

Stock Market

Stocks rise but turnover hits 3-month low

New Age, March 20, 2019

- Dhaka stocks increased on Tuesday but the turnover at Dhaka Stock Exchange hit its lowest in nearly three months as a section of investors especially institutional ones went for bargain hunting in the bearish market while most of the investors remained on the sidelines.
- DSEX, the key index of DSE, advanced by 0.47 %, or 26.39 points, to close at 5,631.29 points on Tuesday after losing 50.91 points in the previous session. Average share prices of textile, telecommunication, non-bank financial institution and bank advanced by 1.4 %, 0.9 %, 0.8 % and 0.2 % respectively.
- Despite an increase in DSEX on Tuesday, the turnover on the bourse plunged to BDT 437.80 crore from BDT 476.67 crore in the previous trading session. Tuesday's turnover was the lowest after December 26 last year when it was BDT 388.24 crore.
- According to a media report, the government may withdraw its deposits from the financial sector to implement large projects including Padma Bridge and to meet expenses for LNG import. Average share prices of food, miscellaneous and pharmaceutical sectors dropped by 2.9 %, 1.7 % and 0.2 % respectively.
- Out of the 345 issues traded on the day, 233 advanced, 81 declined and 32 remained unchanged. DSE blue-chip index DS30, however, shed 0.15 %, or 3.21 points, to close at 2,014.68 points. Shariah index DSES added 0.77 %, or 9.91 points, to finish at 1,292.93 points.
- BATBC led the turnover leaders with its shares worth BDT 29.49 crore changing hands on the day. United Power Generation Company, BRAC Bank, Dutch-Bangla Bank, Square Pharmaceuticals, Monno Ceramics, Singer Bangladesh, Marico Bangladesh, Premier Bank and Reckitt Benckiser Bangladesh were the other turnover leaders.

<http://www.newagebd.net/article/67863/stocks-rise-but-turnover-hits-3-month-low>

BTRC withdraws 4 SMP conditions on GP after 1 month

New Age, March 20, 2019

- Bangladesh Telecommunication Regulatory Commission on Tuesday withdrew the four conditions it imposed in February on leading mobile phone operator Grameenphone as significant market power.
- Earlier, on February 18 this year, the commission barred GP from making any kind of market communication, allowed its customers to change operator within 30 days under mobile portability service instead of 90 days, barred the operator from signing any exclusive agreement with any party, and set mandatory call drop below 2 %.
- The Significant Market Power Regulations 2018 allows the BTRC to impose conditions on GP as the mobile operator has more than 40 % market share in the mobile telecom service sector in terms of revenue and subscriber.
- In the letter issued by the commission on Tuesday, however, proposed twenty conditions which could be imposed on the mobile phone operator as it was declared significant market power under the SMP regulations enacted by BTRC.

<http://www.newagebd.net/article/67858/btrc-withdraws-4-smp-conditions-on-gp-after-1-month>

BSEC forms 2 bodies to tighten book building method, placement share

New Age, March 19, 2019

- Bangladesh Securities and Exchange Commission on Tuesday formed two committees to make recommendations for amendments to the existing book building method for initial public offering and capital issue by non-listed companies.

- A five-member committee, headed by executive director Ruksana Chowdhury, was formed to review the 'book building method' under public issue rules of 2015. After review, the committee will submit recommendations for amendments to the method.
- A 4-member committee headed by its executive director Mahbulul Alam was formed to make recommendations for amendments to a 2011 notification on capital issue by non-listed companies. The commission move followed a spat of criticisms from the stakeholders regarding pre-IPO placement business.

<http://www.newagebd.net/article/67861/bsec-forms-2-bodies-to-tighten-book-building-method-placement-share>

BSEC to bring changes to book-building rules

The securities regulator to form five-member committee

The Financial Express, March 20, 2019

- The securities regulator has decided to bring some changes to book-building method to make it more transparent and ensure 'fair' price of IPO (initial public offering) shares. The committee will review the 'Book Building Method' of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The committee will recommend necessary changes after reviewing the book-building method, according to the statement.
- Book building is a process through which an issuer attempts to determine the price to offer for its security based on demand from institutional investors. The price of an IPO share is determined through automated bidding joined by different financial institutions. The BSEC approved the 'Public Issue Rules, 2015' on December 28, 2015 after reviewing on the public opinion.
- Companies that will offer primary shares with premium prices will have to follow the book building method to raise capital from public, according to the existing book building method. The securities regulator made the system mandatory for the premium seekers to ensure accountability and responsibility of issuer companies, issue managers, auditors and other stakeholders.
- In January 2018, the securities regulator also brought change in rules regarding conduct of eligible investors (EIs) while taking part in price bidding process of book building method.

