

## Stock Market

### Stocks end flat amid turnover surge

New Age, November 20, 2018

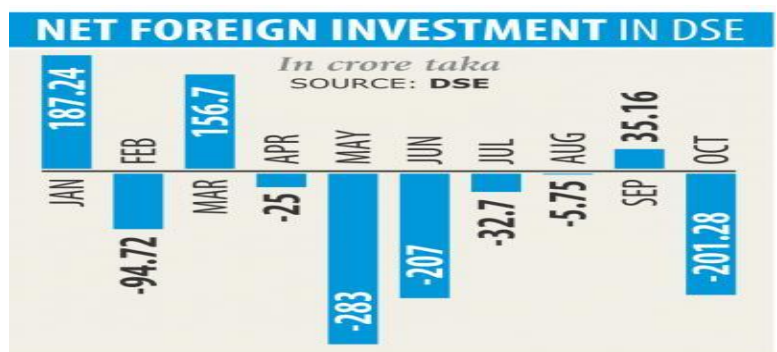
- Dhaka stocks ended flat on Monday as a section of investors went for buying shares on the cheap amid a downward trend at the market while others remained cautious ahead of national polls. DSEX, the key index of Dhaka Stock Exchange, gained 0.01 %, or 1.04 points, to close at 5,257.10 points on Monday after gaining 11.43 points in the previous session.
- DSE shareholders and state-run Investment Corporation of Bangladesh have been injecting funds in the market to support the market. DSE members have been investing the proceeds (BDT 900 crore) of their share sales to a Chinese consortium and ICB has been injecting the proceeds of BDT 2,000-crore bond sales. Average share prices of textile, pharmaceuticals and energy gained by 1.5 %, 0.6 % and 0.3 % respectively.
- But, average share prices of telecommunications, non-bank financial institutions and banks dropped by 1.4 %, 0.9 % and 0.2 % respectively. The turnover on DSE soared to BDT 803.05 crore on Monday compared with that of BDT 556.54 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Monday, 157 declined, 126 advanced and 52 remained unchanged. Shariah index DSES added 0.16 %, or 2.01 points, to finish at 1,214.50 points. DSE blue-chip index DS30 gained 0.001 %, or 0.03 points, to close at 1,853.08 points. Saiham Textile led the turnover chart with its shares worth BDT 53.67 crore changing hands.
- Intech Limited, United Power Generation Company, Kattali Textile, Saiham Cotton, Khulna Power Company, Monno Ceramics, Indo-Bangla Pharmaceuticals, BBS Cables and SK Trims were the other turnover leaders. IT Consultants gained the most on the day with a 9.97-% increase in its share prices, while BBS Cables was the worst loser, shedding 10 %.

<http://www.newagebd.net/article/56574/stocks-end-flat-amid-turnover-surge>

### Foreign funds dip in stocks amid political jitters

The Daily Star, November 20, 2018

- Foreign investors sold more shares than they bought in Dhaka Stock Exchange last month mainly because of political tension ahead of the upcoming national election and the depreciation of the local currency.
- Last month, they purchased shares worth BDT 282.9 crore but sold almost double the amount at BDT 484.18 crore, bringing down the net investment to BDT 201.28 crore in the negative.
- However, the net investment was BDT 35.16 crore in the positive in the previous month, according to data of the premier bourse. Foreign investors embarked on a selling spree fearing political turmoil, a common phenomenon ahead of polls in Bangladesh, a top official of a brokerage house said preferring anonymity.



- The exchange rate for every dollar is BDT 83.88 now, which was BDT 80.90 a year ago, according to Bangladesh Bank data. Moreover, the yield on US Treasury bond has also soared recently, which has encouraged foreign investors to pour money into the tools. Yesterday, the 10-year US Treasury yield stood at 3.088 %, up from its close at 2.88 % on August 24.

