

## Stock Market

### Stocks drop as investors prefer inactivity

New Age, October 07, 2019

- Dhaka stock dropped on Sunday in cautious trading as prolonged bearish trend at the market made investors reluctant to inject funds in the market. DSEX, the prime index of Dhaka Stock Exchange, added 0.02 %, or 21.13 points, to close at 4,916.68 points on Sunday after gaining 1.44 points in the previous session.
- Turnover on the bourse further dropped to BDT 307.22 crore on Sunday from BDT 328.63 crore in the previous session. The market remained bearish for last nine months despite some of the government steps including increase in fund flow to the capital market and announcement of resolving Grameenphone audit dispute.
- The DSEX dropped more than 1,000 points in the nine months due to volatile financial sector, widespread anomalies at the market, approval of weak IPOs, new tax on listed companies and GP's tussle with the telecom regulator over the audit claim.
- Share prices of all large capitalised sectors declined on Sunday. The average share prices of the energy sector dropped by 1.8 %, non-bank financial institution 0.6 %, bank 0.5 % and telecommunication sector fell by 0.1 %. Among the large capitalised scrips, share prices of United Power Generation Company, Meghna Petroleum, Renata and DESCO fell on the day. Out of the 352 scrips traded on the day, 213 declined, 90 advanced and 51 remained unchanged.
- Blue-chip index DS30 decreased by 0.43 %, or 7.56 points, to close at 1,747.67 points. DSE Shariah index DSES shed 0.19 %, or 2.23 points, to close at 1,134.10 points. National Tubes led the turnover chart with its shares worth BDT 25.71 crore changing hands on the day.
- National Tubes gained the most on the day with a 9.95-% increase in its share prices while SEML FBSL Growth Fund was the worst loser, shedding 9.34 %.

<http://www.newagebd.net/article/86846/stocks-drop-as-investors-prefer-inactivity>

### United Power cancels share sales deal with GEM Global

New Age, October 07, 2019

- United Mymensingh Power Limited, one of the corporate directors of United Power Generation and Distribution Company, has cancelled its decision to sell two crore shares in UPGDCL to GEM Global Yield Fund after making a public disclosure over the share sales plan.
- UMPL and UPGDCL are two concerns of United Group. UPGDCL, a listed company, on August 6 disseminated a price sensitive information to the Dhaka Stock Exchange that UMPL expressed its intention to sell 1,00,00,000 shares out of its total holding of 43,11,70,994 shares in UPGDCL at the prevailing market price (in the block market) through the stock exchange within 30 working days.
- As per rules, the DSE on the same day made the disclosure public. After the disclosure, share prices of UPGDCL started surging and reached BDT 410 per share on August 22 from BDT 384.2 per share on August 5.

- On April 23, the market regulator declined to give approval to the share purchase deal between UMPL and Gem Global on the grounds that the method used for share valuation and trading period was not consistent with the securities rules.
- The agreement was to sell 75.07 lakh shares at BDT 476.60 each, way higher than the prevailing market price, through call option, which is prohibited as per rules. Call option is a financial contract to buy an agreed quantity of a financial instrument from a seller at a certain time for a certain price.

<http://www.newagebd.net/article/86845/united-power-cancels-share-sales-deal-with-gem-global>

## Omera Petroleum to float IPO

*Road show on October 20*

The Financial Express, October 07, 2019

- Omera Petroleum Ltd. (OPL), a leading operator in the country's LPG sector, has moved to raise capital through IPO (initial public offering) under the book building method. The company will raise capital for the purpose of repaying loans, purchasing an ocean going ship and infrastructure development.
- As part of the process of going public, the OPL will hold an IPO road show on October 20 at the Radisson Blu Dhaka Water Garden. The eligible investors including merchant banks, asset management companies, stock broker and dealers, among others, are expected to attend the road show.
- At the road show, the company will present its financials and the objective of raising capital through public offering. The OPL is also a subsidiary of MJL Bangladesh with a combined capacity of 100,000 MT per year. In partnership with European energy giant BB Energy, the company has installed state-of-the-art LPG import and storage terminal with capacity of 3600 MT at Mongla, Bagerhat, according to the company's website.
- Apart from the main installation in Mongla, the OPL has established three other satellite filling and bottling stations located at Ghorashal (Central), Bogra (Northern Belt) and Chittagong (Southern Belt) respectively to ensure convenience and availability of LPG to its distributors and customers.
- Besides using a massive fleet of LPG bowlers to move the LPG from Mongla to its satellite plants, OPL has successfully commissioned a LPG barge 'MV Omera Princess' with capacity of 300 MT to transport LPG through waterways for the first time in Bangladesh.

