

## Stock Market

### Stocks bleed upon fear of political tension

*Investors lost BDT 45,813cr since January*

The Daily Star, November 06, 2018

- Stock market investors continue to dread political tension centring on the upcoming national election and in the process bleed money, with the key index of the Dhaka Stock Exchange sinking for the fourth straight day yesterday. DSEX, the benchmark index of the DSE, dropped 14.05 points, or 0.27 %, yesterday to close at 5,224.94 points, meaning BDT 4,708.14 crore was shed in market capitalisation since Wednesday.
- Investors lost BDT 45,813 crore since the turn of the year, when the index was at 6,280 points. The most-traded stocks led the losses on the Dhaka Stock Exchange yesterday. Khulna Power Company, which topped the turnover list on three of the four days, lost 25.06 % of its market value during the period. United Power Generation, another top-traded stock, shed 10.85 %.
- Most of the blue-chip shares, banks and non-bank financial institutions also witnessed fall during the period because of drop in profits, which disappointed the market. Institutional investors are observing the situation while the participation of foreign investors is also becoming thin due to fear of political uprising ahead of the parliamentary polls. Turnover, another important indicator of the stock market's vitality, rose 1.6 % to BDT 538.20 crore.
- Khulna Power was the top traded stock with 31.12 lakh shares worth BDT 29.26 crore changing hands, followed by Saiham Textile, Nurani Dyeing, Intech and Dragon Sweater. ISN, which announced divided just the day before after a gap of five years, was the day's best performer, posting a 9.97 % gain, while Khulna Power was the biggest loser, shedding 9.76 %.



<https://www.thedailystar.net/business/news/stocks-bleed-upon-fear-political-tension-1656862>

### Summit Alliance Port's subsidiary to operate 3 river terminals in Kolkata, Patna

New Age, November 06, 2018

- The Inland Waterways Authority of India has handed over the management of three terminals — one in Kolkata of West Bengal and two in Patna of Bihar — to Summit Alliance Port East Gateway, a subsidiary of Summit Alliance Port Limited.
- IWAI in presence of India shipping secretary Shri Gopal Krishna handed over the three terminals — Garden Reach terminal in Kolkata and Gaighat and Kalughat terminals in Patna — to SAPEGIL on a supply-operate-and-maintain model, said a press release disseminated by SAPL.
- SAPEGIL director Ashok Chakraborty officially took over the management of the river terminals, the first time for any Bangladeshi company to be awarded management of terminals on foreign soil, it said. SAPEGIL won the work through a global competitive tendering process.

<http://www.newagebd.net/article/55197/summit-alliance-ports-subsidiary-to-operate-3-river-terminals-in-kolkata-patna>

## Economy

### BB's intervention fails to stabilize exchange rate

The Daily Star, November 06, 2018

- The foreign exchange market has been going through volatility because of the widening demand-supply gap of US dollars amid high import expenditure and low export earnings. The average bills for collection (BC) selling rate, used for import payments, were BDT 83.90 per dollar yesterday, which was BDT 83.80 at the beginning of October.
- The rising demand for dollar compelled the Bangladesh Bank to devalue the local currency gradually throughout last month, from BDT 83.78 to BDT 83.85 per dollar. Moreover, the central bank has sold around \$435 mn in the market in the past four months since July to meet the growing demand.
- The interbank exchange rate increased by almost BDT 3 in the last one year from BDT 80.90 in October 2017. The scarcity of greenbacks prompted private banks to sell the dollar to importers at a rate of up to BDT 85 last month, which was beyond their own declaration rate, in violation of Bangladesh Bank's rule.
- The breach was identified during an investigation conducted by the central bank in the first week of October. Last week, the central bank issued a show-cause notice on nine private banks for selling the dollar to importers at BDT 84 to BDT 85 against their declared rate of BDT 83.85 per dollar. The banks are Trust, City, NCC, Dutch-Bangla, BASIC, Mutual Trust, Exim, Dhaka and Prime banks.
- Banks can set the BC rate at the interbank exchange rate plus BDT 0.05 to BDT 0.10, according to the central bank's instruction. The trade deficit widened to \$ 2.1 bn in the July-August period of the current fiscal year from \$ 1.76 bn in the same period last year.
- The current account deficit, however, narrowed to \$60 mn in the first two months of 2018-19 from \$369 mn in the same period last fiscal year thanks to good inflow of remittance. Remittance earnings increased 31.56 % to \$1.12 bn in September this year compared to \$856.87 mn in the same month last year.



