

## Stock Market

### Stocks dip on profit taking after 3-day surge

New Age, May 07, 2019

- Dhaka stocks on Monday dropped sharply as investors went for selling shares to book short-term profits after a three-day surge. DSEX, the core index of Dhaka Stock Exchange, slumped by 0.98 %, or 52.82 points, to close at 5,342.08 points on Monday.
- The key index had gained 219 points in the previous three sessions amid the government's moves to revive the market following a 13-week bear run and street protests by investors.
- Out of the 345 issues traded on the day, 258 declined and 27 remained unchanged while only 60 advanced. Turnover on the bourse declined to BDT 467.34 crore on Monday from BDT 535.95 crore on Sunday.
- DSE blue-chip index DS30 dropped by 1.07 %, or 20.44 points, to close at 1,881.21 points. Shariah index DSES lost 0.56 %, or 6.97 points, to finish at 1,233.64 points.
- Fortune Shoes led the chart of turnover leaders with its shares worth BDT 35.93 crore changing hands on the day. Esquire Knit Composite, National Polymer, Legacy Footwear, Monno Ceramic Industries, National Tubes, Genex Infosys, Bangladesh Shipping Corporation, BRAC Bank and United Power Generation Company were the other turnover leaders.
- SS Steel Mills gained the most on the day with a 9.8-% increase in its share prices while Tunghai Knitting and Dyeing was the worst loser, shedding 8.9 %.

<http://www.newagebd.net/article/71654/stocks-dip-on-profit-taking-after-3-day-surge>

### Govt revenue from DSE jumps 84pc in April

The Financial Express, May 06, 2019

- Tax collection from the prime bourse jumped 84 % month-on-month in April riding on sponsor-directors and placement holders' shares sale. The government collected revenue worth nearly BDT 433 mn in April which was BDT 235 mn in March, an increase of 84 % month-on-month, the DSE data shows.
- Of the total earnings in April, BDT 363 mn came from share sales by sponsor-directors and placement holders. The daily average turnover on the DSE came down to BDT 3.49 bn in April, which was BDT 4.84 bn in March, 2019, the DSE data shows.
- DSEX, the prime index of the DSE, also slumped 289 points or 5.26 % during April to close the month at 5,202 points. The government earned nearly BDT 70 mn from the TREC (trading right entitlement certificate) holders' commission.
- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05 % and 5.0 % respectively and deposits the amount to the government exchequer.
- Meanwhile, the government collected revenue worth BDT 2,293 mn in 10 months (July-April) in the current fiscal year, rising 11 %, from BDT 2,057 mn in the same period of the previous fiscal, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/govt-revenue-from-dse-jumps-84pc-in-april-1557148897>

## Pharma ingredient makers get VAT exemption

New Age, May 07, 2019

- National Board of Revenue has exempted local producers of active pharmaceutical ingredients (API) from VAT payment on imported raw materials. API industries will enjoy the benefits for more than six years up to December 2025.
- NBR VAT wing on April 30 issued a statutory regulatory order offering the exemption on fulfilment of some conditions, including producing at least five new molecules at every calendar year.
- NBR offered the benefits following application of Bangladesh API and Intermediaries Manufacturers Association seeking tax benefits under the National Active Pharmaceutical Ingredients (API) and Laboratory Reagents Production and Export Policy 2018.
- The policy offered a package of tax benefits, including corporate income tax holiday, exemption from payment of customs duty and VAT on import of raw materials for the sector to encourage local production of API, the primary ingredients of drug products.
- A tripartite committee of NBR consists of representatives of BAIMA, Bangladesh Tariff Commission, drug administration and Bangladesh Association of Pharmaceuticals Industries also recommended VAT exemption on import of raw materials required for local production of API and laboratory reagents.
- According to the NBR decision, the manufacturers should be registered in Bangladesh should ensure standards related to quality audit and current good manufacturing practice. Minimum 1 % of annual turnover of the company will mandatorily have to spend on research and development activities.
- Name of raw materials, quantity, description and harmonised system code should be approved by Directorate General of Drug Administration, and importer will have to submit the list to the customs house during customs assessment.

<http://www.newagebd.net/article/71653/pharma-ingredient-makers-get-vat-exemption>

## Parent cos of GP, Robi in merger talks

New Age, May 07, 2019

- Norwegian Telenor Group, parent company of Bangladesh's leading mobile operator Grameenphone, and Malaysia-based Axiata, parent company of another mobile operator Robi, are in negotiation to merge their Asia operations, keeping GP in and Robi out of the merged company.
- Both the groups in a statement on Monday announced their engagement in talks on a potential non-cash merger of their telecom and infrastructure assets in Bangladesh and eight other Asian countries to serve nearly 300 mn customers using approximately 60,000 towers.
- Robi, however, in a statement clarified that it would not be part of the proposed merger and would remain a direct subsidiary of Axiata's post completion of the proposed transaction with Telenor.