<http://thefinancialexpress.com.bd/stock/omera-petroleum-to-float-ipo-1570338414>

## Economy

### Exports fall for slow apparel

*Sep earnings 7.78pc lower than target*

The Daily Star, October 07, 2019

- Receipts from merchandise export declined 7.3 % year-on-year to \$2.91 bn in September for a slowdown in shipment of garments and other major products. This is the second consecutive month the export earnings marked a decline.

- September's earnings were also 7.78 % lower than the month's target of \$3.16 bn, according to data from the Export Promotion Bureau (EPB). In September last year, Bangladesh exported merchandise worth \$3.14 bn.
- Overall, export earnings in the first quarter (between July and September) of the current fiscal year declined 2.94 % year-on-year to \$9.64 bn. It is also 11.05 % shy of the target of \$10.84 bn, EPB data showed. In the three months, the earnings from almost all major sectors, such as garment, leather and leather goods, and frozen foods fell. Garment shipment between July and September fell by 1.64 % year-on-year to \$8.05 bn.
- Earnings from garment shipment, which accounts for more than 80 % of national exports, were 11.52 % below the quarter's target of \$9.10 bn. Of the earnings by the garment sector, \$4.17 bn came from knitwear and \$3.88 bn from woven garment.
- Garment exporters expect shipments to rebound soon as international retailers and brands are coming over with a lot of work orders because of the ongoing trade war between the US and China, the world's two biggest economies.
- The apparel retailers and brands are also coming to Bangladesh for the brighter image created through a lot of improvements at factories and strengthening of workplace safety as per recommendations of the Accord and the Alliance.

<https://www.thedailystar.net/business/news/exports-fall-slow-apparel-1810384>

## **Startups, SMEs to get easy funds**

China matchmaking platform to be presented today

The Daily Star, October 07, 2019

- Bangladeshi hi-tech start-ups and SME entrepreneurs can now receive funding from local and foreign investors by pitching their ideas and enterprises on a platform of the Shenzhen Stock Exchange (SZSE).
- The Bangladesh window of the V-Next platform of the SZSE was launched in Bangladesh on May 6 under a strategic investment agreement between the Dhaka Stock Exchange (DSE) and its strategic partner, formed by the SZSE and the Shanghai stock exchanges.
- Today, the platform will be presented to investors and entrepreneurs at a programme at the InterContinental Dhaka hotel. The DSE is the chief strategic partner of the V-Next platform in the country. The entrepreneurs will showcase their ideas and enterprises on the platform and the investors will make investment decision by analysing potential, said Abdul Matin Patwary, acting managing director of the DSE.
- More than 1,100 companies have already raised about \$5 bn using the platform. The DSE has another platform for SME entrepreneurs, named DSE SME, where entrepreneurs need to be listed to raise funds, but V-Next will allow them to mobilise funds without being listed.
- The new platform has not set any mandatory paid-up capital limit as listing requirement. But in order to get listed on the DSE SME, a company needs to have a minimum paid-up capital of BDT 5 crore.

<https://www.thedailystar.net/business/news/startups-smes-get-easy-funds-1810360>

## International

### China's Sept forex reserves fall to \$3t

New Age, October 07, 2019

- China's foreign exchange reserves fell more than expected in September despite the yuan rebounding from its biggest monthly drop in 25 years in August amid a cooling domestic economy and rising Sino-US trade tensions.
- The country's foreign exchange reserves — the world's largest — fell \$14.8 bn in September to \$3.092 trillion, according to data from the country's foreign exchange regulator on Sunday. Economists polled by Reuters had expected reserves would fall by \$6 bn from August to \$3.101 trillion.
- Looking ahead, uncertainties in the international economic and financial environment will increase, with the global economy slowing, and trade protectionism and unilateralism on the rise, according to the same statement. Volatility in international financial markets will increase.
- China has been able to keep capital outflows under control over the past year despite an escalating trade war with the United States and weakening economic growth at home. Reserves have rebounded from an October 2018-low thanks to capital controls and rising foreign investments in Chinese stocks and bonds.
- In September, the yuan CNY=CFXS rose 0.14 % against the dollar after posting its biggest monthly drop in 25 years in August. The yuan has now depreciated about 11 % against the dollar since the two sides began exchanging tit-for-tat tariffs in April last year.
- The dollar rose 0.47 % in September against a basket of other major currencies .DXY. China burnt through \$1 trillion of reserves supporting the yuan in the last economic downturn in 2015, which also saw it devalue the currency in a surprise move.
- China's economic growth risks slipping below the lower-end of Beijing 2019 target of 6 % in the third quarter or over the next year, analysts warn, as the trade war with the United States persists. Factory activity surveys in China pointed to slight improvement in September as domestic demand picked up, but analysts believe the gains will be short-lived as the property market cools and Sino-US trade tensions remain elevated.

<http://www.newagebd.net/article/86849/chinas-sept-forex-reserves-fall-to-3t>

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