<https://www.thedailystar.net/business/news/bbs-intervention-fails-stabilise-exchange-rate-1656856>

### Inflation falls further in October

The Daily Star, November 06, 2018

- Inflation came down to 5.40 % in October, the lowest in 18 months, on the back of a continuous fall in food prices. Last month's inflation figure was 3 basis points lower from September, according to the Bangladesh Bureau of Statistics (BBS). The last time the inflation rate was lower than this was back in March 2017, when it stood at 5.39 %.
- Overall inflation has fallen every month so far this year. In October, food inflation fell 36 basis points to 5.08 % from the previous month. This was preceded by a decline of 55 basis points in September from that of the previous month.

- However, non-food inflation shot up 45 basis points to 5.90 % last month. It went up 72 basis points in September from that a month ago. Non-food inflation was 3.6 % in October 2017. The government has set an inflation target of 5.6 % for the current fiscal year.

<https://www.thedailystar.net/business/news/inflation-falls-further-october-1656850>

## July-Sept overall imports up 8.0pc

*Fuel oil imports rise 78.62pc*

The Financial Express, November 06, 2018

- The country's overall imports grew by more than 8.0 % in the first quarter (Q1) of the current fiscal year (FY), 2018-19, following a 78.62 % increase in fuel oil import, officials said.
- The actual import in terms of settlement of letters of credit (LCs) rose to US\$ 12.83 bn during the July-September period of FY 19. It was \$11.83 bn in the same period of the previous fiscal, according to the central bank's statistics.
- But opening of LCs, generally known as import orders, increased by only 0.35 % to \$14.75 bn in Q1 of FY 19 from \$14.70 bn in the corresponding period of FY 18. Import of petroleum products rose to \$1.07 bn in the first three months of FY 19 from \$597.77 mn in the same period of the previous fiscal.
- Currently, around 50 power plants out of the total 122 across the country are running with fuel oil. On the other hand, import of capital machinery or industrial equipment used for production, dropped by 3.39 % to \$1.24 bn from \$1.29 bn, the BB data showed.
- Most of the businessmen are now adopting a 'wait-and-see' policy in setting up fresh industrial units or expanding their existing businesses, the official added. However, import of intermediate goods, like - coal, hard coke, clinker and scrap vessels etc, increased by 21.31 % to \$1.09 bn in Q1 from \$899.16 mn.
- Industrial raw material import also rose by 11.44 % to \$4.70 bn during the period under review from \$4.21 bn in the same period of FY 18. Despite a falling trend in consumer goods, imports of liquefied natural gas (LNG) and liquefied petroleum gas (LPG) have pushed up the overall import expenses of Bangladesh, added Mr. Rahman, also managing director (MD) and chief executive officer (CEO) of Dhaka Bank Limited.

