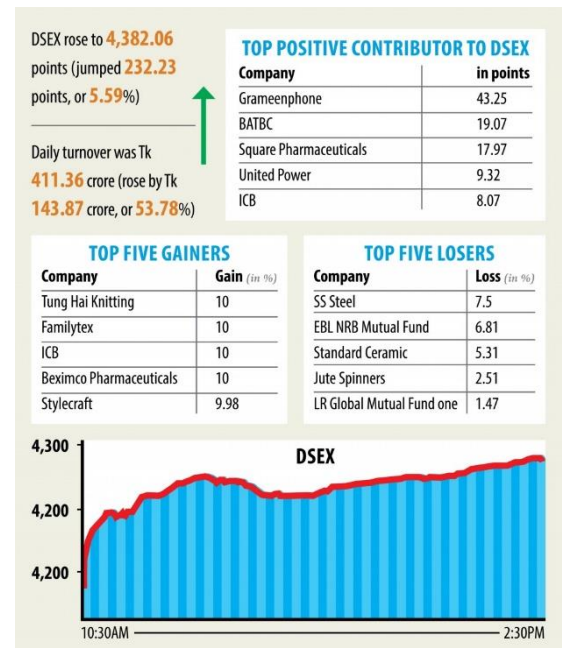


Stock Market & Company

Stocks jump record 5.59pc

The Daily Star, January 20, 2019

- DSEX made its biggest leap yet after an extended slide on two developments from Thursday: PM's announcement of policy support for the bourse and GP's appointment of a local CEO.
- Bangladesh Merchant Bankers' Association met with BB governor yesterday, where liquidity and policy support was worked out.



<https://www.thedailystar.net/business/news/stocks-jump-record-559pc-1856350>

Highest rise in DSEX

The Daily Star, January 20, 2019

- The country's premier bourse today posted its highest single-day point rise in the history of its new premier index, led by gains across almost all the sectors as investors were fueled by the government's policy support.
- The benchmark index of Dhaka Stock Exchange (DSE), DSEX, rose 232.23 points, or 5.59 percent, to 4,382.06 -- notching the highest single-day increase since its inception.
- The new index started its journey from January 27 of 2013. Since then the premier index rose 155 points, or 3.76 percent, on May 10 of 2015 which was its highest single-day rise.
- Market insiders said the index rose due to announcement of policy support from the government and decision to buy shares by state-run banks.
- Square Pharmaceuticals' directors also announced to purchase shares, which impacted investors' confidence positively, they added.
- Turnover, another important indicator of the market, rose by 53.78 percent to Tk 411.36 crore.
- Stocks of Grameenphone, British American Tobacco and Square Pharmaceuticals posted highest contribution to the index. These three added 80 points together to the DSEX.

- However, Tung Hai Knitting and Familytex Bangladesh, two junk stocks, were the top gainer of the DSE. Both stocks rose 10 percent.

<https://www.thedailystar.net/business/dhaka-stock-exchange-in-highest-rise-1856218>

Bangladesh Bank assures BMBA of stock market-friendly policies

NewAge, January 19, 2019

- Bangladesh Bank governor Fazle Kabir on Sunday assured a delegation of the Bangladesh Merchant Bankers' Association of capital market supporting policies with a view to addressing the liquidity crisis on the market for its stability.
- The central bank governor gave the assurance during a discussion held at the BB headquarters in Dhaka with the BMBA delegation in presence of Financial Institutions Division senior secretary Md Ashadul Islam. BMBA president Md Sayadur Rahman and its general secretary Riyad Matin, among others, were present at the meeting.
- After the meeting, BB executive director and spokesperson Md Serajul Islam told reporters that the central bank would provide policy support and liquidity supply to boost the market.
- 'As soon as possible, the central bank will announce a scheme on liquidity supply and policy support to boost the stock market for the long run in consultation with the finance minister,' he said.
- Serajul said that the meeting discussed the current situation of the stock market, especially the BMBA proposals on fund injection into the market.
- The BB governor assured the BMBA team that the required support for ensuring long-term stability of the market would be provided, the BB spokesperson said.
- 'We met the central bank governor to discuss our proposal on ensuring adequate liquidity supply in the market,' Sayadur Rahman said, adding that the BB governor had responded positively and it was working on the proposals.
- In October last year, the stockbrokers, especially the banks' subsidiary brokerage houses, submitted a proposal to the finance ministry seeking Tk 10,000 crore in funds to be injected into the capital market. Dhaka Bank Securities and EBL Securities are among the 25 signatories to the proposal.
- Speaking about the proposal, the BMBA president said, 'The central bank assured us that the BB would give feedback to the finance ministry in a positive note on the proposal for Tk 10,000 crore funds for the capital market.'