<https://www.thedailystar.net/business/news/foreign-funds-dip-stocks-amid-political-jitters-1663051>

## **Alliance brands may run individual safety audit in RMG units**

New Age, November 20, 2018

- North American buyers would run individual safety audits at Bangladesh readymade garment factories from which they procure RMG products after the expiry of the tenure of the buyers' platform, Alliance, with a view to maintaining the safety standards set by it.
- Alliance for Bangladesh Worker Safety, the consortium of 20 North American fashion brands buyers, has been trying to form a joint platform namely Safety Monitoring Organisation comprising the representatives from brands, government and factory owners to ensure post remediation safety monitoring after expiry of its tenure in December this year.
- According to the industry insiders, if the effort to form SMO is failed the Alliance brands might launch individual post inspection safety monitoring system in the factories after the expiry. The another buyers' platform Accord on Fire and Building Safety, formed by European brands and retailers, submitted a transition plan to the government and started handing over the responsibility of its supplier factories to the government formed Remediation Coordination Cell.
- One of the Alliance officials said they would leave Bangladesh after December 31, this year and the platform would try to complete remediation in 500 factories within the time frame. According to the Alliance data, the number of active factories of the platform was 655, of which 424 factories completed remediation.
- Following the Rana Plaza building collapse in April 24, 2013, that killed more than 1,100 people, mostly garment workers, North American buyers and retailers formed the Alliance and at the same time European brands and retailers formed Accord undertaking a five-year plan, which set timeframes and accountability for inspections, trainings and worker empowerment programmes.

<http://www.newagebd.net/article/56570/alliance-brands-may-run-individual-safety-audit-in-rmg-units>

## **MTB launches UnionPay payment services**

The Daily Star, November 20, 2018

- Mutual Trust Bank (MTB) yesterday joined hands with UnionPay International to jointly launch debit and credit cards alongside QR code payment, e-wallet and digital card services for the first time in Bangladesh. The virtual services allow payments through mobile phones, taking away the need for physically carrying cards. MTB signed the relevant agreements with UnionPay International in Shanghai, China in March.
- Addressing the ceremony at MTB Tower in Dhaka, Cai Jianbo, CEO of UnionPay International, said the China-based payment solutions were in use in 170 countries. He said the cards could be used internationally for smoother transactions daily. MTB says it initially plans to run a pilot programme, issuing only UnionPay debit cards on a limited scale, and will go for full fledged promotions from December

<https://www.thedailystar.net/business/news/mtb-launches-unionpay-payment-services-1663045>

## Tax benefit for AMCs extended for 5 years

New Age, November 20, 2018

- National Board of Revenue has extended the tenure of tax benefit for asset management companies on their income in the form of mutual fund management fees. Income tax wing of NBR on November 13 extended the benefit of 15 % reduced tax rate for five years as the current tenure of the benefit is set to expire on December 5.
- NBR in 2013 imposed the tax at reduced rate on fees which the asset management companies received for management of mutual funds for five years. Now, the companies will enjoy the benefit up to 2023 following the extension.
- NBR officials said that they extended the benefit following application from the sector. Generally, asset management companies pay tax at the rate of 37.5 % on their other incomes. AIMS of Bangladesh Ltd, an asset management company, managing director Yawer Sayeed said that the asset managers would be benefited from the extension. There is no tax on income from mutual funds in the country.

<http://www.newagebd.net/article/56573/tax-benefit-for-amcs-extended-for-5-years>

## GP likely to face additional obligations as SMP

New Age, November 20, 2018

- Leading mobile phone operator Grameenphone is likely to face a set of fresh regulations in operating its business in the country as the entity would be declared significant market power (SMP) under newly enacted BTRC regulations, sources said.
- Bangladesh Telecommunication Regulatory Commission (Significant Market Power) Regulations, 2018, which was published in a gazette notification on November 14, allows BTRC to declare the mobile phone operator SMP as it holds market share above 40 % in the country's mobile phone service market.
- The regulations allow the telecom regulator to impose up to BDT 300 crore in administrative fine on mobile phone operators along with other telecom operators under sections 63 and 64 of the Telecommunication Act, 2001 for breaching the clause of the regulations.
- In the country's mobile phone sector, GP's market share was 45.83 % with 7.14 crore subscribers whereas the number of total mobile phone subscribers in the country was 15.58 crore at the end of September this year. The market share of the country's second largest mobile phone operator Robi Axiata was 30 %, while Banglalink held 21.63 % and state-owned Teletalk 2.53 % based on their customer bases.
- The SMP regulations allow BTRC to declare any mobile phone operator SMP if its customer base, generated revenue and allocated spectrum and other resources reach 40 % of the total market size. According to BTRC officials, section 8 of the new regulations allows the commission to issue separate directives on what an SMP would be able to do and what the entity could not be able to do in running business.
- The commission even can impose sanction over any SMP in acquiring further market share or customer. Besides, the regulations empower the commission to issue directive to stop any activity of SMP operator along with taking special measures if it finds that any activity of the operator is lessening the market competition or there is possibility of lessening market competition.