<http://thefinancialexpress.com.bd/trade/july-sept-overall-imports-up-80pc-1541476125>

## BB says US-China trade tension may favour Bangladesh export

New Age, November 06, 2018

- Bangladesh Bank has observed that the overall impact of ongoing US-China trade war on Bangladesh's external balance appears to be favourable. The central bank also said that it was too early to assess the dynamic effect of US-China trade tension on Bangladesh economy.
- But, US-China trade tension has raised concern as well as opportunity for many emerging economies including Bangladesh, the report said.
- BB made the assumption in its quarterly Financial Stability Assessment Report for April-June-2018 released last week. According to the Bangladesh Bank analysis, around 7 % of Bangladesh's total export is identical and around 5 % is similar to the tariff-imposed Chinese products. It means that around 88 % of Bangladesh's aggregate current export is unrelated to Chinese products under US tariff, it pointed out.
- As effective price of the identical and similar Chinese export products in US market would be higher, Bangladesh is likely to gain competitive advantage for this segment of export products, the central bank observed. The projected

advantage will, however, be subject to successfully addressing the issues like infrastructural changes, competition from other countries, financing readiness from financial sectors, skilled labour shortage and depreciation of Chinese currency yuan, it noted.

- Bangladesh may lose its competitive advantage without depreciating the taka against the dollar, if China and other competing countries in the US market depreciate their own currencies. Bangladesh is likely to gain from recent considerable devaluation of Indian rupee, the report said, adding that in particular, lower import price of cotton might help to boost RMG export.

<http://www.newagebd.net/article/55195/bb-says-us-china-trade-tension-may-favour-bangladesh-export>

## Underwater valve damage halts LNG supply

The Financial Express, November 06, 2018

- Re-gasification in the country's first floating liquefied natural gas (LNG) import terminal has remained suspended since Saturday evening owing to the damage of an underwater hydraulic valve. Gas supply across the country has been facing an acute setback since then.
- The sufferings of households mounted while production squeezed in industrial units. The authorities had to shut several gas-fired power plants and a fertiliser factory in the aftermath of the supply halt. Gas crisis in Chattogram remains acute as clients of the port city have been consuming re-gasified LNG alone since the initiation of its commercial supply on August 18, 2018.
- But due to the damage of the valve, the state-run company is now receiving around 220 mmcf of gas from national gas grid, the official added. Electricity generation from three gas-fired power plants - Rauzan and two units of Shikalbaha - has been halted and the Chittagong Urea Fertiliser Ltd (CUFL) has been shut to cope with the short supply of natural gas. Meanwhile, production in industries was disrupted.
- Motorised vehicles were seen in long queue in front of different CNG (compressed natural gas) filling stations to get CNG filled in. But it connected to the subsea pipeline network on August 05 and commenced injecting the first regasified gas on August 12. Technical issues and rough seas during the June-August south-western monsoon kept it stranded off the south coast of Chittagong for months. The daily payment the Petrobangla owes to Excelerate Energy is around US\$ 232,000 (BDT 19.72 mn), no matter it re-gasifies less or the entire capacity of the FSRU, according to the deal.

<http://thefinancialexpress.com.bd/trade/underwater-valve-damage-halts-lng-supply-1541475883>

## International

### Tata Group in talks to buy majority stake in Jet Airways

New Age, November 06, 2018

- Tata Group is in talks to buy a majority stake in beleaguered carrier Jet Airways and its loyalty programme, television news channel CNBC-TV18 reported on Monday, citing sources. Tata Group aims to buy the 51 % stake in the airline owned by Jet Airways founder, Naresh Goyal, and Etihad Airways' 24 % stake, the station reported.
- Tata said in a statement that it would not comment on speculation. Jet Airways did not respond to a request for comment. Shares in Jet Airways surged on the news report, closing up 10 % on Monday.
- India's aviation market is growing at 20 % annually, but a combination of rising oil prices, high fuel taxes, a weak rupee, low fares and intense competition have driven carriers into the red. Jet Airways is making losses and is

struggling to pay salaries and meet aircraft lease payments. The airline, which is seeking a cash injection, said in August it would cut costs in excess of 20 bn rupees (\$274 mn) in two years and planned to raise funds by selling a stake in its frequent flyer programme. — Reuters

<http://www.newagebd.net/article/55200/tata-group-in-talks-to-buy-majority-stake-in-jet-airways>

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