

Stock Market & Company

Stocks keep tanking, hit 41-month low

NewAge, December 11, 2019

- Dhaka stocks dropped for the fourth day on Tuesday, hitting a 41-month low as prolonged bear run at the market and gloomy macroeconomic outlook compelled investors to sell off their holdings. DSEX, the key index of Dhaka Stock Exchange, lost 0.59 per cent, or 26.81 points, to close at 4,506.93 points on Tuesday. The DSEX lost 197 points in last four sessions. The index hit its lowest on Tuesday after 4,505.17 points on July 11, 2016.
- Market operators said the DSEX gained around 40 points within 20 minutes of Tuesday's session as some institutional investors went for buying shares to halt the relentless fall in share prices. But the recovery was a short-lived one as investors continued selling shares to avoid further losses, they said. Investors lost their confidence as the market continued plunging and they saw any sign of recovery, market operators said.
- The DSEX lost more than 1,443 points in last 10 months, eroding BDT 77,000 crore in market capitalisation. The steep fall in share prices re-emerged this week amid growing concern over the country's economy as some of the economic indicators continued deteriorating in recent months.
- The DSE on Tuesday sought appointments with finance minister AHM Mustafa Kamal and Bangladesh Bank governor Fazle Kabir to submit a set of proposals regarding the market development.
- Turnover on the DSE increased to BDT 305.87 crore on Tuesday from BDT 275.29 crore in the previous day. Square Pharmaceuticals led the turnover chart with its shares worth BDT 12.51 crore changing hands on the day. Saiham Cotton, Sonar Bangla Insurance, Daffodil Computers, Dutch-Bangla Bank, New Line Clothings, Khulna Power Company, LafargeHolcim Bangladesh and British American Tobacco Company were the other turnover leaders.
- Miracle Industries gained the most on the day with a 7.8-per cent increase in its share prices while Sonar Bangla Insurance performed the worst, losing 8.72 per cent.

<http://www.newagebd.net/article/93248/stocks-keep-tanking-hit-41-month-low>

Ring Shine debuts tomorrow

NewAge, December 11, 2019

- Trading of shares of Ring Shine Textiles will begin on the Dhaka Stock Exchange tomorrow, the bourse decided on Tuesday. An official of the bourse said that the debut trading of the company was slated for Thursday, one day after the company's record date related to corporate disclosures, to avoid violating the new circuit breaker rules.
- On November 21, Ring Shine declared 15 per cent stock dividend for the year ended on June 30, 2019 for the first time in six years, as per the information available in its IPO prospectus. The company set December 11 for the record date.
- The company raised BDT 275 crore through issuance of placement shares from 2006 to 2012 and the shares were allotted in 2018. The company raised BDT 150 crore through its initial public offering that lifted the post-IPO paid up capital to BDT 435.05 crore.

- The declaration of stock dividends will add around 6.5 crore shares or BDT 65 crore to the existing paid up capital. The bonus shares that would be allotted to shareholders other than those of the sponsor and director will be locked-in free.

<http://www.newagebd.net/article/93256/ring-shine-debuts-tomorrow>

Investors to get SMS alerts on BO AC activities

NewAge, December 11, 2019

- Stock market investors would soon be automatically notified through short messaging service (SMS) about activities related to opening and closing of beneficiary owner accounts or changing of names, mobile numbers, bank and bank accounts.
- The market regulator, Bangladesh Securities and Exchange Commission, on Tuesday approved a proposal from the Central Depository Bangladesh Limited regarding the SMS alert at a commission meeting presided over by its chairman M Khairul Hossain, a BSEC press release said. It said that the investors would get the notifications very soon free of cost.
- The current SMS service related to debit and credit of securities in BO account would continue along with inclusion of the proposed services, it said. The investors would be informed about activities related with the BO account through the proposed text alerts, it said.
- The investors were required to provide the accurate mobile number linked to the BO account to avail the services, the release said. The investors must also state the correct bank account number in the BO account as many companies used traditional payment systems to send cash dividends, otherwise the investors might suffer.

<http://www.newagebd.net/article/93259/investors-to-get-sms-alerts-on-bo-ac-activities>

Economy and Industry

Nov inflation hits 2-yr high on onion, other commodity prices

NewAge, December 10, 2019

- Point-to-point inflation soared by 0.58 basis points to 6.05 per cent in November, a record two years' high, compared with that of 5.47 per cent in October due to a surge in the prices of onions and other commodities, according to the Bangladesh Bureau of Statistics data. The previous highest overall inflation was 6.12 per cent in September, 2017.
- Food inflation also hit an 18-month high to 6.41 per cent in November, increasing by 0.92 basis points from that of 5.49 per cent in October, the data showed. In May, 2018, food inflation reached 6.56 per cent.
- The point-to-point inflation and food inflation in both urban and rural areas also jumped significantly in November.
- Centre for Policy Dialogue distinguished fellow Mustafizur Rahman, however, said that rising inflation was the reflection of pressure of price hike of food items as the prices of almost all the food items increased recently. So, the onion price hike was not the only reason for inflation rate rise as the item accounts for a very small portion of people's overall food consumption, he said.

