

Stock Market

Stocks inch down after slight gain as investors' nerve yet to settle

New Age, May 13, 2019

- Dhaka stocks inched down on Sunday after a slight gain in the previous session as the market trend remained puzzling to many investors while some others went for buying shares following the media reports that the banks' capital market exposure limit might be raised.
- DSEX, the core index of Dhaka Stock Exchange, lost 0.03 %, or 1.90 points, to close at 5,273.92 points on Sunday, the opening day of the week, after gaining 3.44 points in the previous session. The index lost 119 points in last five trading sessions that included one positive session.
- Out of the 345 issues traded on Sunday, 150 declined, 153 advanced and 44 remained unchanged. Turnover on the bourse declined to BDT 358.16 crore on Sunday from BDT 376.22 crore in the previous session. DSE blue-chip index DS30 dropped by 0.26 %, or 4.86 points, to close at 1,846.48 points.
- Shariah index DSES shed 0.10 %, or 1.28 points, to finish at 1,219.02 points. Fortune Shoes led the chart of turnover leaders with its shares worth BDT 20.15 crore changing hands on the day.
- Bangladesh Shipping Corporation, Power Grid, Esquire Knit Composite, Oimex Electrode, Indo-Bangla Pharmaceuticals, Bangladesh Submarine Cable Company, Monno Ceramic Industries, LafargeHolcim Bangladesh and SS Steel were the other turnover leaders.
- RN Spinning Mills gained the most on the day with a 10-% increase in its share prices while Dulamia Cotton was the worst loser, shedding 9.85 %.

<http://www.newagebd.net/article/72239/stocks-inch-down-after-slight-gain-as-investors-nerve-yet-to-settle>

Two more mutual funds declare 8.0pc cash dividend

The Financial Express, May 12, 2019

- The Trustee Board of two more mutual funds -- the AIBL 1st Islamic Mutual Fund and MBL 1st Mutual Fund -- have declared 8.0 % cash dividend each based on the net income for the year ended March 31, 2019.
- AIBL 1st Islamic Mutual Fund: The Trustee Board of the AIBL 1st Islamic Mutual Fund has declared 8.0 % cash dividend based on the net income for the year ended March 31, 2019. The record date for entitlement of dividend is on June 9.
- The fund has also reported earnings per unit (EPU) of BDT 0.79, net asset value (NAV) per unit at cost price of BDT. 10.83, NAV per unit at market price of BDT. 11.35 and NOCFPU of BDT (0.16) for the year ended on March 31, 2019 as against BDT. 0.82, BDT. 10.85, BDT. 11.90 and BDT. 2.45 respectively for the same period of the previous year.
- Each unit of the mutual fund, which was listed on the Dhaka Stock Exchange (DSE) in 2011, closed at BDT 7.90 on Sunday, remaining unchanged over the previous session. MBL 1st Mutual Fund: The Trustee Board of MBL 1st Mutual Fund has declared 8.0 % cash dividend based on the Net income for the year ended March 31, 2019. The record date is on June 9.

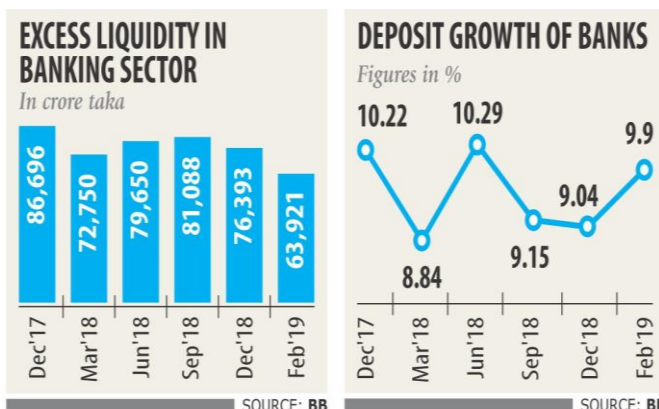
- The fund has also reported EPU of BDT. 0.83, NAV per unit at cost price of BDT. 10.98, NAV per unit at market price of BDT. 11.71 and NOCFPU of BDT. 0.11 for the year ended on March 31, 2019 as against BDT. 0.95, BDT. 10.96, BDT. 12.35 and BDT. 1.57 respectively for the same period of the previous year.

