

## Stock Market

### Stocks fall for 2nd day in slow trading

New Age, May 14, 2019

- Dhaka stocks fell for the second day on Monday in slow and cautious trading amid investors' worries over liquidity shortage in the country's financial sector. DSEX, the key index of Dhaka Stock Exchange, dropped by 0.49 %, or 26.09 points, to close at 5,247.83 points on Monday, after inching down by 1.91 points in the previous session.
- Before Monday, the lowest number of total trades was 69,725 on March 3, 2018 while the total number of trades hovered at the range from 2,30,000 to 80,000 after March, 2018. Most of the sectors experienced price corrections on Monday with non-bank financial sector falling by 1 %, bank by 0.1 % and textile by 1.5 %.
- Out of the 343 issues traded on Monday, 211 declined, 87 advanced and 45 remained unchanged. DSE blue-chip index DS30 dropped by 0.54 %, or 10.08 points, to close at 1,836.39points. Shariah index DSES shed 0.70 %, or 8.65 points, to finish at 1,210.36 points.
- Fortune Shoes led the chart of turnover leaders with its shares worth BDT 9.62 crore changing hands on the day. Oimex Electrode, Esquire Knit Composite, DESCO, Indo-Bangla Pharmaceuticals, Power Grid Bangladesh, Square Pharmaceuticals, Grameenphone, Jamuna Bank and Monno Ceramic Industries were the other turnover leaders.
- Eastern Cables gained the most on the day with a 5.29-% increase in its share prices while Vanguard AML Bd Finance Mutual Fund One was the worst loser, shedding 7.04 %.

<http://www.newagebd.net/article/72328/stocks-fall-for-2nd-day-in-slow-trading>

### EIs under watch to check abuse of IPO quota

The Financial Express, May 13, 2019

- The securities regulator is set to redefine the categories of eligible investors (EIs) to check the abuse of IPO (initial public offering) quota system. To this end, the Bangladesh Securities and Exchange Commission (BSEC) has now been working to amend the BSEC (Public Issue) Rules, 2015, which deals with EI issues, among others.
- According to Public Issue Rules, 2015, eligible investor means the institution who has business operation or investment in Bangladesh and is registered with the electronic subscription system of the stock exchanges.
- The EIs are merchant bankers and portfolio managers, asset management companies, mutual funds and collective investment scheme (CIS), stock dealers, banks, financial institutions, insurance companies, alternative investment fund managers, alternative investment funds, foreign investors having account with any securities custodian registered with the Commission, recognised provident funds, approved pension funds and approved gratuity funds, and other institutions as approved by the Commission.

- Under the fixed-price method of IPO, some 40 % of the total public offering shall be reserved for EIs, excluding Mutual Fund and the CIS; while some 10 % for the MF and CIS, 40 % for general public and the remaining 10 % for the NRBs (non-resident Bangladeshis), according to the rules.
- And under the book building method, some 50 % of total public offering shall be reserved for EIs, excluding Mutual Fund and the CIS; while some 10 % for the MF and the CIS, 30 % for general public and the remaining 10 % for the NRBs.

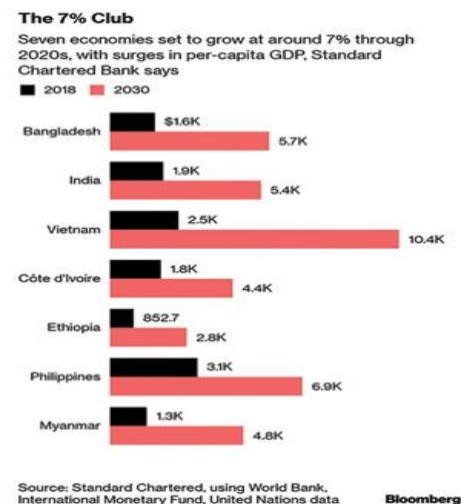
<http://thefinancialexpress.com.bd/stock/bangladesh/eis-under-watch-to-check-abuse-of-ipo-quota-1557722621>

## Economy

### Bangladesh per capita income to be \$5,700 in 2030, to surpass India: StanChart

New Age, May 14, 2019

- Economic growth at 7 % of seven countries including Bangladesh is expected to sustain in the next decade, according to a research note of Standard Chartered Bank.
- The seven countries across the globe will be on the list of 7-% growth club in the 2020s dominated by Asian countries, according to a Bloomberg report published in India-based The Print on Sunday.
- Bangladesh's per capita income will also increase by more than three and a half times to \$5,700, exceeding India, by 2030 from \$1,600 in 2018, said the report referring to the Standard Chartered Bank note.
- The 2020s is set to be the Asian decade with the continent dominating an exclusive list of economies expected to sustain growth rates of around 7 %, the report said, adding that five of seven in the group were in Asia.
- The other members of the 7-% growth club include India, Vietnam, Myanmar, the Philippines, Ethiopia and Cote d'Ivoire known as Ivory Coast.



