

## Stock Market

### Dhaka stocks inch down on portfolio rebalancing

New Age, August 22, 2019

- Dhaka stocks inched down on Wednesday after gains in the previous four sessions as some investors went for profit taking and rebalancing their portfolios with the aim of buying shares of sector-specific large capitalised scrips, expecting better corporate declarations from the companies.
- DSEX, the key index of the Dhaka Stock Exchange, shed 0.07 %, or 4.08 points, to close at 5,223.41 points on Wednesday after gaining 40 points in the previous four sessions.
- The share prices of Grameenphone returned to the negative trend, falling by 1 % on Wednesday after a gain in the previous two sessions that weighed with the DSEX seven points negative. The share prices of mutual fund, telecommunication, life insurance and bank sectors dropped by 1.31 %, 0.99 %, 0.65 % and 0.35 % respectively.
- Some investors kept buying shares with an expectation that the listed companies, whose financial year ended in June, would start declaring better dividends and earnings results, market operators said. The average share prices of energy sector advanced by 0.65 % on Wednesday.
- Out of the 353 scrips traded on Wednesday, 194 declined, 123 advanced and 37 remained unchanged. Turnover on the bourse advanced to BDT 542.55 crore on Wednesday from BDT 472.94 crore in the previous session. DS30, the blue-chip index of the DSE, lost 0.21 %, or 3.87 points, to close at 1,841.67 points. DSE Shariah index DSES decreased by 0.02 %, or 0.25 points, to close at 1,204.49 points.
- United Power Generation Company led the turnover chart with its shares worth BDT 67.83 crore changing hands. RAK Ceramics gained the most on the day with a 10-% increase in its share prices while SEML FBLSL Growth Fund was the worst loser, shedding 8.33 %.

<http://www.newagebd.net/article/82127/dhaka-stocks-inch-down-on-portfolio-rebalancing>

### Summit to raise BDT 100cr through Mudaraba bond

The Daily Star, August 22, 2019

- Summit Communication plans to raise BDT 100 crore from the local market by issuing a Shariah-based non-convertible Mudaraba bond to expand its fibre optic cable network up to the remotest part of the country.
- The leading nationwide telecommunication transmission network operator currently has 44,000-kilometre fibre optic cable, covering all the upazilas and about 1,000 union parishads.
- According to the proposal of the company, the initial interest rate of the bond will be 9 % and subsequently the rate of interest will be determined by an average of interest rate of deposits of commercial Islamic banks as published on the Bangladesh Bank's website plus 3 % margin.
- The interest rate, however, will not be less than 8 % or more than 10 %. The maturity period will be five years starting on the issue date, according to a letter Summit recently sent to the Bangladesh Telecommunication Regulatory Commission (BTRC) seeking permission for it.

<https://www.thedailystar.net/business/news/summit-raise-BDT-100cr-through-mudaraba-bond-1788829>

## Defaulter Root Group to get fresh loans from Janata

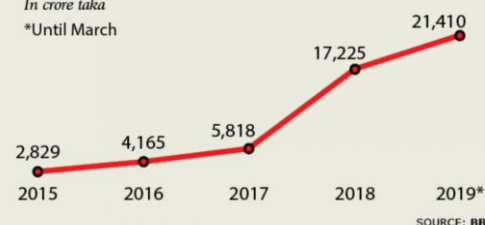
The Daily Star, August 22, 2019

- In a baffling move, the central bank is set to allow precarious Janata Bank to reschedule default loans amounting to BDT 1,049 crore of little-known Root Group that ranks 49 out of the top 300 defaulters in the country.
- Root Group, a textile and fertiliser producer, will be permitted to regularise its bad loans by providing only 5 % down payment -- at a time when it is being investigated by two wings of the Bangladesh Bank for charges of money laundering.
- Not only that, the state bank is preparing to extend fresh import financing worth BDT 750 crore to the group. Janata's generosity towards Root Group comes at a time when the bank's financial health is fragile. As of June, its provisioning shortfall stands at BDT 8,256 crore -- the biggest deficit for a bank in Bangladesh's history
- At the end of March, its default loans stood at BDT 21,410 crore, which was 44 % of its total outstanding loans. Root alone accounted for 4.90 % of the sum. And in giving the loans Janata breached the single borrower exposure limit set by the central bank.
- Banks are allowed to disburse a maximum of 15 % of their capital to a person or group. The total outstanding loans of Root, at BDT 1,060 crore, is 19.51 % of Janata's capital. And by extending fresh financing Janata will tread further past the ceiling.