<http://thefinancialexpress.com.bd/stock/two-more-mutual-funds-declare-80pc-cash-dividend-1557670972>

Liquidity crunch intensifying

The Daily Star, May 13, 2019

- Liquidity crunch in the banking sector is deepening due to slow growth of deposits and a lethargic recovery of loans. The majority of the banks are now offering 11-12 % interest rate to attract deposits and yet they are floundering.
- Banks enjoyed more than 10 % deposit growth in 2017, but the situation took a turn for the worse last year, with growth hovering around the 8-9 % mark.
- The lower deposit growth also had an adverse impact on banks' excess liquidity as the surplus amount stood at BDT 63,921 crore as of February, down 5.82 % from a month earlier and 14.56 % year-on-year, according to data from the central bank.
- The upward trend of default loans stemming from financial scams and weak supervision by the central bank is eroding the confidence of customers in the banking sector, according to a paper of the Bangladesh Institute of Development Studies.
- At the end of 2018, the total default loans in the banking sector stood at BDT 93,370 crore, which is 10.30 % of the total outstanding loans. The government had instructed its entities last year to keep deposits with banks at an interest rate of 6 %, but they did not follow the order at all.
- In April last year, sponsors of private banks had fixed the interest rate for deposits at 6 % and for lending at 9 % after bagging a set of facilities from both the central bank and the government. The high rate on deposit has also pushed the interest rate on lending: banks are now disbursing loans at 13-16 % interest.



<https://www.thedailystar.net/business/news/liquidity-crunch-intensifying-1742770>

GP faces fresh restrictions

Minimum call rate to rise 5 paisa from June

The Daily Star, May 13, 2019

- The telecom regulator has decided to increase the floor price of Grameenphone's call rate by 5 paisa to BDT 0.50 a minute from June as part of the restrictions of being declared a significant market power (SMP) player. Currently, the minimum call rate is BDT 0.45 a minute and after adding the value-added tax and other duties it goes up to BDT 0.54 to any operator. But for Grameenphone it will be about BDT 0.61 a minute.

- The higher floor price is one of the four restrictions that the Bangladesh Telecommunication Regulatory Commission has come up with for the country's leading mobile operator. The telecom regulator yesterday sent a letter to Grameenphone informing the impending four restrictions and sought the operator's feedback on them.
- At present, the interconnection cost is 10 paisa a minute. But for Grameenphone it will be 15 paisa, according to the letter. And this extra charge cannot be passed on to their customers. Grameenphone sends about seven crore minutes of calls to other operators in a day and it receives about 10 crore minutes from the others.
- In the third restriction, the BTRC has made it easier for a user to leave Grameenphone under the mobile number portability facility. The final restriction stipulates prior approval from the telecom regulator before Grameenphone rolls out any package.

<https://www.thedailystar.net/business/telecom/news/gp-faces-fresh-restrictions-1742767>

Islamic Finance to issue BDT 3.0b bond

The Financial Express, May 11, 2019

- The board of directors of Islamic Finance & Investment has decided to issue IFIL Mudaraba non-convertible fully redeemable subordinated bond of BDT 3.0 bn, said an official disclosure on Sunday.
- Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in 2005, closed at BDT 15.10 on Thursday last. Its share traded between BDT 14.70 and BDT 24 in the last one year. The company declared 10 % cash and 4.50 % stock dividend for the year ended on December 31, 2018.
- As per the first quarter (Q1) for January-March 2019 earnings (un-audited) reports, the company's EPS was BDT 0.37 as against BDT 0.31 for January-March 2018. The NOCFPS was negative BDT 3.44 for January-March 2019 as against negative BDT 5.18 for January-March 2018. NAV per share was BDT 15.02 as on March 31, 2019 and BDT 14.59 as on March 31, 2018.
- The company's paid-up capital is BDT 1.34 bn and authorised capital is BDT 2.50 bn while the total number of securities is 134.28 mn. The sponsor-directors own 36.59 % stake in the company, while the institutional investors own 33.75 %, and the general public 26.66 % as on March 31, 2019, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/islamic-finance-to-issue-BDT-30b-bond-1557638644>