<http://www.newagebd.net/article/72326/bangladesh-per-capita-income-to-be-5700-in-2030-to-surpass-india-stanchart>

### Net sales of savings tools up 8.0pc in nine months

Govt considering review of yield rates

The Financial Express, May 14, 2019

- The net sales of state-run savings instruments rose by more than 8.0 % in nine months of the current fiscal year (FY), compared to the same period of the previous fiscal.

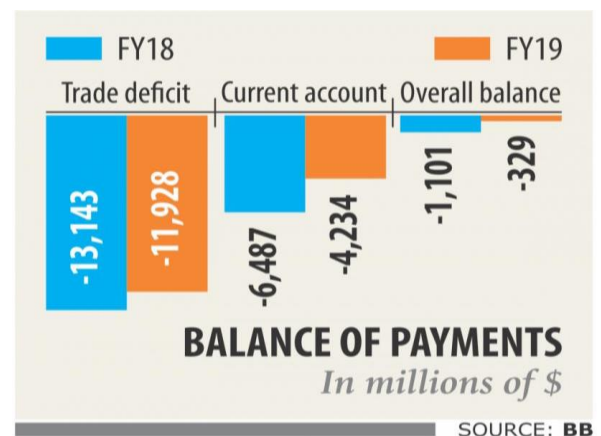
- According to the Department of National Savings (DNS) data, the net sales of savings tools in the July-March period of FY 2018-19 stood at BDT 397.33 bn, up from BDT 367.09 bn in the corresponding period of FY 2017-18.
- The sales of savings schemes have surged in recent years due to their higher yield rates, officials said. At the same time, the government's interest payments have also increased by more than 23 % in the nine months of this fiscal, the data shows.
- The government spent BDT 181.54 bn on interest payments in the July-March period of current FY, up from BDT 147.33 bn in the same period of FY 2017-18, according to the official statistics. The government, however, is now considering reviewing the yield rates of savings schemes.

<http://thefinancialexpress.com.bd/trade/net-sales-of-savings-tools-up-80pc-in-nine-months-1557805886>

## Trade deficit narrows 9pc

The Daily Star, May 14, 2019

- Trade deficit fell 9.24 % year-on-year to \$11.92 bn in the first nine months of the current fiscal year, giving some breathing space to the government in managing the economy. A steady growth of exports against a slowdown in imports narrowed the trade gap between July and March.
- Exports are on the rise but yet to enter an impressive zone. Merchandise exports fetched \$30.43 bn in the nine months, up 12.09 % year-on-year. Imports rose 5.13 % to \$42.36 bn, according to data from the central bank.
- There is no scope to curb imports, considering the implementation of large infrastructural projects along with ensuring uninterrupted production by the industrial sector, said Mansur, also a former economist of the International Monetary Fund.
- On May 12, the interbank exchange rate stood at BDT 84.50 per USD, up from 83.10 a year earlier. The narrowed trade gap also squeezed the current account deficit, which stood at \$4.23 bn in the nine months, down 34.67 % year-on-year.
- As of March, foreign exchange reserves stood at \$31.75 bn, down from \$32.40 bn a year earlier. The reserves are able to settle import payments for 5.3 months, down from 5.4 months a month earlier and 5.8 months a year ago.



