

Stock Market

Dhaka stocks kept afloat amid regulatory intervention

New Age, April 18, 2019

- Dhaka stocks gained slightly on Wednesday after a plunge in the previous day as some institutional investors including Investment Corporation of Bangladesh bought shares to revive the investors' confidence shattered by the relentless fall at the market in recent months.
- DSEX, the key index of Dhaka Stock Exchange, increased by 0.19 %, or 10.49 points, to close at 5,259.41 points on Wednesday after losing 76 points in the previous session. The average share prices of general insurance sector gained 3.36 %, bank 0.37 %, telecommunication 0.33 % and pharmaceutical 0.28 %.
- Some of the low-profile and non-performing companies including Standard Ceramics, Jute Spinners, Fine Foods, Savar Refractories and Imam Button soared at the bearish market.
- The turnover on the bourse increased to BDT 314 crore on Wednesday from that of BDT 269.91 crore in the previous trading session. DSE blue-chip index DS30 also added 0.19 %, or 3.69 points, to close at 1,880.50 points.
- Standard Ceramic Industries gained the most on the day with a 9.97-% increase in its share prices while Monno Ceramic Industries was the worst loser, shedding 8.29 %.

<http://www.newagebd.net/article/70173/dhaka-stocks-kept-afloat-amid-regulatory-intervention>

DSE, CSE to remain closed on Monday

The Financial Express, April 17, 2019

- The official activities of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) will remain closed on Monday on the occasion of Holy Shab-e-Barat.
- According to the separate disclosures of DSE and CSE, no trading will be held at the bourses on that day and the offices will resume on Tuesday (April 23, 2019).

<http://thefinancialexpress.com.bd/stock/dse-cse-to-remain-closed-on-monday-1555488917>

DSE board Okays IPO process amendment proposal

New Age, April 18, 2019

- Dhaka Stock Exchange on Wednesday approved a set of proposals on restructuring initial public offering process as the bourse detected a number of lapses in the process that continued shattering investors' confidence over the market.
- The DSE's board of directors at a meeting approved the proposals and decided to send those to market regulator Bangladesh Securities and Exchange Commission today for the commission's approval. The bourse backtracked on its previous position in favour of a three-year lock-in period for placement shares and would now propose one year lock-in after the first day of trading at the stock exchange.
- The delegates proposed a number of measures and requested the bourse to start the process of implementation. They urged the DSE to automate the IPO process including assessment process of the

new companies' financial statements, highlighting their deficiencies and current status of the IPO. Information disclosure process by the listed companies must be automated, they proposed.

<http://www.newagebd.net/article/70175/dse-board-okays-ipo-process-amendment-proposal>

Economy

Currency swaps rule forex mkt, cushion reserve

Absence of benchmark exchange rate rued

The Financial Express, April 17, 2019

- Interbank currency swaps under agreements to exchange cash flows at later dates dominate the country's foreign exchange market shielding the forex reserve to a great extent from any pressure. Bangladesh Bank, the central bank of the country, recently prepared a note on it elaborating the nature of the forex market.
- It said currency swaps, a kind of derivatives, accounted for around 86 % of the forex market. The spot market derivatives accounted for 11 % with the forward derivatives grabbing the remaining 3.0 %. The people mostly acting as treasury heads at the commercial banks have said the state-owned banks usually face dollar shortfalls and they meet the demand through such currency swaps.
- A currency swap, sometimes referred to as cross-currency swap, involves the exchange of fixed interest along with the principal amount in one currency for the same in another currency. Interest payments are made at fixed dates and rates throughout the life of the contract, usually for a short period-overnight to five banking days.
- The cost of the swap or the interest rate varies depending on the demand and supplies. It usually ranges between 2.0 % (annualised) and 3.0 (annualised) %. But it climbs as high as 8.0 % (annualised) at a time when the supply of dollars against any other currency remains low.

<http://thefinancialexpress.com.bd/trade/currency-swaps-rule-forex-mkt-cushion-reserve-1555556950>

Excelerate sees BD as growing LNG hub

Reaches its full capacity far quicker than many countries

The Financial Express, April 17, 2019

- The US energy giant Excelerate sees Bangladesh as an LNG (liquefied natural gas) market poised for exponential growth to meet the needs of its fast-growing economy. Excelerate's FSRU (floating, storage and regasification unit), Excellence, is Bangladesh's first LNG import plant that started commercial operations on August 18.
- Since the introduction of LNG into its energy system, the country has gradually ramped up its LNG imports with the FSRU reaching its full capacity. Around 500 mn cubic feet per day (mmcf) of gas was delivered in late January 2019 after more than five months into its formal launch, according to Excelerate.
- Other regional markets, such as Pakistan that began operations in 2015, did not reach full utilisation until over a year into their operations. Excelerate's terminal is the first and only such terminal in the Bay of Bengal.

