

## Stock Market

### Stocks extend gaining streak to 4th day

New Age, November 12, 2019

- Dhaka stocks gained marginally on Monday to extend the gaining streak to the fourth day as a section of investors continued buying undervalued shares while some others went for profit taking. DSEX, the key index of Dhaka Stock Exchange, increased by 0.20 per cent, or 9.55 points, to close at 4,781.47 points on Monday. The DSEX added 103 points in last four sessions.
- After an upbeat beginning on Monday, the market moved downwards as some investors went for profit taking, but late hour buying pressure kept the index afloat, market operators said. They said that investors were active on both sides of the trading fence, focusing on the financial declarations by the listed companies.
- However, the market started showing positive movement in last four sessions that prompted some institutional investors to inject funds in cheaper stocks to get good returns.
- Turnover on the bourse declined to BDT 296.63 crore on Monday from BDT 367.09 crore in the previous day as many investors preferred to be on the sidelines to observe the market movement.
- National Tubes led the turnover chart with its shares worth BDT 12.14 crore changing hands on the day. Sonar Bangla Insurance, Genex Infosys, Uttara Bank, Fortune Shoes, Square Pharmaceuticals, Khulna Power Company, Bangas, Shurwid Industries and Rupali Life Insurance were the other turnover leaders.

<http://www.newagebd.net/article/90375/stocks-extend-gaining-streak-to-4th-day>

### First taka bond floated on LSE

New Age, November 12, 2019

- International Finance Cooperation on Monday floated the 'Bangla Bond' on the London Stock Exchange to raise BDT 80 crore, equivalent to approximate USD9.5 mn. This was the first Taka-denominated bond listed at the LSE, according to a press release issued by the IFC, the private sector lending arm of the World Bank.
- The fund would be used for expanding operations and distribution reach of PRAN Group, one of the leading processed food and beverage manufacturers in Bangladesh and a major private sector employer in the country, it said.
- According to the IFC, the three-year bond was placed with asset managers dedicated to emerging markets, with the deal arranged by Standard Chartered Bank and Bank of America Merrill Lynch.
- The interest rate of the bond, according to local news agency UNB, is 6.3 per cent annually.
- Nikhil Rathi, CEO of London Stock Exchange Plc and director of International Development, LSEG, said that the landmark bond from the IFC had paved the way for the opening of the global Bangla bond market and raised the profile of the Bangladeshi taka internationally.
- The USD1 bn-equivalent bond programme aims to strengthen the capital markets in Bangladesh and to increase foreign investment in the country, it said.

<http://www.newagebd.net/article/90371/first-taka-bond-floated-on-lse>

## Economy and Industry

### GP alleges BTRC disobeying court order

*Claims regulator trying to realise 'illegal' audit claim thru intimidation*

New Age, November 12, 2019

- Mobile phone operator Grameenphone on Monday alleged the Bangladesh Telecommunication Regulatory Commission disobeyed a court order that barred the commission from taking any measure against the operator for recovering an audit claim.
- On October 17, the High Court issued an injunction for two months on realisation of BDT 12,579.95 crore in audit claim from GP by the BTRC. The Appellate Division is now hearing the issue as the BTRC has challenged the HC order.
- The telecom regulator's move to appoint administrators to GP and Robi to recover audit claims had prompted the mobile phone operator to go to court.
- 'Since the issuance of injunction on any measure to recover audit claim from GP, the telecom regulator is yet to issue any no-objection certificate to GP,' Foley said adding, 'The operator failed to execute its investments plan involving BDT 480 crore for network expansion in the current year.'
- Mentioning that the principal audit claim of around BDT 2,300 crore as incorrect, Foley said the commission was trying to get money through intimidation.
- He also said that they fully supported the move taken by the prime minister's ICT affairs adviser, Sajeeb Wazed Joy, last month and the operator was ready to sign a memorandum of understanding with the government to accept report of the proposed independent committee along with paying adjustable amount.
- Asked about GP's allegation, BTRC chairman Md Jahurul Haque told New Age that the operator should inform the court if any court order was breached by the commission.

<http://www.newagebd.net/article/90372/gp-alleges-btrc-disobeying-court-order>

### ACI posts BDT 74cr in losses

The Daily Star, November 12, 2019

- ACI, one of the country's largest listed conglomerates, incurred a massive loss of BDT 74.2 crore in 2018-19, something it attributes to a jump in bank interest rates and declines in healthcare and agri operations. Just a year ago, ACI made a profit of BDT 51.7 crore. It last suffered a loss in 2012.
- Earnings per share of the company stood at BDT 14.87 in the negative at the end of 2018-19, significantly down from BDT 10.36 in the positive a year ago, according to data posted in Dhaka Stock Exchange (DSE) yesterday.
- "A sudden jump in interest rate from 7 percent to 11 percent and volatile foreign exchange market have eroded BDT 70 crore from our earnings this year," ACI Managing Director Arif Dowla said yesterday. Addressing a press meet to disclose its quarterly earnings at ACI Center in the capital, Arif said their agri business suffered for low paddy prices last year.

