

## Stock Market

### Dhaka stocks rise on financial sector gains

New Age, October 15, 2018

- Dhaka stocks on Sunday posted moderate gains, after falling in the previous two sessions, as some investors went on bargain hunting purchase of shares of the financial sector while others booked profit from the energy sector. DSEX, the key index of Dhaka Stock Exchange, added 0.20%, or 11.39 points, to close at 5,446.40 points on Sunday after losing 20.70 points in the previous two sessions.
- Trading began on Sunday with a brief downfall of DSEX, but it started to rise, gaining 35 points at one point of the day. The index, however, finished with marginal gains as financial sector scrips rose while energy scrips dropped.
- Average share prices of non-bank financial institutions and bank advanced 1.64% and 1.55% respectively. Share prices of cement and textile sectors also increased on the day.
- The turnover on DSE plunged to BDT 576.62 crore on Sunday compared with that of BDT 644.98 crore in the previous trading session. Average share prices of miscellaneous, energy and engineering dropped 1.12%, 1.02% and 0.74% respectively. Of the 336 companies and mutual funds traded on Sunday, 144 declined, 138 advanced, and 53 remained unchanged. DS30, the blue-chip index of DSE, however, shed 0.14%, or 2.83 points, to close at 1,922.92 points. Shariah index DSES shed 0.25%, or 3.22 points, to finish at 1,262.52 points.
- Summit Power led the turnover chart with its shares worth BDT 71.48 crore changing hands. Khulna Power Company, Shasha Denims, United Power Generation Company, Dragon Sweater, Nurani Dyeing, VFS Thread Dyeing, IFAD Autos, Silva Pharmaceuticals and Central Pharmaceuticals were the other turnover leaders.

<http://www.newagebd.net/article/53238/dhaka-stocks-rise-on-financial-sector-gains>

### DBBL witnesses 39.77pc net profit growth in 2017

The Financial Express, October 14, 2018

- Dutch-Bangla Bank Limited (DBBL) registered a growth of 39.77% in net profit to BDT 2.46bn in 2017 as compared to that of the previous year. According to the DBBL, the bank's profitability rose moderately in 2017 due to its efforts to 'grow and diversify' its portfolio.
- The bank also exhibited a steady growth in revenue earnings and deposits during last five years through effective operations. The bank's net profit was BDT 2.0bn in 2013, BDT 2.21bn in 2014, BDT 3.02bn in 2015, BDT 1.76bn in 2016 and BDT 2.46bn in 2017.
- The company's total deposit was BDT 145.23bn in 2013, BDT 166.76bn in 2014, BDT 186.76bn in 2015, BDT 207.23bn in 2016 and BDT 233.79bn in 2017. The bank's earnings per share (EPS) and net asset value (NAV) also rose moderately in 2017 compared to the previous year.
- The bank reported its EPS of BDT 12.28, NAV per share of BDT 97.41 and NOCFPS of BDT 58.66 for the year ended on December 31, 2017 as against BDT 8.88, BDT 88.36 and BDT 24.57 respectively for the previous year. The bank reported its consolidated EPS of BDT 4.93 for April-June 2018 as against BDT 4.18 for April-June 2017.
- The bank's networks have been expanded through different and innovative modes of delivery channels. The bank has the highest number of ATM booths across the country. The number of ATM booths was 2,454 in 2013, 2,705 in 2014, 3,588 in 2015, 4,331 in 2016 and 4,467 in 2017. The bank's ratio of non-performing loans (NPLs) to total loans varied between 3.7% and 5.2% during 2013 to 2017.
- The ratio of NPL to total loan was 3.9% in 2013, 4.4% in 2014, 3.7% in 2015, 5.2% in 2016 and 4.7% in 2017.

<http://thefinancialexpress.com.bd/stock/dbbl-witnesses-3977pc-net-profit-growth-in-2017-1539491609>

## **IPDC, Trust Bank cleared to issue bonds**

The Daily Star, October 15, 2018

- Trust Bank and IPDC Finance have recently attained the Bangladesh Securities and Exchange Commission's approval to issue bonds for raising capital. The bank will raise BDT 500 crore issuing "TBL fully redeemable non-convertible unsecured subordinated bond IV", each of BDT 1 crore in face value and with a seven-year tenure, through private placement.
- It is said to be aimed at strengthening the bank's Tier II capital which along with Tier I capital makes up a bank's required reserves. The IPDC will raise BDT 100 crore issuing "fully redeemable subordinated bond", each of BDT 1 crore in face value and with a five-year tenure, through private placement, excluding existing shareholders.

