-rate-cut-1549354817>

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