

Stock Market

Stocks keep bleeding amid worries over economy

New Age, October 10, 2019

- Dhaka stocks dropped for the third day on Wednesday as investors were worried about the country's economy amid its slippage in the Global Competitiveness Index, fall in export earnings and bleak situation in financial sector.
- DSEX, the prime index of Dhaka Stock Exchange, lost 0.65 %, or 32.05 points, to close at 4,862.25 points on Wednesday. The index lost 75.5 points in last three sessions. The market has been bearish for nine months that resulted in 1,050 points drop in DSEX.
- The foreign investors have been pulling funds out of the market that worsened the situation. The media reported that the foreign investors at the DSE withdrew record BDT 680 crore in last seven months (March-September) from the country's premier bourse.
- Average share prices of textile sector declined by 1.7 %, telecommunication 1.4 %, non-bank financial institution 0.9 % and bank 0.4 % on the day. Turnover on the bourse inched up to BDT 320.91 crore on Wednesday from BDT 301.99 crore in the previous session mainly due to the investors' selling pressure.
- Out of the 352 scrips traded on the day, 241 declined, 68 advanced and 43 remained unchanged. Blue-chip index DS30 decreased by 0.83 %, or 14.57 points, to close at 1,724.90 points. DSE Shariah index DSES shed 0.66 %, or 7.51 points, to close at 1,123.85 points. National Tubes led the turnover chart with its shares worth BDT 23.87 crore changing hands on the day.
- Square Pharmaceuticals, Summit Power, Standard Ceramics, Monno Jute Staffers, Silco Pharmaceuticals, Sonar Bangla Insurance, Wata Chemicals, Stylecraft and Grameenphone were the other turnover leaders. Prime Finance First Mutual Fund gained the most on the day with a 7.27-% increase in its share prices while Al-Haj Textile Mills was the worst loser, shedding 9.87 %.

<http://www.newagebd.net/article/87159/stocks-keep-bleeding-amid-worries-over-economy>

Al-Haj Textile Mills shuts factory for indefinite period

New Age, October 10, 2019

- Al-Haj Textile Mills, a company listed on the country's stock exchanges, has shut down its factory for an indefinite period after extension of lay-off period for five times. The management of the company made the decision to close the factory from October 8 due to non-improvement of market situation of yarn sales.
- The company on Wednesday informed the Dhaka Stock Exchange and the Chittagong Stock Exchange that due to non-improvement of the market situation of yarn sales, the management had made the decision of closing the mill.
- The company also informed that the mill would reopen subject to improvement of the market situation. Al-Haj Textile Mills kept its factory shut for 30 days between June 25 and July 24 for a severe fall in the volume of sales as a result of lack of demand in the market and shortage of storage facilities for holding stock of finished goods in the warehouse and also severe blockage of working capital.

- After that the textile company extended the lay-off four times in 15 days each, which ended on October 7. The factory of the company remained shut in 115 days in total. Meanwhile, market regulator Bangladesh Securities and Exchange Commission on September 12 sent shares of Al-Haj Textile Mills to the spot market from the public market.
- Despite the closure of its factory, share prices of Al-Haj Textile Mills had rose that prompted the DSE to investigate the matter. In July, the DSE reported the commission about some irregularities by the company and informed the regulator that its director Shamsul Huda sold 20,000 shares of Al-Haj Textile Mills without declaration.
- The BSEC froze entire shares held by Shamsul Huda in the company. The BSEC found that Al-Haj Textile Mills' price sensitive information that the company had received BDT 5.58 crore from Agrani Bank was not true.