<https://www.thedailystar.net/business/news/ipdc-trust-bank-cleared-issue-bonds-1647010>

## **Economy**

### **Biman moves again to convert its debt liabilities into equity**

The Financial Express, October 15, 2018

- Biman Bangladesh Airlines (BBA) has moved again to convert its entire debt liabilities worth over BDT 6.69bn into government equity to have a healthy balance sheet, officials and aviation experts said. The national flag carrier, which has been facing acute liquidity crisis due to regular repayment of a large quantity of debt, requested the Ministry of Civil Aviation and Tourism (MoCAT) to allow it to do the conversion, officials concerned said.
- Aviation experts, however, opposed the move saying that the state-run airliner failed to make proper use of the opportunities that it enjoyed in the past. As a result, the BBA is going through financial crisis. The amount of entire debt stood at some BDT 4.47bn under a voluntary redundancy scheme (VRS) initiated in 2007. The loan includes a principal amount of over BDT 2.91bn and interest worth over BDT 1.43bn as of June, 2017.
- Besides, BDT over 2.21bn had been taken from different foreign banks for purchasing DC-10-30 aircraft in 1984. According to the cabinet division's instructions in 2007, Biman took restructuring plan eleven years ago to turn it into a public limited company. It was asked to downsize its manpower from 6,883 to 3,400 to make it a profitable agency.
- The restructuring plan did not yield any visible outcomes as Biman has been performing poorly after it turned into a limited company. As per the move, a total of 1,876 Biman employees retired and their pension or gratuity was paid from the loan received from the finance ministry.
- The loan was given by the government in two instalments at an annual interest rate of 5.0%. Biman started its journey as a company on July 23, 2007. It made profit in fiscal years (FYs) 2007-08 and 2008-09, but it turned into a loss-making concern from FYs 2009-10 to 2013-14, according to official documents. But Biman again made profits in three consecutive FYs -- 2014-15, 2015-16 and 2016-17.

<http://thefinancialexpress.com.bd/trade/biman-moves-again-to-convert-its-debt-liabilities-into-equity-1539489584>

### **Trade deficit jumps by 19pc in Jul-Aug**

New Age, October 15, 2018

- Country's trade deficit in July-August of the current financial year 2018-19 soared by 19.30% compared with the same period of last FY due to continuous rise in import payments. Trade deficit in the first two months of FY19 stood at \$2.10bn against \$1.76bn in the same period of FY18, according to Bangladesh Bank data released on Sunday.

- Export earnings in July-August stood at \$6.71bn with 2% year-on-year growth while import payments grew by 5.66% to \$8.82bn. BB officials said that export earnings in two months posted a meagre growth because of Eid holidays in August that affected shipment of readymade garment products but import payments continued to rise during the period.
- Experts and Bangladesh Bank officials blamed higher import payments for the continuous trade deficit and expressed their doubt that in the election year a section of business people might launder money in the name of imports.
- During July-August of FY19, the country's current account balance, however, improved slightly, though still remained in deficit, compared with the same period of last year. The current account deficit in two months declined to \$60mn from \$369mn in the same period of FY 18 due to rise in remittance inflow, foreign loans and foreign direct investment.
- BB data also showed that the country's net foreign direct investment increased by 7.46% to \$216mn during July-August this year against \$201mn in the same period last year. Overall balance posted a surplus of \$156mn during the period which was a deficit amount of \$206mn during the same period in FY 18.

<http://www.newagebd.net/article/53232/trade-deficit-jumps-by-19pc-in-jul-aug>

## MOBILE MONEY

### Number of accounts drops amid purge

The Daily Star, October 15, 2018

- The number of active mobile financial service (MFS) accounts has decreased by 9.72 lakh in a month as the banking watchdog has strengthened monitoring to cut suspicious transactions. The number of active mobile wallets stood at 2.96 crore at the end of August, down from 3.05 crore in July, according to Bangladesh Bank data.
- However, the number of registered clients increased slightly by 1% to 6.46 crore in August from the previous month. The average daily transaction through mobile wallets rose by 11.7% to BDT 1,109 crore in August compared to that the previous month, according to central bank data.
- Inward remittance through mobile channels hit BDT 31.74 crore in August, an increase by 116% from BDT 14.70 crore in July. The number of MFS accounts had also seen a fall from August last year to January this year when Bangladesh Bank put a restriction on having more than one account for a client.
- The BB also lowered the daily transaction ceiling for each mobile banking account, saying a maximum of BDT 15,000 can be deposited and BDT 10,000 taken out. Previously it was BDT 25,000 for both. The central bank also set BDT 3 lakh as the highest amount that could be deposited in such an account.
- At the same time, the MFS providers were directed not to open more than one account per national identification card. Intended to curb misuse of the channel, the directives came into effect in February the same year. Active mobile money accounts declined by a third to 2.07 crore in January this year from its peak of 3.07 crore in August last year, according to the central bank data.
- The number of such account users started to increase in February this year and reached 3.05 crore in July. The number of registered MFS account holders in proportion to the population rose to 38% in 2017 which was only 3% in 2014, according to a study of the Bangladesh Institute of Bank Management.