Extend liquidity support to private banks

BB urges state banks

The Daily Star, May 13, 2019

- The central bank yesterday asked four state-run commercial banks to extend liquidity support to cash-strapped private banks. The state banks, which have a strong liquidity base, have also been asked not to charge high interest rate on the funds to be given to the private lenders.
- The instructions came at a meeting between the central bank and the banks – Sonali, Janata, Agrani and Rupali – at the Bangladesh Bank headquarters in the capital. The central bank also instructed the banks to strengthen loan recovery in a bid to rein in the rise in default loans.

- The four banks performed badly last year in terms of recovering default loans, both from the top 20 defaulters and others. Agrani and Rupali recovered BDT 1.74 crore and BDT 5.19 crore respectively from the top 20 defaulters, down from BDT 25 crore and BDT 153 crore a year ago.
- On the other hand, Sonali and Janata recovered more from their top defaulters in 2018, recouping BDT 120 crore and BDT 100 crore respectively, up from BDT 31 crore and BDT 18 crore from a year ago.

<https://www.thedailystar.net/business/news/extend-liquidity-support-private-banks-1742761>

ACI reply about Shwapno losses not acceptable: DSE body

New Age, May 13, 2019

- ACI Limited has given 'illogical' and 'unacceptable' reply to a Dhaka Stock Exchange's query about making continuous losses by its subsidiary company, Shwapno, said members of a DSE probe body on Sunday.
- The board of directors of DSE on February 12 formed a five-member committee headed by its independent director former Supreme Court judge Siddiquir Rahman Miah to look into the Shwapno issue. The committee members held a meeting at the DSE office premises in Dhaka on Sunday.
- The DSE probe committee questioned ACI why the company was running a losing concern for so many years. The committee took one more week to submit its report to the DSE board. After that, the DSE board will send the recommendations to market regulator Bangladesh Securities and Exchange Commission for taking further action.
- As a result, investors were deprived of due dividend from the company and fair market price at the stock market. On January 29 this year, ACI declared earnings per share of BDT 0.44 for July-December of 2018 against BDT 7.72 for the same period in the previous year

<http://www.newagebd.net/article/72238/aci-reply-about-shwapno-losses-not-acceptable-dse-body>

A Rouf Chowdhury, reelected as chairman of Bank Asia

The Daily Star, May 12, 2019

- A Rouf Chowdhury has recently been reelected as chairman of Bank Asia. The leading promoter of the bank, Chowdhury is the chairman of Rangs Group and Sea Resources Group and a director of The Daily Star, the highest circulated English daily in the country.
- He has established reputed organisations in transport, medicine, real estate, IT, banking, deep sea fishing and in other economic sectors that are contributing immensely for country's employment generation and economic development. Chowdhury had also been the president of the Bangladesh Basket Ball Association for four years, the bank said in a statement yesterday.