<http://www.newagebd.net/article/87164/al-haj-textile-mills-shuts-factory-for-indefinite-period>

DSE, SZSE joint initiative: V-Next launched to facilitate Chinese investment

Dhaka Tribune, October 09, 2019

- Dhaka Stock Exchange (DSE) and Shenzhen Stock Exchange (SZSE) jointly launched cross-border match-making platform called V-Next, a one-stop pitching mechanism among qualified investors, intermediaries and start-ups to promote the Small and Medium Enterprise Board.
- V-Next Alliance platform is designed to facilitate Chinese investment into prospective companies in Bangladesh through information dissemination, online live road show and face-to-face business seminars. On September 4, last year the SZSE and Shanghai stock exchanges joined the DSE as its strategic shareholder through purchasing 25% stake of the DSE for BDT947 crore.
- Last year, the regulator issued rules for qualified investor for small capital companies, with at least BDT5 crore as paid-up capital to make scope for them to raise fund from the markets using fixed price method. However, if a company wants to raise fund through book building method, its minimum paid-up capital must be BDT10 crore, according to the rules.
- Earlier, no company with paid-up capital less than BDT30 crore was allowed to be listed with the exchanges. Stakeholders have said that the platform would encourage young entrepreneurs to widen their business by raising fund through the stock market.

<https://www.dhakatribune.com/business/stock/2019/10/08/dse-szse-joint-initiative-v-next-launched-to-facilitate-chinese-investment>

Economy

Sour loans could derail growth momentum: BB

Political commitment key to solution, it says

The Financial Express, October 10, 2019

- Managing higher troubled loans and tight liquidity condition on the domestic front alongside external challenges are likely to pose downside risk to the growth momentum, the central bank has said. The external

challenges include sluggish global growth, disrupting supply chain by the escalating trade war, Brexit- related uncertainty and rising geopolitical tension.

- The weighted average interest rates on deposit and lending increased to 5.43 % and 9.58 % in the final quarter of fiscal year 2018-19 from 5.35 % and 9.5 % respectively from the year-earlier period. The amount of soured loans climbed by BDT 15.52 bn to BDT 1.12 trillion as on June 30, 2019, the central bank data showed.

<http://thefinancialexpress.com.bd/economy/bangladesh/sour-loans-could-derail-growth-momentum-bb-1570680425>

BD to seek GSP-plus facility from EU

JCM to be held in Dhaka on October 21

The Financial Express, October 10, 2019

- Bangladesh will seek Generalised System of Preference (GSP)-plus facility from the European Union (EU) in the upcoming joint commission meeting (JCM), as the country is set to graduate as a developing nation within a few years, officials said on Tuesday.
- Bangladesh and the EU are going to sit in the JCM, to be held at Economic Relations Division (ERD) in Dhaka on October 21. Before it, three sub-groups of the EU-Bangladesh JCM will sit on October 17 and 20 to formalise the agreed points for the final meeting.
- A delegation of the EU from the European Commission headquarters will visit Bangladesh for taking part in the JCM. Besides, the EU will also want to know about the situation regarding children, women, labour, and marginalised people here.
- A co-chair of the sub-groups of the EU-Bangladesh JCM said they will try to formulise next course of actions, and clear up the barriers on the way to augmenting bilateral trade, economic cooperation and development.

<http://thefinancialexpress.com.bd/trade/bd-to-seek-gsp-plus-facility-from-eu-1570680129>

International

German industrial production makes up ground in August

The Daily Star, October 10, 2019

- Industrial production in Europe's powerhouse economy Germany saw a slight rebound in August, official data showed Tuesday, offering a bright spot amid external threats to the outlook. Output at manufacturing firms added 0.3 % month-on-month, federal statistics authority Destatis said, making good some of June and July's decline.
- But with German business racked by uncertainty over US-led trade wars, Brexit, and an emerging market slowdown, production was still four % below the August 2018 level. Looking to different areas of industry, both producer goods and capital goods makers reported increased output, while consumer goods firms' production fell back.

- Figures released Monday also showed industrial orders -- a closely-watched indicator of future activity -- falling in August. The warning signs have stoked fears for the wider German economy if weakness spreads from the key export-oriented manufacturers to other sectors.

<https://www.thedailystar.net/business/global-business/news/german-industrial-production-makes-ground-august-1811548>

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