- He also spoke of the establishment of a BDT 800 crore pharmaceuticals manufacturing unit to dedicatedly serve the US market. "This unit is consuming huge amounts of money without generating any revenue as we are waiting to get approval from the US Drug Administration." "We will get its benefit once we start exporting to the US from it instead of relying on an Indian factory," he added. He hopes to get the approval midway next year.
- In reply to a question, Arif said retail chains around the world took on an average at least 15 years to make a profit, for which they knew it would take some more time for investments in Shwapno of ACI Logistics to bring in returns. "I hope another three to four years would be enough," he said, adding that currently it had reached break-even.

<https://www.thedailystar.net/business/news/aci-posts-BDT-74cr-losses-1825981>

## **RMG exports to US grow by 9.96pc in 9 months**

New Age, November 12, 2019

- The growth in Bangladesh's readymade garment exports to the United States continued decreasing in nine months (January-September) of 2019 as global consumption of RMG products dropped amid economic woes and some of the competing countries grabbed more market share, experts and exporters said.
- Bangladesh's RMG exports to the US in January-September of this year grew by 9.96 per cent while the export growth to the market was 14.49 per cent in the first half (January-June) and 16.12 per cent in the first quarter (January-March), according to the data released by the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce on Saturday.
- The data showed that Vietnam's export growth to the US in the first nine months of this year remained steady while Cambodia and Turkey witnessed a sharp increase in the growth in the period.
- Bangladesh's earnings from RMG exports to the US in January-September of this year grew to USD4.56 bn from USD4.15 bn in the same period of last year.

<http://www.newagebd.net/article/90374/rmg-exports-to-us-grow-by-996pc-in-9-months>

## **Business confidence in Bangladesh higher than global average**

New Age, November 12, 2019

- Business confidence in Bangladesh is significantly higher than the global and Asian averages as nearly all local firms surveyed have an optimistic outlook about growth, according to a new global report of the HSBC.
- The Hongkong and Shanghai Banking Corporation in its report titled 'Navigator: Now, next and how' revealed that 97 per cent of 193 Bangladeshi businesses were bullish on growth in the next year, compared to the global average of 79 per cent and the Asian average of 77 per cent.
- Moreover, 50 per cent of Bangladeshi businesses are expecting growth of 15 per cent or more, about twice the rate of expected Gross Domestic Product (GDP) growth of the country. Around 77 per cent of Bangladeshi companies think a favourable political climate is a key driver for growth, said the survey.

- The bank conducted the survey on 9,131 companies globally to capture business sentiment on investment priorities, decision-making drivers, and plans to implement change and growth expectations.
- According to the report, business confidence in Bangladesh is also on the rise as 74 per cent of businesses are more optimistic about their prospects than a year ago, compared to the Asian average of 43 per cent.
- Commenting on the survey findings, HSBC Bangladesh chief executive officer Francois de Maricourt said that Bangladesh was at the heart of Asia's emerging growth.
- China is still the largest single trading partner although the number of Bangladeshi companies trading with the country has dropped to 43 per cent from 50 per cent. Japan has more than tripled in importance in the past 12 months to 36 per cent, up from 11 per cent in 2018, replacing Malaysia to become the second most important trade partner in the Asia Pacific region, the report said.

<http://www.newagebd.net/article/90373/business-confidence-in-bangladesh-higher-than-global-average>

## **Private offering of corporate bonds drops in FY19**

The Financial Express, November 11, 2019

- Issuance of corporate debt securities or bonds through private placement declined in the past fiscal year (FY), according to statistics available with the central bank. It showed that some 23 companies issued bonds worth BDT 127.50 bn in FY19.
- Earlier in FY18, some 29 companies issued bonds through private placement. The total value of the issued bonds was around BDT 107 bn.
- All the bonds were offered privately, meaning that there was no public listing and no secondary transactions of these debt securities.
- Central bank statistics, compiled using the data supplied by Bangladesh Securities and Exchange Commission (BSEC), also showed that the outstanding amount of privately offered corporate bonds stood at BDT 372.12 bn in last seven years.

<https://thefinancialexpress.com.bd/stock/private-offering-of-corporate-bonds-drops-in-fy19-1573456486>

## **International**

### **Moody's cuts global sovereign rating outlook to 'negative' for 2020**

New Age, November 12, 2019

- Rating agency Moody's cut its global sovereign outlook for 2020 to 'negative' from 'stable' on Monday, saying disruptive and unpredictable world politics would slow growth and increase the risk of economic or financial shocks.
- Moody's, which has already slapped downgrade warnings on Britain, South Africa, India, Mexico, Turkey and Hong Kong, said that there were three main drivers behind the move.

- Unpredictable politics and trade wars such as that between the United States and China would weaken open and commodity-exporting economies. The increasingly antagonistic environment was also likely to damage global and national institutions, which together with lower growth, raises the probability of crises but reduces the capacity to deal with them.
- Moody's now expects growth in G20 group of top world economies to stay around 2.6 per cent next year, after 3 per cent in 2018.

<http://www.newagebd.net/article/90390/moodys-cuts-global-sovereign-rating-outlook-to-negative-for-2020>

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