- Excelerate, however, said building the terminal during monsoon in the Bay of Bengal and initiating regasified LNG supply to pipelines were not without challenges. The Excellence carried around 136,000 cubic metres of lean LNG from Qatar to Moheshkhali on April 24, 2018.
- But technical issues and rough seas during the Jun-Aug monsoon kept it stranded off the south coast of Chattogram for more than three months. Excelerate docked and connected the floating unit to the subsea pipeline network on August 05 and commenced injecting gas into the pipeline on August 12.

<http://thefinancialexpress.com.bd/trade/excelerate-sees-bd-as-growing-lng-hub-1555558988>

Japan set to give largest-ever loan to BD for five ongoing projects

The Financial Express, April 17, 2019

- Japan is set to provide the highest-ever amount of loan to Bangladesh under a new loan package to facilitate implementation of five large ongoing projects in the port, communications, and energy and power sectors.
- The JICA mission visited the country last week and sat with all the ministries concerned, including the Economic Relations Division (ERD), to finalise the projects.
- However, no new project has been listed for the funding. The officials, in this regard, said no demand was placed for new projects during the negotiation, as the existing projects have huge work volume.
- The Second tranche of loan will be provided for both MRT Line-1 and FDI promotion projects, which will facilitate setting up of the second corridor of metro-rail in the city and a special economic zone (SEZ) of Japan respectively.
- The JICA provided US\$ 1.83 bn loan under its 39th ODA package, signed in June 2018, for six projects. The government will have to repay the loan in 30 years at 1.0 % interest rate with a 10-year grace period.

<http://thefinancialexpress.com.bd/trade/japan-set-to-give-largest-ever-loan-to-bd-for-five-ongoing-projects-1555558339>

Excelerate sees BD as growing LNG hub

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- The US energy giant Excelerate sees Bangladesh as an LNG (liquefied natural gas) market poised for exponential growth to meet the needs of its fast-growing economy. Excelerate delivered the first floating LNG import facility at Moheshkhali Island in August 2018, some two years after deals were done.
- Excelerate's FSRU (floating, storage and regasification unit), Excellence, is Bangladesh's first LNG import plant that started commercial operations on August 18. Since the introduction of LNG into its energy system, the country has gradually ramped up its LNG imports with the FSRU reaching its full capacity.
- Around 500 mn cubic feet per day (mmcf/d) of gas was delivered in late January 2019 after more than five months into its formal launch, according to Excelerate. Other regional markets, such as Pakistan that began operations in 2015, did not reach full utilisation until over a year into their operations.

<http://thefinancialexpress.com.bd/trade/excelerate-sees-bd-as-growing-lng-hub-1555558988>

NPL biggest headache for banks

The Daily Star, April 18, 2019

- Rising non-performing loans will continue to be the biggest challenge for the banking sector in the next one to two years, said Rahel Ahmed, managing director of Prime Bank Ltd, yesterday.
- The bank declared 12.5 % cash dividend for 2018 that reflects the bank's good health, he added. The total deposit of the bank stood at BDT 19,832 crore in 2018 and its investment totalled BDT 20,581 crore, according to a statement of the bank. Its assets were valued at BDT 29,390 crore last year.

<https://www.thedailystar.net/business/news/npl-biggest-headache-banks-1731340>

International

China first-quarter GDP growth steadies at 6.4pc

The Financial Express, April 17, 2019

- China's economy grew 6.4 % in the first quarter from a year earlier, official data showed on Wednesday. The growth of the second largest economy of the world is above expectations and steady from the previous quarter, helped by sharply higher factory production, reports Reuters.
- Analysts polled by Reuters had expected growth to slow slightly to 6.3 % in the January-March quarter, the slowest pace in at least 27 years.
- China's trading partners and investors are closely watching for signs of improvement in its economy amid growing worries about sputtering global growth. Initial March readings had offered some encouragement that the economy was starting to turn the corner after a rocky start to the year, but analysts say it is too early to call a sustainable turnaround.

<http://thefinancialexpress.com.bd/economy/global/china-first-quarter-gdp-growth-steadies-at-64pc-1555486608>

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