

## Stock Market & Company

### Stocks inch down, survive further plunge on institutional support

NewAge, December 19, 2019

- Dhaka stocks inched down on Wednesday, stretching the losing streak to the third session, but the market survived a plunge on the day as a section of institutional investors moved to halt the relentless fall in share prices. DSEX, the key index of Dhaka Stock Exchange, lost 0.04 per cent, or 1.87 points, to close at 4,417.95 points on Wednesday. The DSEX lost 96.5 points in last three sessions. On Wednesday, the index hit its lowest since June 27, 2016 when it was at 4,412.82 points.
- Market operators said the DSEX fell sharply at the beginning on Wednesday as a section of investors, disheartened by prolonged bearish trend at the market, continued selling shares to avoid further losses. They said that the market was hitting record lows every other day amid a decline in share prices of most of the companies that pushed investors to protect their investments from further erosion.
- The market, however, recovered most of the early losses on Wednesday and end the session with a slight loss as a section of institutional investors went for bargain hunting to halt the plunge, they said.
- The DSEX lost more than 1,532 points in last 11 months, eroding funds worth BDT 81,700 crore from the capital market that sent investors to the edge. Turnover on the DSE plunged to BDT 254.38 crore on Wednesday from BDT 281.56 crore in the previous trading session. The turnover on Wednesday was the lowest after May 14 this year when it was at BDT 251.36 crore.
- Square Pharmaceuticals led the turnover chart with its shares worth BDT 9.38 crore changing hands on the day. Beacon Pharmaceuticals, Bangladesh National Insurance Company, Ring Shine Textiles, Standard Ceramics, Genex Infosys, Mercantile Insurance, SS Steel, Karnaphuli Insurance and National Tubes were the other turnover leaders.
- Al-Haj Textiles gained the most on the day with a 9.54-per cent increase in its share prices while Shepherd Industries performed the worst, losing 5.92 per cent.

<http://www.newagebd.net/article/93960/stocks-inch-down-survive-further-plunge-on-institutional-support>

## Economy and Industry

### 'Single digit lending rate for manufacturing sector from January 1'

The Financial Express, December 19, 2019

- Finance Minister AHM Mustafa Kamal has expected that the bank interest rate for manufacturing sector will come down to single digit from January 1 for accelerating the country's industrialisation and employment generation.
- "The Bangladesh Bank (BB) will give necessary guideline through issuing a circular in this regard. The single digit interest rate would speed up the country's industrialisation," he said.
- The finance minister said the central bank formed a committee for giving recommendation and the committee has already submitted a set of suggestions to the central bank.

- Kamal said though earlier, most of the borrowing money of the government came from savings instruments, but now the government prefers to borrow money from banks as it is the best sources for borrowing.

<https://thefinancialexpress.com.bd/economy/bangladesh/single-digit-lending-rate-for-manufacturing-sector-from-january-1-1576678857>

## **Kamal against devaluation of taka**

NewAge, December 19, 2019

- Finance minister AHM Mustafa Kamal on Wednesday ruled out any further devaluation of the local currency saying that it would escalate the cost of development projects and discourage foreign direct investment.
- He said that there was widespread apprehension that the local currency would be devaluated again to halt the sliding of exports.
- The Bangladesh Bank has allowed the devaluation of the taka against the US dollar at least twice since October as the local currency lost its value by BDT 0.40.
- The country's exports in the July-October period of the current fiscal year fell by 6.82 per cent to USD12.72 bn from USD13.65 bn in the same period of the last fiscal.
- Kamal said that they would specifically provide incentives to the affected sectors instead of devaluing the local currency as recommended by many, including the country's exporters.
- Referring to the continued withdrawal of funds by foreign investors from the country's share market, he noted that the further devaluation of the taka would discourage them even more.
- The foreign investors at the Dhaka Stock Exchange withdrew BDT 876 crore for record nine months up to November amid lack of confidence as the DSE on Tuesday nearly hit a three and a half years low.

<http://www.newagebd.net/article/93959/kamal-against-devaluation-of-taka>

## **Govt in bank borrowing spree, takes BDT 47,139cr in 5 months**

NewAge, December 19, 2019

- The government has almost exhausted its net borrowing target for the fiscal year of 2019-20 from the banking system in just five months (July-November) with the net borrowing reaching BDT 47,139 crore in the period, leaving a very tiny space for the industrialisation-led job creation.
- The government has projected to borrow BDT 47,364 crore from the banking sector in the fiscal year. Besides, a slowdown in industrialisation would ultimately increase the number of unemployed people along with social disparity in the country.
- A total of 26.77 lakh people were unemployed in the country in the fiscal year of 2016-17, said state minister for labour and employment Begum Munnujan Sufian at the parliament in February, quoting a manpower survey conducted by the Bangladesh Statistics Bureau.
- The rate of unemployment among educated youth is 33.2 per cent in the country with higher concentration of joblessness among the graduates and post-graduates, according to a Bangladesh Institute of Development Studies report published on December 1.

- According to Bangladesh Bank data, the government's outstanding borrowing from the banking sector increased to BDT 1,55,235.28.84 crore on December 9 this year from BDT 1,08,095.7 crore on June 30 this year.
- Private sector credit growth, a determining factor of the country's industrial expansion, in October dropped to a fresh a nine-year low of 10.04 per cent against the Bangladesh Bank's projection for a cautious 14.8 per cent growth in FY20.

<http://www.newagebd.net/article/93958/govt-in-bank-borrowing-spree-takes-BDT-47139cr-in-5-months>

## **USD50b export not achievable by 2021: BGMEA president**

The Daily Star, December 19, 2019

- Bangladesh will not be able to export USD50 bn-worth apparel products by 2021 because of low valuation and declining global trade, according to Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), yesterday.
- She said the target was set in 2014, just one year after the Rana Plaza collapse, but the world market now was going down because of declining trade and consumption.
- According to World Trade Organisation, the world trade forecast took a downward turn to 1.2 percent for 2019 from a previous 2.6 percent.
- She questioned why this target had been set as there was no significant value addition occurring in the garment industry. "Our target should be on adding more value, not just a number," said Huq.
- The BGMEA president stressed on having a plan for diversification of industries. She said the Accord and Alliance came in 2013 with some prescriptions where the national context was missing.
- One example is that fire alarm systems were imported follow their prescription but those did not work in Bangladesh for inconsistencies with the country's humidity patterns.

<https://www.thedailystar.net/business/news/50b-export-not-achievable-2021-bgmea-president-1842268>

## **International**

### **UK inflation holds below Bank of England target before rates meeting**

The Daily Star, December 18, 2019

- British inflation remained at a three-year low in November, comfortably below the Bank of England's 2 percent target before its next interest rate announcement on Thursday, official data showed.
- Consumer prices rose at an annual rate of 1.5 percent for a second month running in November, the Office for National Statistics (ONS) said on Wednesday, a little stronger than the median expectation for a 1.4 percent increase in a Reuters poll of economists.
- The figures are unlikely to shift expectations that two of the Bank of England's nine monetary policy officials will again vote to cut rates this week, though political uncertainty in Britain has been reduced by the scale of Prime Minister Boris Johnson's victory in last week's election.

- The BoE said last month that inflation would probably fall to 1.25 percent in early 2020 because of caps on energy and water prices, but was likely to be back above its 2 percent target in about three years' time.
- The two officials who voted to cut rates at the November meeting cited signs of a cooling in Britain's labor market, and the Monetary Policy Committee as a whole sounded cautious about the outlook as the global economy slowed.

<https://www.thedailystar.net/business/news/uk-inflation-holds-below-bank-england-target-rates-meeting-1842253>

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