<https://www.thedailystar.net/business/news/number-accounts-drops-amid-purge-1647145>

## Govt may waive BDT 100 SIM replacement tax for MNP

New Age, October 15, 2018

- The government in principle has decided to waive BDT 100 in taxes on the SIM cards which would be replaced with the mobile phone operators against mobile number portability service. The decision came following a proposal from Bangladesh Telecommunication Regulatory Commission on the eve of MNP service launch.
- As per the existing procedure for availing the MNP service, subscribers are required to replace SIM cards of the existing mobile phone operator with the SIM cards of another operator which they would be switching to. Under the existing taxation BDT 100 is applicable for any sort of replacement of SIM cards, irrespective of the purposes, including availing MNP service.
- If the issue of SIM replacement taxes is taken into consideration, subscribers will have to pay BDT 100 as SIM replacement taxes and another BDT 50 as MNP charge along with value-added taxes, taking to around BDT 158 total cost for MNP. As the high taxation issue surfaced, the telecom regulator raised the issue with National Board of Revenue also with other government ministries concerned through posts, telecommunications and information technology ministry.
- The much-awaited MNP service was inaugurated by the government on October 1 this year that allows mobile phone subscribers to change mobile network operator keeping entire number unchanged. As per the first five days' porting data submitted by the MNP operator, Infozillion Teletech BD Consortium, to BTRC, customers of four mobile phone operators — Grameenphone, Robi Axiata, Banglalink and Teletalk — made 10,122 requests to change their operators.
- Of the requests, 41.31% or 4,181 customers managed to complete switching operators successfully, while 57.91% or 5,862 requests were rejected on different grounds and less than one% or 79 requests were under process for porting.

<http://www.newagebd.net/article/53233/govt-may-waive-BDT-100-sim-replacement-tax-for-mnp>

## GP launches 013 number series

New Age, October 15, 2018

- Leading mobile phone operator Grameenphone on Sunday launched a new number series with 013 prefix. Besides the new number series, existing number series of the operator '017' is available in the market for the subscribers, said officials of GP at the launching ceremony of the new number prefix at a city hotel.
- GP started issuing new number series through its distribution channel on Sunday based on the approval given by Bangladesh Telecommunication Regulatory Commission after the operator had attained 71mn subscribers in 21 years of its operation in Bangladesh, they said.
- BTRC director general brigadier general Md Mustafa Kamal and GP deputy chief executive officer and chief marketing officer Yasir Azman, chief corporate affairs officer Mahmud Hossain, and director and head of network planning Munir Hasan were present, among others. BTRC initially allocated 20mn numbers from '013' series to GP following an appeal by the company saying that the '017' number series was exhausting fast.

<http://www.newagebd.net/article/53235/gp-launches-013-number-series>

## International

### Saudi warns against sanctions

The Daily Star, October 15, 2018

- Saudi Arabia rejected threats to punish it over the disappearance of journalist Jamal Khashoggi in Istanbul, saying the kingdom would retaliate against any sanctions with tougher measures, the official state news agency said yesterday. The comments came after US President Donald Trump threatened "severe punishment" for Riyadh if it turned out Khashoggi was killed in the Saudi consulate in Istanbul.
- "The Kingdom affirms its total rejection of any threats and attempts to undermine it, whether by threatening to impose economic sanctions, using political pressures, or repeating false accusations..." the official Saudi Press Agency quoted an unnamed government source as saying.
- "The Kingdom also affirms that if it receives any action, it will respond with greater action, and that the Kingdom's economy has an influential and vital role in the global economy..." the source added without elaborating. The threat caused the stock market of the world's biggest oil exporter to lose as much as \$33bn of its value yesterday in one of the first signs of the economic pain that Riyadh could suffer over the affair.
- Khashoggi, a Washington Post contributor and US permanent resident whose writings have been critical of powerful Saudi Crown Prince Mohammed bin Salman, has been missing since entering the country's consulate in Istanbul on October 2. Turkey believes Khashoggi was deliberately killed in the consulate and his body removed. Saudi Arabia insists Khashoggi left the building safely.
- Turkey on Saturday stepped up pressure on Saudi Arabia by accusing the kingdom of failing to cooperate with a probe into the journalist's disappearance. Foreign capital is key to Saudi Arabia's plans to diversify its economy beyond oil and cut a 12.9% jobless rate among its citizens.
- But in response to Khashoggi's disappearance, media firms and some technology executives have pulled out of a major Riyadh investment conference scheduled for next week. Yesterday, reports said US Treasury Secretary, Steve Mnuchin, and the UK's International Trade Secretary, Liam Fox, may not attend the "Davos in the Desert investment conference in Riyadh. The officials' possible boycott was confirmed to the BBC by 'diplomatic sources'.
- Trump has not described what punishment Saudi Arabia might face. He has indicated Washington does not want to harm close defence ties, saying the United States would be punishing itself if it halted sales of military equipment to Riyadh.

<https://www.thedailystar.net/middle-east/news/saudi-warns-against-sanctions-1647172>

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