- According to the BBS data, non-food inflation also slightly increased to 5.47 per cent in November, which was 5.45 per cent a month ago. The BBS data showed that the point-to-point, food and non-food inflation rates in both urban and rural areas increased in November from the previous month.

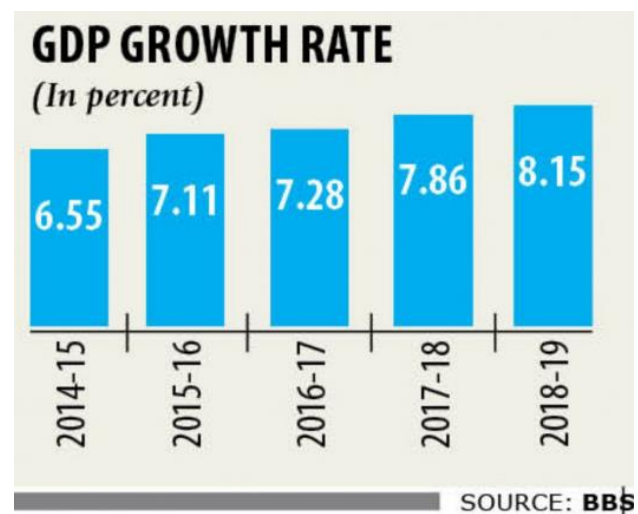
<http://www.newagebd.net/article/93247/nov-inflation-hits-2-yr-high-on-onion-other-commodity-prices>

Record GDP growth despite challenges

Manufacturing sector catapulted growth

The Daily Star, December 11, 2019

- Bangladesh's GDP ultimately grew at a record 8.15 percent in fiscal 2018-19 -- 2 basis points higher than earlier estimates -- smashing the 7.8 percent target set for the fiscal year back in June 2018. The higher-than-expected growth came in spite of headwinds from slowing exports and drying banking sector liquidity.
- The development not only marks the economy breaking into the 8 percent growth territory after years of 6-7 percent growth, it makes Bangladesh the fastest growing nation in the Asia Pacific region, as per Asian Development Bank's earlier forecasts.
- The figure also surpassed the World Bank's forecast of 7.3 percent for the year. In fiscal 2017-18, the GDP grew at 7.86 percent.
- The strong growth recorded last fiscal year was down to higher contribution from the manufacturing sub-sector: it increased from 22.85 percent to 24.08 percent. The share of industry to GDP increased from 33.66 percent in fiscal 2017-18 to 35 percent. But the contribution to agriculture declined: from 14.23 percent to 13.65 percent, in what can be viewed as a worrying development.
- "Consistency of the growth estimates with high frequency growth-related indicators remains an unresolved puzzle," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.
- The investment to GDP ratio now stands at 31.57 percent, up from 31.23 percent in fiscal 2017-18. Private investment increased from 23.26 percent to 23.54 percent and public investment from 7.97 percent to 8.03 percent.
- "Explaining the rise in private investment rate when private sector credit growth declined from 16.9 percent in fiscal 2017-18 to 11.3 percent in fiscal 2018-19 is yet another challenge for analysts and observers," Hussain said. Bangladesh's per capita gross national income (GNI) jumped more than 9 percent to \$1,909 last fiscal year from \$1,751 a year ago, as per the final figures unveiled yesterday by Planning Minister MA Mannan.



<https://www.thedailystar.net/business/news/record-gdp-growth-despite-challenges-1838689>

International

UK economy flat-lines, hit by Brexit and global slowdown, as election nears

The Daily Star, December 11, 2019

- Britain's economy grew at its slowest annual pace in nearly seven years in October, offering a weak backdrop to Thursday's national election in which both leading parties are promising to boost growth.
- The approach of a Brexit deadline and the global economic slowdown hit Britain's factories and construction industry in the month, official data showed on Tuesday.
- Gross domestic product rose by 0.7 percent compared with October 2018, the weakest growth since March 2012 when Britain was still trying to shake off the effects of the global financial crisis.
- In the three months to October, growth flatlined compared with the previous three-month period, the Office for National Statistics said, as expected by economists in a Reuters poll.
- The economy also showed no change in monthly terms, the ONS said, weaker than a median forecast of 0.1 percent growth in the poll. Britain's economy avoided falling into a pre-Brexit recession over the summer when it grew by 0.3 percent in the three months to September.
- But it has shown signs of slowing since then as an Oct. 31 deadline for leaving the EU - which has since been extended - approached.

<https://thefinancialexpress.com.bd/economy/bangladesh/central-bank-to-release-new-taka-50-notes-1575992669>

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