<http://www.newagebd.net/article/71650/parent-cos-of-gp-robi-in-merger-talks>

## Anwar elected IFIL chair

New Age, May 07, 2019

- Anwar Hossain Chowdhury has been elected as the chairman of Islamic Finance and Investment Limited, said a press release. The decision was made in the 251st board meeting of IFIL held in Dhaka on Sunday. Prior to his appointment, he was the executive committee chairman of IFIL, the release also said.
- Anwar is the managing director of AJ Group. He is also a sponsor director and executive committee chairman of Takaful Islami Insurance, said the release. He is the former chairman of board of trustees of Eastern University. He is also a member of BGMEA, the release said.

<http://www.newagebd.net/article/71660/anwar-elected-ifil-chair>

## Bourses reschedule trading and office hours for Ramadan

The Financial Express, May 06, 2019

- The Dhaka Stock Exchange (DSE) has rescheduled its trading time during the holy month of Ramadan. Share trading on DSE will take place from 10:00am to 2:00pm without any break during the Holy month of Ramadan instead of the regular trading period of 10:30am to 2:30pm, said a DSE press release.
- The DSE office will remain open from 9:00am to 3:30pm during Ramadan instead of the regular time of 9:30am to 5:30pm. DSE trading and office hours will get back to normal time after the Eid-ul-Fitr vacation, the statement added.

<http://thefinancialexpress.com.bd/stock/bourses-reschedule-trading-and-office-time-for-ramadan-1557042439>

## Economy

### Lower pvt credit flow may slow economic growth

*Bankers fear as BB allays apprehension*

The Financial Express, May 06, 2019

- The private-sector credit growth decelerated further in March as private banks faced liquidity pressure due mainly to lower deposits, bankers said. The growth in credit flow to the private sector came down to 12.42 % in March 2019 on a year-on-year basis from 12.54 % a month ago, the central bank's latest data showed.
- This growth was 4.08 percentage points lower than the Bangladesh Bank (BB)'s target of 16.50 % for the second half (H2) of this fiscal year (FY). Such declining trend in the private-sector credit growth may hamper economic growth in future, according to senior bankers.
- Currently, banks are offering interest rates on term deposits ranging from 6.0 % to 11 %. However, most of the offered rates were fixed at 9.50-10.50 %. On the other hand, yields on national savings certificates have been fixed at between 11 % and 12 %.
- As per the policy, issued by the central bank of Bangladesh, on February 25, the banks will have to keep 13 % of their total liabilities as statutory liquidity ratio (SLR) and 5.50 % as cash reserve requirement (CRR) from July 01.

- On the other hand, the total outstanding loans with the private sector rose to BDT 9,796.86 bn in March 2019 from BDT 8,714.31 bn last year. It was BDT 9,703.49 bn in February 2019.

<http://thefinancialexpress.com.bd/economy/bangladesh/lower-pvt-credit-flow-may-slow-economic-growth-1557112878>

## **Bangladesh Bank instructs 11 banks to provide info on top 20 defaulters**

Dhaka Tribune, May 04, 2019

- Recently the central bank sent separate letters to these banks, seeking information about their top 20 loan defaulter. Bangladesh Bank has instructed 11 commercial banks to provide information about its top 20 loan defaulters to know more about the real condition of the country's banking sector.
- The banks are: Janata Bank, AB Bank, Al-Arafah Islami Bank, One Bank, Eastern Bank, Mercantile Bank, NCC Bank, Shahjalal Islami Bank, Brac Bank, Southeast Bank and Mutual Trust Bank. Recently the central bank sent separate letters to these banks, seeking information about their top 20 loan defaulters.
- The information required from the Bangladesh Bank include total amount borrowed by the defaulters, loan recovery process undertaken so far, top loan rescheduling cases, top interest waiver cases and case settlements against defaulters.
- The central bank has also sought comments from the banks' respective managing directors on the entire loan defaulting trends and causes. Opinions have also been sought from the banks' respective loan management committee officials.
- All applications of the top borrowers, branch evaluation reports, board/management approvals, project inspection reports, collateral security evaluation and other relevant documents have also been asked to hand over to the central bank.

<https://www.dhakatribune.com/business/banks/2019/05/06/bangladesh-bank-instructs-11-banks-to-provide-info-on-top-20-defaulters>

## **International**

### **China gives modest boost to economy with RRR cut**

New Age, May 07, 2019

- China's central bank said on Monday it will cut reserve requirement ratios (RRRs) to release about 280 bn yuan (\$41 bn) for some small and medium-sized banks, in a targeted move to support companies struggling amid an economic slowdown.
- The amount of cash released by the latest cut would be one of the smallest from any of the RRR cuts since January 2018.
- The cut, while widely expected at some point, was announced right before China's stock market opened, and just hours after US president Donald Trump sharply escalated trade tensions between the world's two largest economies.
- The People's Bank of China (PBOC) said in a statement that the reduction will come into effect on May 15. The funds will be used for loans to small and private companies. Small and medium-sized banks currently have RRRs ranging from 10 % to 11.5 %.

- The PBOC has cut the RRR five times in the past year, lowering the ratio to 13.5 % for big banks and 11.5 % for small-to medium-sized lenders. Previous policy announcements usually fell on non-trading times after the market closed, analysts from Citic Securities noted, making the timing of this announcement intriguing.

<http://www.newagebd.net/article/71659/china-gives-modest-boost-to-economy-with-rrr-cut>

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