<https://www.thedailystar.net/business/news/rouf-chowdhury-reelected-chairman-bank-asia-1742746>

Economy

Norwegian-US joint venture to conduct Bay hydrocarbon survey

The Financial Express, May 13, 2019

- The government has finally decided to employ the Norwegian-US joint venture (JV) TGS-Schlumberger for carrying out a survey to delineate the hydrocarbon reserves in the Bay of Bengal. The Norwegian seismic specialist TGS and oilfield service provider Schlumberger are currently involved in a multi-client seismic project in the Gulf of Mexico.
- The JV was selected for the job twice following two separate competitive biddings floated back in 2015. The initial bid in early 2015 was cancelled, and the subsequent bidding in late 2015 was held up over the past three-and-a-half years.
- The blocks cover 81,000-square kilometres having depth ranging from 20 metres to 2,500 metres in the Bay. On completion of the survey, Petrobangla plans to provide interested international oil companies (IOCs) with the non-exclusive multi-client seismic data of the offshore blocks.
- The country's offshore areas are now well-demarcated following verdicts by international courts. Bangladesh has territorial rights of up to 200 nautical miles from shore as exclusive economic zone in the Bay. Besides, it has free access to around 387 nautical miles into deep sea following demarcation of maritime boundary by the International Court of Arbitration.

<http://thefinancialexpress.com.bd/trade/norwegian-us-joint-venture-to-conduct-bay-hydrocarbon-survey-1557718522>

BDT 5.3b farm loans lie unrecovered

The Financial Express, May 13, 2019

- A hefty BDT 5.3 bn of six state-owned banks remains stuck against 160,225 cases filed to recover from farm loan borrowers, statistics showed. For almost three decades from January 1991 to March 2019, a total of 11,694 borrowers could not be traced even after warrants of certificate cases were issued.
- Hence, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Agrani Bank, Janata Bank, Sonali Bank and Rupali Bank have failed to recover BDT 402 mn in farm credit from them. But to make things worse, 202 fresh cases involving BDT 16.5 mn were filed at the same time.
- Until March, Bangladesh Krishi Bank had the highest 78,074 cases pending with BDT 2.61 bn outstanding. In the same month, some 515 cases involving BDT 23.5 mn were settled. It failed to find 4,518 debtors with BDT 137.9 mn after warrants were issued at the end of March.
- Until March, Rajshahi Krishi Unnayan Bank had 25,186 pending cases involving over BDT 1.33 bn. It issued some 2,571 warrants involving BDT 144 mn until the month in question, but the borrowers could not be traced.
- Agrani Bank also had 22,851 cases pending under which BDT 226.5 mn remained stuck during the period. It settled 177 cases and filed five fresh ones in the same month. It issued 1,580 warrants involving BDT 43.1 mn but the borrowers still remain untraced.

- Janata Bank had 16,105 pending cases to settle BDT 379.5 mn that lay unrecovered until March. The bank also served 1,696 warrants on the borrowers involving BDT 32.8 mn, but to no avail. The debtors remained traceless.

<http://thefinancialexpress.com.bd/trade/BDT-53b-farm-loans-lie-unrecovered-1557719552>

International

Etihad submits bid for Jet Air

The Daily Star, May 12, 2019

- Middle Eastern carrier Etihad Airways has submitted a bid for a stake in India's Jet Airways, the unit of State Bank of India (SBI) overseeing the sale of the stricken airline said on Friday. SBI had invited binding bids for a stake in the airline, which is saddled with roughly \$1.2 bn in bank debt. Binding offers were due by 1800 IST (1230 GMT) on Friday.
- Etihad, which already holds a minority stake in Jet, is interested in re-investing in the airline, subject to certain conditions, a spokesman for the Middle Eastern carrier said earlier on Friday. Etihad gave no indication whether it was working with any other investors that might take a majority stake in Jet.
- Once India's largest private airline, Jet was crippled by mounting losses as it tried to compete with low-cost rivals IndiGo and SpiceJet Ltd. Jet, which also owes vast sums to its lessors, pilots, fuel suppliers and other parties, stopped all flights from April 17 after its lenders, led by SBI, refused to extend more funds to keep the carrier flying.
- While the bid process was on, Jet was forced to vacate its offices at many airports across the country and employee access was revoked. Lessors also forced Jet to ground dozens of planes over non-payment of dues and it is left with just 13 aircraft, a senior SBI source told Reuters.

<https://www.thedailystar.net/business/news/etihad-submits-bid-jet-air-1742752>

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