

Stock Market & Company

Stocks kept afloat after four-day rout

NewAge, December 12, 2019

- Dhaka stocks inched up on Wednesday, snapping a four-day losing streak as a section of investors went for buying shares that witnessed a price fall in recent months' bear run while the other investors remained cautious. DSEX, the key index of Dhaka Stock Exchange, gained 0.12 per cent, or 5.45 points, to close at 4,512.39 points on Wednesday after losing 197 points in the previous four trading sessions.
- The market was choppy throughout Wednesday's session as it gained 34 points within an hour of the day but failed to maintain the momentum and closed the session with a slight gain, market operators said. They said that investors remained worried about the market trend as it continued plunging and had hit a 41-month low on Tuesday.
- The DSEX lost more than 1,438 points in last 10 months, eroding BDT 76,800 crore in market capitalisation. Turnover on the DSE plunged to BDT 294.21 crore on Wednesday from BDT 305.87 crore in the previous day.
- Investors became more nervous after media reports revealed a continuing deterioration in some of the country's economic indicators. A decline in the private sector credit growth to a nine-year low, negative export earnings for last four months, poor tax revenue collection and heavy government borrowing reflected the weak state of the country's economy.
- Paramount Insurance Company led the turnover chart with its shares worth BDT 8.58 crore changing hands on the day. Khulna Power Company, Paramount Textiles, SK Trims Industries, Progress Life Insurance, City General Insurance, Beacon Pharmaceuticals, Zaheen Spinning, Sinobangla Industries and New Life Insurance were the other turnover leaders. Paramount Insurance Company gained the most on the day with a 9.97-per cent increase in its share prices while Bangladesh Industrial Finance Company performed the worst, losing 7.69 per cent.

<http://www.newagebd.net/article/93370/stocks-kept-afloat-after-four-day-rout>

Economy and Industry

Govt, ADB ink \$333m loan deal for power, transport sectors

NewAge, December 12, 2019

- The Asian Development Bank (ADB) will provide \$333.26 mn in loans for expansion of power transmission lines and designing the Dhaka Mass Rapid Transit (MRT) line.
- For expanding power transmission lines in greater Dhaka and the western zone of Bangladesh, the government signed agreement for 271.84 mn euros (\$300 mn equivalent) loans. Besides ADB's loan, the Asian Infrastructure Investment Bank (AIIB) is considering \$200 mn in cofinancing to finance transmission lines, substations and an enterprise resource planning system.

- 'The project will help to achieve the government's target of electricity for all by 2021 by improving the reliability and efficiency of the electricity supply in greater Dhaka and the western zone of Bangladesh,' he added.
- The assistance for the Dhaka and Western Zone Transmission Grid Expansion Project will be utilised to construct 40 kilometres (km) of transmission lines and 4,450 megavolt-ampere (MVA) of substations in greater Dhaka, as well as 368 km of transmission lines, 3,070 MVA of substations, and 20 bay extensions in the western zone.
- Under another agreement, the ADB will provide \$33.26 mn in loans for a project to design the Dhaka MRT line 5 (Southern Route) that will help ease the traffic and pollution burden of Dhaka city. The assistance for financing project readiness will carry out detailed feasibility studies, engineering design and procurement documentation in preparation for the 17.4-kilometre (km) line, which will be constructed between Gabtoli and Dasherbandi in Dhaka.

<http://www.newagebd.net/article/93373/govt-adb-ink-333m-loan-deal-for-power-transport-sectors>

ADB maintains robust growth outlook for Bangladesh

The Daily Star, December 12, 2019

- Bangladesh is expected to grow robustly in 2019 and 2020 riding on domestic consumption and strong remittance earnings, said the Asian Development Bank yesterday as it kept the growth outlook for the country unchanged.
- In a supplement to its Asian Development Outlook 2019 Update, the Manila-based lender, however, trimmed its forecasts for economic growth in developing Asia this year and next year as growth in China and India is weighed down by both external and domestic factors.
- The ADB now expects gross domestic product (GDP) in the region to expand 5.2 percent in both 2019 and 2020, down from the September forecast of 5.4 percent for this year and 5.5 percent next year.
- According to the latest outlook, Bangladesh will post 8.1 percent GDP growth in 2019 and 8 percent in 2020, unchanged from its previous outlook published in September.
- On Tuesday, the government released the final GDP figure for the last fiscal year. It showed that the economy grew 8.15 percent in 2018-19, the fastest in the Asia-Pacific region. The projection for the current fiscal year is 8.2 percent.
- The ADB said Bangladesh's accommodative policy on credit to the private sector is expected to promote investment, and strong remittances, which surged by 20.5 percent in the first four months of the current fiscal year, will stimulate domestic demand.

<https://www.thedailystar.net/business/news/adb-maintains-robust-growth-outlook-bangladesh-1839157>

BB moves to curb trade-based money laundering

The Daily Star, December 12, 2019

- Bangladesh Financial Intelligence Unit (BFIU) yesterday issued guidelines for banks to prevent money laundering in the name of export and import. The intelligence agency has been forced to issue the guideline promptly following a Global Financial Integrity report, which said Bangladesh is one of the top countries facing the trade based money laundering.
- As per the guidelines, all the banks will have to prepare own guidelines to prevent money laundering and submit those to the BFIU within March 10 of 2020. Along with that, they will have to implement the guidelines within the first of June of the same year.
- According to the guideline, trade-based money laundering related cases would be analysed with top priority. To trace and analyse money laundering, a special committee has been formed which would be led by a deputy general manager.
- If any suspicious transaction is found, the committee would take initiative to visit the corresponding bank after analysing the relevant export and import data.

<https://www.thedailystar.net/business/news/bb-moves-curb-trade-based-money-laundering-1839151>

International

Saudi Aramco shares jump 10pc on stock market debut

The Daily Star, December 12, 2019

- Saudi Aramco shares surged the maximum permitted 10 per cent above their initial public offering (IPO) price on their Riyadh stock market debut on Wednesday, closing in on the \$2 tn valuation long sought by Saudi Crown Prince Mohammed bin Salman.
- The shares leapt to 35.2 riyal (\$9.39) each, up from the IPO price of 32 riyals and at the daily limit of price moves allowed by the Tadawul exchange.
- That gives the state-owned oil giant a market value of about \$1.88 tn, comfortably making it the world's most valuable listed company, although it will have one of the smallest 'free floats' of publicly tradeable shares, at just 1.5 per cent.
- Saudi Arabian Oil Co (Aramco) raised a record \$25.6 bn in its IPO last week, giving it a market value of around \$1.7 tn. The flotation, a major challenge for the Riyadh stock exchange, propels the bourse into the world's top 10 by value of listed companies.
- Saudi Arabia relied on mainly domestic and regional investors to buy Aramco shares after lukewarm interest from abroad. The \$25.6 bn of proceeds beat Chinese tech firm Alibaba's \$25 bn listing in 2014.

<http://www.newagebd.net/article/93380/saudi-aramco-shares-jump-10pc-on-stock-market-debut>

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