

Stock Market

Stocks end almost flat after sharp rise in previous session

The Financial Express, April 22, 2019

- Stocks ended almost flat on Sunday, after a sharp rise in the previous session, as late hours selling spree wiped out early gains. The market opened on positive note and the key index rose more than 31 points within first hour of trading. But rest of the session eroded most of the initial gains.
- At the end of the session, DSEX, the prime index of the DSE, settled at 5,323, advancing 2.32 points or 0.04 % over the previous day. The DSE Shariah Index also gained 3.60 points to close at 1,231. But, the DS30 index, comprising blue chips, fell 4.63 points to finish at 1892.
- Turnover, another important indicator of the market, however, remained same as total turnover stood at BDT 3.52 bn, which was also BDT 3.52 bn in the previous session. A total number of 102,936 trades were executed in the day's trading session with trading volume of 84.25 mn securities.
- Standard Ceramic was the day's best performer, posting a gain of 8.75 % while Mercantile Insurance was the worst loser, losing 6.92 %. The port city bourse CSE also ended almost flat with its CSE All Share Price Index – CASPI –advancing 4.87 points to settle at 16,269 and the Selective Categories Index - CSCX –gaining 2.63 points to finish at 9,845.

<http://thefinancialexpress.com.bd/stock/stocks-end-almost-flat-after-sharp-rise-in-previous-session-1555843378>

Sea Pearl Beach's public subscription opens Tuesday

The Financial Express, April 22, 2019

- The public subscription of Sea Pearl Beach Resort & Spa Limited is set to open on Tuesday (April 23), as the company aims to raise a fund worth BDT 150 mn from the capital market. The subscription for shares of the company by the eligible investors through electronic subscription system will be continued until May 06.
- Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Sea Pearl Beach Resort & Spa in Cox's Bazar") is a five star resort & hotel in Bangladesh, started its commercial operation on 17 September 2015. The securities regulator – Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of the company on February 19 this year.
- As per the BSEC approval — under the fixed price method — Sea Pearl Beach Resort will offload 15 mn ordinary shares at an offer price of BDT 10 each. A market lot consists of 500 shares and an investor needs BDT 5,000 to apply for each lot of the company's IPO shares.
- For non-resident Bangladeshi (NRB) and foreign applicants, the required amount (per lot) for subscription is US\$ 59.85 or GBP 45.50 or EUR 53.45, according to the Dhaka Stock Exchange (DSE). The company's pre-IPO paid-up capital is BDT 1.0 bn and authorised capital is BDT 2.0 bn.
- The company will use the IPO fund for interior, finishing, furniture & fixture (157 rooms) 71.22 %, acquisition of land 17.77 %, and bearing the IPO expenses 11.01 %.

<http://thefinancialexpress.com.bd/stock/sea-pearl-beachs-public-subscription-opens-tuesday-1555912657>

Economy

Bangladesh Bank relaxes loan classification policy

Dhaka Tribune, April 22, 2019

- Bangladesh Bank has relaxed loan classification policy extending time for repayment with a view to bringing down the huge amount of defaulted loans, which has reached nearly BDT100,000 crore for the first time in the country's 48-year history.
- The central bank issued a circular on April 21 to the managing directors and chief executive officers of all scheduled banks in this regard. This circular will come into force on June 30, the circular said.
- In 2012, the loan classification policy was tightened in compliance with global standards, reducing to three months from the previous six months the timeframe beyond which non-repayment of a loan would be classified as sub-standard.
- As per the current policy, loans overdue for six and nine months are classified as doubtful and bad respectively. But, in the new policy, the timeline has been pushed by three months for each of the categories.
- According to the new regulation, in case an installment or part of an installment of a fixed-term loan is not repaid within the fixed timeframe, the amount of unpaid installment will be treated as overdue after six months.
- After six months, any installment or part of installment of a loan which will remain overdue for a period less than nine months, the entire loan will be treated as sub-standard.