<https://www.newagebd.net/article/97100/bangladesh-bank-assures-bmba-of-stock-market-friendly-policies>

Economy and Industry

Car sales drop for 2nd year on economic downturn, ridesharing services

NewAge, January 20, 2019

- Car sales have dropped for the second consecutive year in 2019 due to continued slump in demand amid slowing economic activities, according to government data. Besides, an increase in ownership costs and nagging traffic in the capital and its surrounding cities led many prospective buyers to withhold their car buying plans, said car dealers.
- The dealers also said the necessity of having cars was also decreasing as ridesharing services Uber and Pathao were meeting the demand for car for many in the expanding capital city in absence of reliable mass transportation services.
- The Bangladesh Road Transport Authority registered 16,783 passenger cars in 2019, down from 18,299 in 2018 and 21,959 in 2017. The registration of minibuses slumped to 3,683 in 2019 from 4,137 in 2018 and 5,575 in 2017 while the registration of pick-ups decreased to 11,952 from 13,907 in 2018 and 13,512 in 2017.
- The registration of jeeps, purchased mostly by the government with different project funds and higher-class people, grew slightly to 5,630 in 2019 from 5,555 in 2018 and 5,425 in 2017.
- Uttara Motors sales head Golam Mostafa told New Age on Saturday that the government was still the single biggest buyer of the brand new cars as it procured 50 per cent of the annual sales.
- He said the brand new car segment held at least 12 per cent of the overall passenger car market dominated by the reconditioned cars imported from Japan. He said the sales of both reconditioned and new cars were falling for the last two years in the private sector level because of decreasing buying capacity, traffic jam in the capital and increase in ownership costs.
- The government now charges the same annual fees for cars irrespective of their cylinder capacity, which according to him, increases the owning cost of lower CC cars.
- Apart from the growing number of cars being registered with ridesharing services Uber and Pathao, a decrease in loan-equity ratio to 50 per cent since 2015 from 70 per cent for purchasing car is another reason for the decline in car sales. According to Uber, more than 10 lakh residents of Dhaka took trips with the company in August-October, 2019.

<https://www.newagebd.net/article/97099/car-sales-drop-for-2nd-year-on-economic-downturn-ridesharing-services>

Govt's credit growth target raised for H2

Monetary policy keeps private borrowing rate unchanged

The Financial Express, January 20, 2019

- Higher borrowing of the government during the first half (H1) of the current fiscal year (FY20) compelled the central bank to revise the growth rate of the borrowing significantly upward for the second half (H2) of the year. A meeting of the Bangladesh Bank (BB) monetary policy committee last week made the revision keeping the credit growth rate for the private sector unchanged at 14.80 per cent.
- The growth of net government borrowing had been set at 24.20 per cent for H1 and 24.30 per cent for H2 when the monetary policy statement for FY20 had been issued in July last. After the revision, the net government credit growth has been set at 37.70 per cent for H2.

- As a result, the target of domestic credit growth has also been re-fixed at 17.40 per cent for the January-June period of the current fiscal year against 15.90 per cent set earlier.
- The net government borrowing posted around 57 per cent increase in November last against 35.46 per cent in the first five months (July-November) of FY20.
- The central bank earlier decided to issue its monetary policy statement annually, a shift from its decade-long practice of half-yearly policy measure. It has now issued a press statement to announce the latest stance, adopted by the monetary policy committee, for the second half in brief.
- Presided over by BB governor Fazle Kabir, the meeting also expressed optimism that the previously-projected 8.20 per cent growth of Gross Domestic Product (GDP) would be achievable in the current fiscal year.
- The meeting, however, observed that keeping the consumer price inflation rate within 5.50 per cent by the end of the fiscal year may be challenging. The improved supply of goods would help maintain the rate within the target, said the central bank press statement issued on Sunday.

<https://thefinancialexpress.com.bd/economy/bangladesh/govts-credit-growth-target-raised-for-h2-1579492836>

International

Brexit's new chapter: the 'impossible' trade deal

NewAge, January 20, 2019

- With just two weeks to go before Brexit, European diplomats are preparing for the next phase: intense negotiations to hammer out a future with Britain after its EU divorce. Brussels is braced for new rounds of Brexit battles, aware that a bullish Prime Minister Boris Johnson is feeling reinvigorated after an electoral victory in December.
- Here are the main battle lines revealed to AFP in interviews with 18 European officials and diplomats closely involved in the talks:
- No extension - Throughout his campaign, Johnson said he would seal a trade deal by December 31, the deadline set by the EU-UK divorce agreement, though London can request an extension of one or two more years. This marked the EU's first reality check — only reluctantly accepted. They no longer expect Johnson to ask for a delay.
- That leaves only eight months, from March to October, to reach an agreement and allow time for ratification. 'It's an impossible task,' warned one European diplomat. 'At the end of the year, we could get the skeleton of a trade agreement plus something on internal and foreign security, but there is no guarantee,' the diplomat added.
- Theresa May's government had proposed a 'dynamic alignment', where London would match EU rules on the environment, state aid and other standards to allow UK companies easy access to Europe.

<https://www.newagebd.net/article/97106/brexit-s-new-chapter-the-impossible-trade-deal>

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