### DEFAULT LOANS IN JANATA BANK

In crore taka

\*Until March



### ALLEGATIONS AGAINST ROOT GROUP'S COMPANIES

They have defaulted loans of Tk 1,049cr with Janata

Ranka Sohel laundered money, found a BB probe report in 2013

Ranka Denim diverted fund of Tk 379cr, according to Janata Bank

Gram Bangla Fertilizer refused to pay \$60,660 to an Indian bank in 2011 for imports

Four officials of Janata were sacked due to their connection with Root Group

<https://www.thedailystar.net/business/banking/news/defaulters-root-group-get-fresh-loans-janata-1788847>

## Sonali Bank, Janata Bank get new chairmen

Dhaka Tribune, August 22, 2019

- The government has appointed new chairmen to two state-owned commercial banks -- Sonali Bank and Janata Bank.
- A letter issued on Wednesday by the Financial Institution Division of the Finance Ministry says Ziaul Hasan Siddiqui, former deputy governor of Bangladesh Bank, was made chairman of Sonali Bank, while Jamaluddin Ahmed, director of Bangladesh Bank and general secretary of Bangladesh Economic Association, was appointed chairman of Janata Bank. They have been appointed as chairman of the respective banks for the next three years, the letter added.

<https://www.dhakatribune.com/business/banks/2019/08/21/sonali-bank-janata-bank-get-new-chairmen>

## Grameenphone gets new CFO

The Daily Star, August 22, 2019

- Grameenphone has appointed Jens Becker as its new chief financial officer (CFO), effective from August 15. He is replacing Karl Erik Broten, the telecom company said in a statement yesterday.
- Prior to the appointment, Becker had been serving as CFO of T-Mobile in Poland. He was also the CFO at T-Online International AG.
- Becker has over 20 years of experience in Deutsche Telekom Group with leadership positions in Germany and Poland and responsibility for controlling T-Online's subsidiaries in France and Spain.

<https://www.thedailystar.net/business/telecom/news/grameenphone-gets-new-cfo-1788817>

## Economy

### Leather goods exports rebound

The Daily Star, August 22, 2019

- Export of leather and leather goods from Bangladesh rebounded strongly after more than two years thanks to higher shipments to non-traditional markets and the US-China trade war, exporters said. Shipments in July amounted to \$106.10 mn, a 16.39 % year-on-year growth, data of the Export Promotion Bureau (EPB) showed. This is the only sector after garments which fetched \$1 bn last fiscal year.
- It, however, had registered negative growth over the past two years or so because of a gradual shift of tanneries from Hazaribagh to a newly built Savar Tannery Industrial Estate. Of the 155 tanneries that have relocated so far, 123 have gone into full or partial operation and the rest are in the process, according to tanners.
- Tanners are the main suppliers of raw materials to manufacturers and exporters of leather goods like shoes and bags. For instance, of last fiscal year's \$1.01 bn exports, 83 % came from leather goods and the remaining from finished or tanned leather. Previously, it was vice versa, Islam told The Daily Star over the phone.

<https://www.thedailystar.net/business/news/leather-goods-exports-rebound-1788844>

### Govt to import \$819.3m petroleum product

The Daily Star, August 22, 2019

- The government will import 14.35 lakh tonnes of petroleum product worth \$819.30 mn during July to December this year under a government-to-government arrangement. The cabinet committee on purchase approved a proposal of Bangladesh Petroleum Corporation (BPC) in this regard at a meeting with Agriculture Minister
- According to the BPC proposal, the petroleum will be imported from Malaysia, Thailand, Indonesia, the United Arab Emirates, Kuwait and China. The premium, which is the cost of shipping and includes freight

charges and insurance, for importing diesel will be \$2.95 per barrel, Jet fuel-1 \$3.95, petrol \$4.90 and furnace oil \$28.25 per tonne.

<https://www.thedailystar.net/business/news/govt-import-8193m-petroleum-product-1788835>

## International

### German employment up 1.0pc in Q2

The Financial Express, August 21, 2019

- The number of people in employment in Germany grew year-on-year by 1.0 % in the second quarter of 2019 to a total of 45.2 mn people, the German Federal Statistical Office (Destatis) announced on Tuesday.
- However, the growth rate was slightly lower than in the previous two quarters when the number of people in employment in Germany still grew between 1.1 and 1.3 %.
- For the first time since 2009, the sector of business services saw a decline in employment. The number of people in employment also fell in financial and insurance activities as well as in agriculture, forestry and fishing, Destatis announced.
- Compared to the previous quarter, about 324,000 more people were employed in the second quarter of 2019, marking an increase of 0.7 %.
- Nonetheless, the increase in employment in Germany in the second quarter of 2019 was below the average of the past five years. The "spring upturn" in the past five years stood at an average of plus 423,000 people.

<http://thefinancialexpress.com.bd/economy/global/german-employment-up-10pc-in-q2-1566387020>

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