

Stock Market

Stocks rise for 3rd day, turnover crosses BDT 600cr after 3 months

New Age, April 08, 2018

- Dhaka stocks on Sunday rose for third session with the bourse's turnover crossing BDT 600 crore after three months as investors continued with their buying moves due to the government's decision to increase money flow to the financial market.
- The key index of Dhaka Stock Exchange, DSEX, added 0.41 %, or 24.19 points, to close at 5,865.38 points on Sunday.
- The DSEX gained 75 points in the last three trading sessions.
- In line with the previous session, the market began with positive vibe, gaining 46 points within half an hour of the day's trading.
- Bangladesh Bank on April 3 cut cash reserve ratio of banks' by 1 % point to 5.5 % and repo rate by 0.75 % point to 6 % while the government allowed the state-owned agencies to deposit up to 50 % of their fund with the private banks, up from 25 %.
- The turnover at the bourse reached BDT 622.05 crore on Sunday compared with that of BDT 572.04 crore in the previous session. Before Sunday, Turnover at the bourse was above BDT 600 crore on December 28, 2017.

<http://www.newagebd.net/article/38630/stocks-rise-for-3rd-day-turnover-crosses-BDT-600cr-after-3-months>

ACI's subsidiary to make household plastic products

The Financial Express, April 08, 2018

- ACI Limited, the parent company of Premiaflex Plastics and one of the largest business conglomerates in Bangladesh, has 87.32 % stake in the subsidiary.
- The initial investment in this regard would be BDT 486.88 Mn with a projected sale target of BDT 1.301 Bn in 2018-2019, BDT 1.893 Bn in 2019-2020 and BDT 2.011 Bn in 2020-21, according to the disclosure.
- ACI established as the subsidiary of Imperial Chemical Industries (ICI) in 1968 and renamed as Advanced Chemical Industries (ACI) in 1992.
- The company has expanded to areas spanning from pharmaceuticals, consumer goods, agri-business and farm machinery and organised retailing.
- ACI operates through 14 subsidiaries and three joint ventures with 8,364 people working for the conglomerate.
- Each share of ACI, which was listed on the DSE in 1976, was closed at BDT 404.70 on Sunday, losing 0.49 % over the previous session.

<https://thefinancialexpress.com.bd/stock/acis-subsiary-to-make-household-plastic-products-1523189916>

BB suggests BSEC encourage Sukuk in capital market

The Financial Express, April 08, 2018

- Bangladesh Bank has suggested encouraging Islamic Shariah compliant investment certificate Sukuk in the capital market.
- The central bank made the suggestion in its latest quarterly report on 'Capital Market Developments in Bangladesh'.
- A Sukuk is an Islamic financial certificate, similar to a bond in mainstream finance that complies with Sharia or Islamic religious laws.
- Instead of interest bearing traditional bond, the issuer of a Sukuk generally sells a certificate to an investor group, and then uses the money to purchase an asset.
- The investor group has to have partial ownership on the asset and the issuer has to make a contractual promise to buy back the bond at a future date at par value.

<https://thefinancialexpress.com.bd/stock/bb-suggests-bsec-encourage-sukuk-in-capital-market-1523177138>

ICB to issue bond worth BDT 20 Bn

The Financial Express, April 08, 2018

- The Investment Corporation of Bangladesh (ICB), which is one of the largest investors in the capital market, has decided to issue a subordinated bond worth BDT 20 Bn.
- The board of directors of Investment Corporation of Bangladesh has decided to issue ICB Subordinated Bond of BDT 20 Bn for 7 years, including 2 years grace period (redeemable).
- Some of the core features of the bond are as follows: the name of the bond is ICB Subordinated Bond, Issuer: Investment Corporation of Bangladesh (ICB), Fund Size: BDT 20 Bn, the type of the bond is coupon bearing, non-convertible redeemable and subordinated.
- Mode of Placement: Private Placement, Listing Status: Non-Listed, Face Value & issue Value per unit: BDT 10 Mn only. Minimum Subscription: For Individual: 1 Bond valuing BDT 10 Mn only and for institution: 5 Bonds valuing BDT 50 Mn only.
- Late Redemption Interest: Extra 2.0 % (Yearly Basis), Bond Duration: 7 Years (including first 2 years grace period).
- Interest Rate: 9.0 % (Yearly Basis), Interest Payment: 6 Months Basis, Income Tax: Source Tax will be deducted, Transfer: Transferrable.
- The company disbursed 30 % cash and 5.0 % stock dividend for the year ended on June 30, 2017.
- ICB's paid-up capital is BDT 6.64 Bn and authorised is BDT 10 Bn. Its total number of securities is 664.45 Mn.

<https://thefinancialexpress.com.bd/stock/icb-to-issue-bond-worth-BDT-20-Bn-1523180817>

Economy

Lending rate will drop to single digit soon, economists hope

The Financial Express, April 08, 2018

- Economists said interest rate should come down to single digit soon as the recent downward adjustment of cash reserve requirement (CRR) and the decision to keep 50 % of state agencies' funds in private banks will fix liquidity crisis in the banking sector.
- Bangladesh Bank (BB) to take pragmatic measures including strengthening its monitoring activities and maintaining transparency in the banking sector for the sake of the economy.
- BB has re-fixed the CRR at 5.5 % for commercial banks on bi-weekly average basis from 6.5 %.
- The government has also taken a decision to allow state agencies to deposit 50 % of their funds to deposit in private banks, up from the ceiling of 25 %, to tackle the liquidity crisis in the sector, reports BSS.
- Bankers highly appreciated decisions on CRR and deposit of the funds of state agencies to private banks but said it will take time to bring down the interest rate to single digit.