<http://www.newagebd.net/article/56569/gp-likely-to-face-additional-obligations-as-smp>

## Economy

### Govt to borrow BDT 20b more from banks

*Net borrowing to reach BDT 30.42b in Nov*

The Financial Express, November 20, 2018

- The government revised its auction calendar on Monday keeping an option for borrowing BDT 20 bn more for financing budget deficit ahead of the December general elections, officials said. Under the revised calendar, the net borrowing from the banking system is set to reach BDT 30.42 bn by the end of this month, compared with BDT 10.42 bn earlier.
- The government may borrow the additional amount of money from the market by the end of November through issuing bonds, the officials added. The National Board of Revenue (NBR) received BDT 18.99 bn as income tax in the last six days from tax-fairs. The week-long fairs concluded on Monday. The government's bank borrowing trend for December will be finalised in the next meeting of Cash and Debt Management Technical Committee (CDMTC) by the end of this month.
- The weighted average rate (WAR) on call money rose to 3.60 % on Sunday from 3.50 % of the previous working day, the BB data showed. The finance ministry had set a bank-borrowing target of BDT 420.29 bn for fiscal year 2019 to finance the budget deficit.
- Under the proposed bank borrowing, the government will borrow BDT 239.65 bn issuing long-term bonds while the remaining BDT 180.64 bn through treasury bills (T-bills). Currently, four T-bills are being transacted through auctions to adjust the government's borrowing from the banking system. The T-bills have 14-day, 91-day, 182-day and 364-day maturity periods. Also, five government bonds with tenures of two, five, 10, 15 and 20 years respectively are traded on the market.

<http://thefinancialexpress.com.bd/economy/govt-to-borrow-BDT-20b-more-from-banks-1542684917>

### BD set to export poultry feed early next year

The Financial Express, November 20, 2018

- Bangladesh is going to export poultry feed for the first time, with the first shipment set to leave for India early next year, officials said on Monday. Industry insiders said a local company, NOURISH, will send the consignment of poultry feed to the northeastern states of India early next year.
- Mashiur Rahman, owner of a leading poultry industry Paragoan Group, said they were trying to maintain all the good management practices at their factories and farms, eying to export the products, including feed, eggs and meat and processed food.
- According to the poultry industry, the size of the local business is worth about BDT 250 bn, creating 20 % of the jobs. Its contribution to the Gross Domestic Product is nearly 2.4 %. The BPICC 2015 data shows the local industry produces nearly 7.12 bn pieces of eggs, 574,629 tonnes of meat, 2.9 mn tonnes of feed, and medicines worth BDT 33.30 bn annually.

<http://thefinancialexpress.com.bd/trade/bd-set-to-export-poultry-feed-early-next-year-1542684991>

## International

### **APEC fails to live up to its name amid US-China acrimony**

New Age, November 20, 2018

- The C in APEC stands for Cooperation. But when the two biggest members are fighting a trade war and using the forum to attack each other's policies, it was always going to be hard work delivering on that.
- The weekend's Asia-Pacific Economic Cooperation summit in Port Moresby was one of open disagreement, led by disputes between the United States and China over trade, security, and who would be the better investment partner for the region.
- As APEC approaches its 30th anniversary, the failure to agree on a communique for the first time calls into question its relevance in a crowded summit calendar and as the Trump Administration makes clear its aversion to multilateralism.
- Rather than cooperation, the theme seemed to be conflict and containment as Beijing and Washington directly criticised each other's policies and staked their claims as to why they were the security and investment partner the Pacific should choose.
- The United States even preferred its own terminology of Indo-Pacific, which it defines as running from 'the western shores of Latin America to the furthest reaches of the Indian Ocean', with Pence mentioning APEC five times and Indo-Pacific 41 times in his APEC speech on Saturday.
- Founded in 1989 with a view to fostering trade and economic ties around the Pacific Ocean, it operated at a ministerial level until 1993 when US President Bill Clinton established the annual leaders meeting. Each meeting had produced a joint statement at its conclusion, until Sunday.
- In an editorial, Chinese state-run tabloid the Global Times said the absence of a communique was 'not a big deal', and placed more significance on an upcoming meeting between US president Donald Trump and Chinese president Xi Jinping. The two leaders are expected to meet at the G20 summit, which starts in Argentina next week.

<http://www.newagebd.net/article/56571/apec-fails-to-live-up-to-its-name-amid-us-china-acrimony>

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