

## Stock Market & Company

### Stocks tumble to 37-month low

The Daily Star, December 09, 2019

- Dhaka stocks sank to a 37-month low yesterday as a gloomy macroeconomic outlook of the country aggravates the confidence crisis among investors. The DSEX, the DSE's benchmark index, dropped 75.33 points, or 1.62 percent, to close at 4,596.
- In the last five days, the bourse lost Tk 8,715 crore, or 2.45 percent, from its market capitalisation. "Investors have been impacted by news of a gloomy macroeconomic outlook of the country published in newspapers," said Mohammed Rahmat Pasha, managing director of UCB Capital Management. Moreover, some macroeconomic indicators are not growing at the previous rate, affecting investors' confidence further, he added.
- According to the Bangladesh Bank data, private sector credit growth dropped to a nine-year low of 10.04 percent in October due to a liquidity crunch in the banking sector. Meanwhile, defaulted loans surged 24 percent to Tk 116,288 crore in September compared to that in December last year.
- The loans now account for 11.99 percent of the total outstanding loans in banks, up from 10.30 percent in December 2018. The overall balance of payments stood at \$204 million in the negative, which was \$158 million in the negative year-on-year.
- The National Board of Revenue set a revenue collection target of Tk 325,600 crore for the current fiscal year, up 45 percent from a year ago. But it faced a shortfall of over Tk 20,000 crore from its desired target for the first quarter.
- A high level official of a top asset management company, preferring anonymity, said investors, including institutional ones, were in panic and selling stocks because the economy was not giving them any hope.
- "Generally foreign investors buy stocks when the index plunges to a very low position. However, they are also selling this time," he said. He said foreign investors were also selling shares in many frontier markets because they too were depressed. However, developed and emerging markets are doing better.
- A merchant banker said some banks' ratings were downgraded by the Moody's which impacted the financial sector. As the banking sector is one of the big sectors, it hit the index hard, he added.

<https://www.thedailystar.net/business/news/stocks-tumble-37-month-low-1837834>

### Stockbrokers seek BSEC help in getting Tk 10,000cr government fund

New Age, December 08, 2019

- A group of stockbrokers on Sunday sought assistance from the Bangladesh Securities and Exchange Commission to get Tk 10,000 crore in low-interest funds from the government to invest in the ailing stock market. The stockbrokers met BSEC chairman M Khairul Hossain to discuss the current market situation.
- DSEX, the key index of Dhaka Stock Exchange, lost more than 1,354 points in last 10 months, eroding Tk 71,752 crore in market capitalisation.

- Earlier, the stockbrokers especially the banks' subsidiary brokerage houses had submitted a proposal to the finance ministry, seeking Tk 10,000 crore to inject into the capital market.
- Dhaka Bank Securities and EBL Securities are among the 25 signatories to the proposal. EBL Securities chief executive officer Sayadur Rahman said they wanted the fund for a period of six years at a flat interest rate of 3.0 per cent.
- He said all market intermediaries such as stockbrokers, merchant banks, and asset management companies would be allowed to get the loan facility. He said the market intermediaries wanted this fund to play a supportive role.

<http://www.newagebd.net/article/93061/stockbrokers-seek-bsec-help-in-getting-tk-10000cr-government-fund>

## **SC clears way for replacing LR Global**

The Daily Star, December 09, 2019

- The Supreme Court yesterday froze a High Court order which stayed the process of changing the asset manager of two listed mutual funds.
- LR Global Bangladesh is the asset manager while Bangladesh General Insurance Company (BGIC) the trustee of DBH First Mutual Fund and Green Delta Mutual Fund.
- There is no bar on the stock market regulator from changing the asset manager, said Barrister Mustafizur Rahman Khan, who represented IDLC Asset Management in court.
- He added that there was no way of holding back the change if the Bangladesh Securities and Exchange Commission (BSEC) and trustee continue to properly carry out the process.
- IDLC Asset Management was sought as a replacement for LR Global Bangladesh by two-thirds of the unitholders, and the BGIC on October 31 sought the BSEC's views on it. In figures, some 73 percent of the DBH unitholders and 70 percent of the Green Delta unitholders called for the change.
- As per the BSEC mutual fund rules of 2001, two-thirds of a mutual fund's unitholders can change its asset manager. The LR Global first went to a lower court to stop the change and then to the HC, which put a halt to the process till January 8, 2020. The unitholders then appealed to the chamber judge.

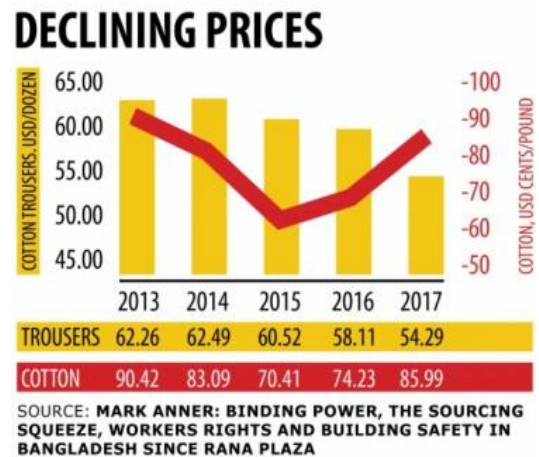
<https://www.thedailystar.net/business/news/sc-clears-way-replacing-lr-global-1837840>

## Economy and Industry

### Apparel items continue to become cheaper

The Daily Star, December 09, 2019

- The prices of Bangladeshi made apparel items continued to fall since the Rana Plaza building collapse in April 2013 although the prices of cotton, the main raw material for fabrics, increased during the time to some extent.
- In 2013 a dozen of Bangladesh-manufactured cotton trousers sold for \$62.26. In 2017 the same quantity went for \$54.29 per dozen, a 12.80 percent fall in five years, according to a findings by “Mark Anner: Binding Power, the Sourcing Squeeze, Workers’ Rights and Building Safety in Bangladesh since Rana Plaza”.
- However, cotton was sold at 90.42 cents per pound in 2013 and the price of the white fibre went down to 83.09 in 2014 and 70.41 cents in 2015. But from 2016 the price of cotton started going up again and it was sold at 74.41 cents. In 2017, per pound of cotton sold for 85.99 cents, according to the findings.



<https://www.thedailystar.net/business/news/apparel-items-continue-become-cheaper-1837861>

## International

### China economy to grow below 6pc over next 5yrs

The Daily Star, December 09, 2019

- China’s potential economic growth will be below 6 percent over the next five years, an adviser to China’s central bank said on Saturday.
- The economy could grow between 5 percent and 6 percent from 2020 to 2025, Liu Shijin, a policy adviser to the People’s Bank of China, said at a conference in Beijing, according to an article he posted on social media.
- China’s monetary policy is already quite loose, and attempting to stimulate the economy to grow faster than its potential could cause it to fall off a cliff, said Liu.
- China’s third-quarter economic growth slowed more than expected to 6 percent year-on-year, marking its weakest pace in almost three decades, and at the bottom end of the government’s full-year target range of 6.0 percent-6.5 percent.
- Despite the growing strains on the economy caused by slowing domestic demand and a trade war with the United States, Beijing remains reluctant to implement major stimulus for fear of heightening financial risks given already high levels of debt.

<https://www.thedailystar.net/business/news/china-economy-grow-below-6pc-over-next-5yrs-1837783>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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