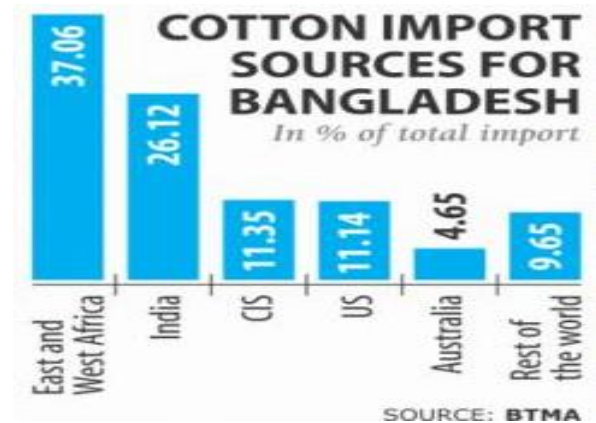
<https://www.thedailystar.net/business/news/trade-deficit-narrows-9pc-1743340>

## Bangladesh now depends less on India for cotton

*African nations become largest source*

The Daily Star, May 14, 2019

- African nations have surpassed India to become the largest source of cotton for Bangladesh as local spinners and millers look to cut down their dependence on a single source for their vital raw material.
- Last year, Bangladesh, the largest importer of cotton in the world, met 37.06 % of its requirement for the white fibre from East and West African countries.
- India accounted for 26.12 % of the total cotton imports, down from more than 60 % two years ago, according to data from the Bangladesh Textile Mills Association (BTMA). Last year, 11.35 % of the cotton came from the CIS (Commonwealth of Independent States) countries, 11.14 % from the US, 4.65 % from Australia and 9.65 % from the rest of the world.
- A section of Indian cotton traders also cannot maintain timely shipment and deliver the right quantity of cotton as per agreement, said Mehdi Ali, president of the Bangladesh Cotton Association. For example, it is written in the letter of credit that there may be 3 to 4 % less cotton than the amount agreed upon when the imported fibre is weighed in Bangladesh. But in many cases it is 10 to 15 % less.
- Bangladesh's cotton imports will continue to be commensurate with the expansion in spinning, according to the latest report of the United States Department of Agriculture. Global consumption is forecast to grow to a record of about 126 mn bales.



<https://www.thedailystar.net/business/news/bangladesh-now-depends-less-india-cotton-1743343>

## MCCI lists banking sector as a major risk to economy

*Calls for strict vigilance by central bank*

The Financial Express, May 14, 2019

- The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has identified the present situation in the banking sector as one of the biggest risks to the economy and called for the central bank's strict vigilance to bring discipline in the sector.
- Despite making certain progress, the economy of Bangladesh is also facing some other downside risks, including inadequate infrastructure, lack of investors' confidence and shortage of power and energy, according to the country's MCCI.
- Citing the estimate of Bangladesh Bureau of Statistics (BBS), it said the country's GDP (gross domestic product) growth in the current fiscal (FY '19) is likely to be 8.13 %, up from 7.86 % in the past fiscal (FY '18).
- The multilateral lenders that previously downgraded the country's growth projection to below 7.0 % have raised their projection to between 7.3 % and 8.0 %, according to the MCCI. Keeping this in view, the MCCI suggested that the prevailing downside risks that pose as big threats to its economic growth need to be carefully addressed.

- There are other downside risks such as poor implementation of public investment programmes (only 47.22 % of the annual development programme (ADP) has reportedly been implemented in the first nine months of the present fiscal), it mentioned.
- About the sectoral performances, the MCCI said the agriculture sector had performed well in the quarter under review (Q3 of FY19), which posted a robust 4.19 % growth in FY '18, compared to a moderate growth of 2.97 % in FY '17.

<http://thefinancialexpress.com.bd/economy/bangladesh/mcci-lists-banking-sector-as-a-major-risk-to-economy-1557804081>

## International

### **China to impose retaliatory tariffs on \$60b US goods despite Trump threat**

New Age, May 14, 2019

- China said on Monday it would impose higher tariffs on a range of US goods, striking back in its trade war with Washington shortly after US president Donald Trump warned it not to retaliate.
- China's finance ministry said it plans to set import tariffs ranging from 5 % to 25 % on 5,140 US products on a target list worth about \$60 bn. It said the tariffs will take effect on June 1. Global equities fell sharply on Monday as hopes of an imminent trade deal between the world's two largest economies were crushed. Major US stock index futures were down about 2 %.
- The trade war escalated on Friday after Trump hiked tariffs on \$200 bn worth of Chinese goods, saying China had reneged on earlier commitments made during months of trade negotiations.

<http://www.newagebd.net/article/72329/china-to-impose-retaliatory-tariffs-on-60b-us-goods-despite-trump-threat>

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