<https://thefinancialexpress.com.bd/economy/bangladesh/lending-rate-will-drop-to-single-digit-soon-economists-hope-1523191248>

Islamic banks, NBFIs to give loan for green buildings

New Age, April 09, 2018

- Entrepreneurs would get loans at lower interest rate for Environment-friendly buildings from the refinancing scheme of shariah-based banks and non-bank financial institutions.
- Bangladesh Bank in 2014 introduced the Islamic Refinance Fund Account for the Shariah-based banks and NBFIs from the additional funds the entities keep with the central bank.
- Bangladesh Bank has so far allowed the shariah-based banks and NBFIs to award the refinance facility to 51 types of environment-friendly ventures.
- The central bank master circular came to expedite plan of Bangladesh: 2010-2021, National Sustainable Development Strategy 2010-2021, seventh five-year plan and sustainable development goal, and to ease the refinance scheme facility.
- Bank and NBFIs would be allowed to charge the highest three % plus base rate from the clients for any credit facility, treated as investments in shariah compliant banks, for less than 5 years tenure, the rate could be 3.5 % plus base rate for any loans between 5-8 years tenure and 4 % plus base rate for loans above 8 years tenure.

<http://www.newagebd.net/article/38627/islamic-banks-nbfis-to-give-loan-for-green-buildings>

Bangladesh faces stiffest tariff in US

The Daily Star, April 09, 2018

- Bangladesh pays the highest import duties out of all the 232 exporting nations to the US because of its substantial trade in apparel and footwear.
- Nearly all Bangladeshi imports were subject to US duty and the tariffs on them were 15.2 % of the total value of the country's shipments to the US.
- Bangladesh exported about \$5.7 Bn worth of goods to the US last year, 95 % of which were apparel, footwear, headgear and related items.
- About 20 % of Bangladesh's export receipts come from the US.
- The average American tariff for knitwear or crocheted clothing is 18.7 % and 15.8 % for non-knitted clothing -- the two highest average rates out of 98 broad import categories.
- Footwear is close behind with the average tariff rate of 11.9 %.

<https://www.thedailystar.net/business/bangladesh-faces-stiffest-tariff-us-1560022>

TARIFFS COUNTRIES FACE IN US MARKET (in %)	
Bangladesh	15.2
Sri Lanka	11.9
Pakistan	8.9
Vietnam	7.2
China	2.7
Japan	2
Germany	2
South Korea	0.25
Mexico	0.12
Canada	0.08

SOURCE: PEW RESEARCH CENTRE

BB asks banks to keep Ctg port-associated branches open round the clock

New Age, April 08, 2018

- Bangladesh Bank on Sunday asked all the scheduled banks to keep their branches at Agrabad area in Chittagong open for round the clock every day of a week with a view to support export and import activities at the Chittagong port.
- The central bank issued a circular in this regard on the day that was sent to all the chief executives of all scheduled banks.
- The BB circular issued following an instruction from the Prime Minister's Office that said that the banks' branches associated with the Chittagong port and customs would have to keep their branches open for 24 hours a day in 7 days a week.
- BB asked the banks to ensure security of the branches during their round the clock operation.

<http://www.newagebd.net/article/38629/bb-asks-banks-to-keep-ctg-port-associated-branches-open-round-the-clock>

Agent banking most useful for financial inclusion: analysts

The Daily Star, April 09, 2018

- Agent banking is the most useful channel when it comes to providing financial services to the extreme poor.
- The MFIs can work as agencies of banks in localities for greater financial inclusion.
- Collateral is the major challenge faced when the rural poor try to get loans, so agents of banks, MFIs in this case, can act as guarantors inside localities, helping to provide loans at low interest.
- Working as a bank's agent, CARE Bangladesh disbursed around BDT 1.60 crore in loans through a card usable for select purposes only.
- Market systems can play a crucial role in helping Bangladesh address development challenges.

<https://www.thedailystar.net/business/banking/agent-banking-most-useful-financial-inclusion-analysts-1560013>

International

Asia stocks encouraged by bounce in S&P futures; confused on Syria

The Financial Express, April 09, 2018

- Asian shares edged higher on Monday as a bounce in US stock futures soothed sentiment even as US President Donald Trump kept up his twitter war with China over trade just a couple of days before President Xi Jinping gives a keynote speech.
- There was also little immediate reaction to reports US forces had struck at sites in Syria, presumably in retaliation for an alleged chemical attack on civilians there.
- Yet the Wall Street Journal reported Pentagon officials had denied the reports of US strikes, leaving markets confused.
- For now, investors in Asia were encouraged that E-Mini futures for the S&P 500 were still up 0.4 %, while NASDAQ futures rose 0.6 %.
- MSCI's broadest index of Asia-Pacific shares outside Japan inched up 0.1 %. Japan's Nikkei wavered either side of flat, and South Korea edged ahead by 0.2 %.
- Analysts warned the drama would be a long-running one given the lengthy public discussion period on US tariff proposals meant the earliest they might be imposed was somewhere around late July or early August.

<https://thefinancialexpress.com.bd/stock/asia-stocks-encouraged-by-bounce-in-sp-futures-confused-on-syria-1523245767>

China central bank adviser says will take time for China to stabilize leverage level

Reuters, April 09, 2018

- An adviser to China's central bank said on Monday that it will take time for China to stabilize its leverage level and that its debt problem is serious but will not cause a financial crisis.
- The amount of debt in China's economy has risen rapidly in recent years, though the pace of growth slowed last year.
- Fan Gang, director of the National Economic Research Institute and a member of the People's Bank of China's (PBOC) Monetary Policy Committee, made the comments at the Boao Forum for Asia in southern Hainan province.

<http://www.newagebd.net/article/38285/us-escalates-china-trade-showdown-with-tariffs-on-50-Bn-in-imports>

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