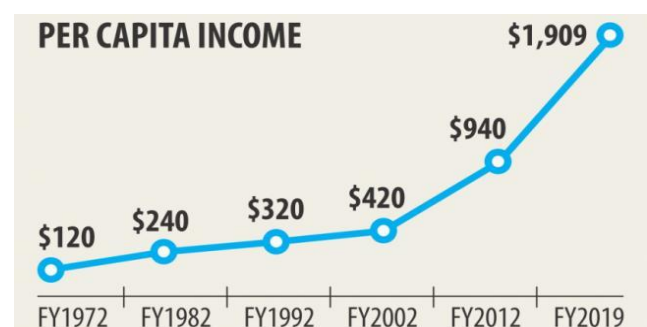
<http://thefinancialexpress.com.bd/stock/bangladesh/bsec-to-bring-changes-to-book-building-rules-1553056514>

Economy

Per capita income hits \$1,909

The Daily Star, March 20, 2019

- Bangladesh's per capita gross national income (GNI) jumped more than 9 % to \$1,909 last fiscal year from \$1,751 a year ago, showed provisional official figures released yesterday. The GNI means all income of a country's residents and businesses including residents abroad while gross domestic product (GDP) takes into account domestic production only.
- Provisional data showed that the per capita GDP also rose at the same pace to \$1,827 in 2018-19 from \$1,675 the previous year. The per capita GNI was \$120 in 1972 and it took a decade to double to \$240 in 1982. It added only \$80 to \$320 in the next decade till 1992.



- The per capita GNI has been rising constantly alongside the country's economic growth since the new millennium. The per capita GNI rose by 124 % to \$940 in the decade to 2012 and more than double to \$1,909 in the next seven years.

<https://www.thedailystar.net/business/news/capita-income-hits-1909-1717606>

ADP shrinks but projects shoot up

The Daily Star, March 20, 2019

- The number of development projects for this fiscal year has increased by about 32 % even though allocation has shrunk, suggesting delays in implementation and reduced budget for each.
- The development comes after National Economic Council in a meeting yesterday, which was chaired by Prime Minister Sheikh Hasina, trimmed down the allocation for the Annual Development Programme by 4.62 % to BDT 1.65 lakh crore yesterday.
- The number of projects in the revised ADP has now reached 1,916 from 1,451 at the beginning of fiscal 2018-19. Apart from these, there are 985 more projects that are awaiting approval and allocation, according to a statement from the planning ministry yesterday.
- Economists recommend working with a small number of projects with high allocation for their timely implementation as it reduces costs and delays. But the government is doing the exact opposite. In the revised ADP, the government-owned fund was increased 0.89 % to BDT 1.14 lakh crore, while the project aid was slashed 15 % to BDT 51,000 crore, according to the statement.

<https://www.thedailystar.net/business/news/adp-shrinks-projects-shoot-1717561>

International

German investors cheered by hopes of Brexit delay, trade progress

New Age, March 20, 2019

- The mood among German investors improved by much more than expected in March, a survey by the ZEW research institute showed on Tuesday, as a potential delay to Britain's departure from the European Union buoyed sentiment.
- British lawmakers voted overwhelmingly last Thursday to seek a delay in Britain's exit from the EU. The ZEW research institute said its monthly survey showed economic sentiment among investors rose to -3.6 from -13.4 in February. Economists had expected an increase to -11.0.
- A separate gauge measuring investors' assessment of the economy's current conditions dipped to 11.1 from 15.0 in the previous month. Markets had predicted a fall to 11.7.
- The stronger-than-expected ZEW reading bucked a recent run of weak data on the German economy, Europe's largest, which stalled in the final quarter of last year, just skirting recession. Figures released earlier this month showed industrial orders posted their biggest drop in seven months in January, a sign that the economy had a subdued start to 2019.
- Many of the country's traditionally export-focused companies have been hit hard by a cooling global economy and trade disputes triggered by US President Donald Trump.

<http://www.newagebd.net/article/67872/german-investors-cheered-by-hopes-of-brexit-delay-trade-progress>

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