<https://www.dhakatribune.com/business/banks/2019/04/22/bangladesh-bank-relaxes-loan-classification-policy>

Loans against movable assets on the cards

BB has already drafted the law

The Daily Star, April 23, 2019

- People can soon get loans from banks by keeping their movable assets with banks as collateral, in a development that will expand the access to finance. The central bank has already drafted a law titled "The Secured Transaction (Movable Assets) Act", which will soon be sent to the law ministry for vetting.
- As per the draft act, furniture, gold, motor vehicles, computers, patents, goodwill, copyrights and many other tangible and intangible assets will be considered collateral. At present, borrowers are mainly allowed to keep the immovable assets like land, house and infrastructure as collateral with banks.
- The government will form a "Secured Transaction Registration

AT A GLANCE

- The draft will soon be sent to the law ministry for vetting
- The act will be passed in parliament next year
- Furniture, gold, vehicles, computers, patents, goodwill, copyrights can be used as collateral
- A data warehouse will register the collateral of movable assets
- A final stakeholder meeting will be held today in Dhaka

Authority” under the upcoming act, which subsequently will create a data warehouse to register the collateral of movable assets. For instance, banks will register movable assets as collateral with the data warehouse once clients take loans by keeping the assets with them.

- The government signed an advisory agreement with the International Finance Corporation in August 2016 for the implementation of the act. The total implementation cost of the proposed law is estimated to be \$1.86 mn, of which the IFC will foot 65 % as donation, according to a central bank paper.

<https://www.thedailystar.net/business/news/loans-against-movable-assets-the-cards-1733464>

Bangladesh, Brunei sign seven instruments

The Daily Star, April 22, 2019

- Dhaka and Bandar Seri Begawan on Monday signed seven instruments for strengthening cooperation mainly in the fields of agriculture, fisheries, livestock, culture and sports, and LNG supply.
- The instruments were signed after an official bilateral meeting held between Prime Minister Sheikh Hasina and Brunei's Sultan Haji Hassanal Bolkiah at the Istana Nurul Iman, the official residence of the Sultan of Brunei, here.
- Of the seven instruments, six are MoUs and one is the exchange of notes. One Memorandum of Understanding (MoU) is on scientific and technical cooperation in the field of agriculture, while another is on cooperation in the field of fisheries.
- The other MoUs are on cooperation in the field of livestock; cooperation in the field of youth and sports; cooperation in the supply of LNG, and the exchange of notes on exemption of visa for holders of diplomatic and official passports.

<https://www.thedailystar.net/business/dhaka-bangladesh-brunei-sign-seven-instruments-1732972>

Govt picks 65 companies for export trophy 2016-17

New Age, April 23, 2019

- The government has selected 65 companies for awarding National export Trophy 2016-17 for their extraordinary performance in the country's export earnings. Through a notification published in the Bangladesh Gazette the commerce ministry has recently announced the names of the award winning export companies under 28 categories.
- As per the announcement, Zaber and Zubair Fabrics Limited won the gold trophy for the sixth consecutive year as the best exporter in the FY 2017. Of the 65 companies, 28 have been selected for gold trophy, 21 for silver and 16 for bronze trophy.

<http://www.newagebd.net/article/70562/govt-picks-65-companies-for-export-trophy-2016-17>

International

China's economic powerhouse Guangdong posts steady Q1 growth

The Daily Star, April 23, 2019

- Guangdong, China's top province by economic output, maintained a growth rate of 6.6 % in the first quarter thanks to improving industrial production and infrastructure spending, the 21st Century Business Herald reported, citing local officials.
- That came in a notch above the Guangdong provincial government's target of 6.0 % to 6.5 % this year and unchanged from growth in the fourth quarter of last year.
- Export-oriented Guangdong, whose gross domestic product of about \$1.4 trillion is equivalent to that of Australia, has been battling intense pressure from a nine-month long trade war between the United States and China, with many businesses in the region shifting production out of China as factory orders dried up.
- Exports have yet to show any sustainable improvement, up just 1.8 % in the first three months, according to the Herald. That was slightly faster than the 1.2 % growth in 2018 but still pointed to sluggish global demand.
- To keep foreign customers, Chinese manufacturers have been giving discounts and scaling back workforces, among other measures. In line with the national trend, Guangdong's industrial production raced to a nine-month high in the first quarter, with output of new energy vehicles rising 252.1 % from a year earlier.

<https://www.thedailystar.net/business/news/chinas-economic-powerhouse-guangdong-posts-steady-q1-growth-1733422>

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