

Stock Market

Stocks rise in bargain hunting in slow trading

New Age, May 23, 2019

- Dhaka stocks gained marginally on Wednesday after the fall in the previous two sessions as some investors went for bargain hunting purchases following more regulatory measures taken to revive the market.
- Overall trading pattern on the bourse, however, was slow as most of the investors remained cautious amid the ongoing liquidity crisis and pre-budget and Ramadan slowness. DSEX, the key index of DSE, gained 0.26 %, or 14.09 points, to close at 5,250.94 points on Wednesday after losing 99 points in the previous two sessions.
- Besides, the Bangladesh Securities and Exchange Commission's decision taken on Tuesday, imposing a number of restrictions on the companies' directors who are non-compliant with the notification regarding holding of mandatory 2 % shares individually and 30 % jointly, encouraged some investors.
- The decision was welcomed by the investors in the market, said market operators. But, overall mood of the market remained sluggish because of the cautious approach of most of the investors resulting in fall in turnover below BDT 300 crore.
- Therefore, average share prices of textile, non-bank financial institution, energy and pharmaceutical sectors advanced by 0.9 %, 0.71 %, 0.7 % and 0.1 % respectively. Turnover at the bourse also slumped to BDT 290.54 crore from BDT 351.69 crore in the previous session.
- Average share prices of cement, telecommunication and bank declined by 0.31 %, 0.3 % and 0.1 % respectively. Out of the 344 issues traded, 191 advanced, 92 declined and 59 remained unchanged. DSE blue-chip index DS30 added 0.41 %, or 7.53 points, to close at 1,830.32 points.
- Shariah index DSES gained 0.11 %, or 1.31 points, to finish at 1,196.54 points. Fortune Shoes led the chart of turnover leaders with its shares worth BDT 17.44 crore changing hands on the day. Global Insurance Company gained the most on the day with a 9.61-% increase in its share prices while Rupali Life Insurance Company was the worst loser, shedding 7.15 %.

<http://www.newagebd.net/article/73243/stocks-rise-in-bargain-hunting-in-slow-trading>

Decision on Coppertech listing likely today despite incomplete audit review

ICAB tells FRC that Coppertech's auditor is not cooperating

New Age, May 23, 2019

- The Dhaka Stock Exchange will decide on listing of Coppertech Industries today although a probe body of the bourse and the Institute of Chartered Accountants Bangladesh are yet to complete their review reports on the company's financial accounts.
- The DSE's hurry to decide on the company's listing before clearing allegations against it has raised questions among the stakeholders. The Financial Reporting Council on May 14 asked the ICAB to re-audit financial statements of Coppertech and submit the report within 7 working days after allegations of fabrication of financial data had been raised against the company.

- The ICAB on Monday informed the FRC that it was unable to re-audit financial statements of Coppertech as the company's auditor Ahmad and Akhtar refused to co-operate with ICAB. The ICAB wanted various documents relating to Coppertech's accounts, but the auditor did not agree to provide the documents.
- Officials at the FRC confirmed that it received a letter from the ICAB where they mentioned that the auditor did not extend cooperation to them. They also said that the auditor sought more time from the ICAB as its partner was abroad.
- DSE on May 9 decided to review initial public offering application of Coppertech Industries as the company allegedly provided fabricated information in its financial statements and IPO prospectus.
- The DSE board on the day asked its management to investigate the issue and submit report within a week. The DSE board might decide whether it would approve listing of Coppertech or not in line with the investigation report.

<http://www.newagebd.net/article/73244/decision-on-coppertech-listing-likely-today-despite-incomplete-audit-review>

ICB to receive BDT 7.60b from BB today

The Financial Express, May 22, 2019

- The state-run Investment Corporation of Bangladesh (ICB) will receive BDT 7.60 bn today (Wednesday) from the central bank under the capital market refinancing scheme.
- The managing director of the ICB Kazi Sanaul Hoq has confirmed the amount of the fund to be received as part of the government's market supportive measure. According to ICB's managing director, total re-financing fund, including the interest, will have to be repaid within three years.
- The government has approved the fund with an interest of 4.0 %. Under the refinancing scheme, the ICB received BDT 9.0 bn from the central bank in 2013 through three installments. Of the loan, BDT 8.56 bn, including interest, was recovered by the concern committee and the fund was under the custody of the central bank.
- Following the recent sliding of the capital market, the ICB recently has made a plea of getting the fund for the second time under the capital market refinancing scheme. Finally, the government has extended the tenure of the capital market refinancing scheme till December 31, 2022.

<http://thefinancialexpress.com.bd/stock/icb-to-receive-BDT-760b-from-bb-today-1558500926>

Sponsors, directors barred from selling shares if they fail to hold 30pc stakes

The Financial Express, May 22, 2019

- Listed companies will be allowed to raise capital issuing bonus shares only for the purpose of BMRE and further qualitative development. The Bangladesh Securities and Exchange Commission (BSEC) took the decision on Tuesday.
- The securities regulator also took the decision of issuing a new notification regarding holding minimum amount of shares by the sponsor-directors of the listed companies in the meeting.

- According to BSEC decision, the listed companies will be allowed to declare stock dividend only for important purposes such as BMRE (Balancing, Modernisation, Rehabilitation and Expansion) and further qualitative development.
- According to another decision, the sponsors and directors, other than independent ones, of the listed companies will not be allowed to sell or transfer or keep mortgage their shares if they fail to hold 30 % shares jointly.
- The listed companies will not be allowed to raise capital through issuing rights shares or bonus shares or RPO (repeat public offer) or merger if the sponsor-directors fail to hold 30 % shares jointly. The casual vacancy of a director created for not holding 2.0 % shares individually will be fulfilled by another shareholder having 2.0 % shares.

<http://thefinancialexpress.com.bd/stock/sponsors-directors-barred-from-selling-shares-if-they-fail-to-hold-30pc-stakes-1558500354>

EBL reappoints Ali Reza Iftekhar as Managing Director

The Financial Express, May 22, 2019

- Eastern Bank Limited (EBL) has reappointed their Managing Director and Chief Executive Officer (CEO) Ali Reza Iftekhar for another three years. Mr Iftekhar has been serving the bank in this position since 2007, says a media release.
- In his career of 34 years, he has worked in important positions in local private and international banks including Banque Indosuez, Standard Chartered Bank, and AB Bank.
- He joined EBL as deputy managing director back in 2004 and was promoted to additional managing director in 2006. Mr Iftekhar was entrusted with the position of Managing Director and CEO in the bank in 2007.
- He is a recipient of CEO of the Year 2012 award at Asian Leadership Award programme held in Dubai. He served as the chairman of the Association of Bankers Bangladesh Limited (ABB), the apex body for banking professionals of the country, for the term 2014-15.

<http://thefinancialexpress.com.bd/trade/eb1-reappoints-ali-reza-iftekhar-as-managing-director-1558520131>

Economy

Agent banking deposit grows by 20pc in Jan-Mar

New Age, May 23, 2019

- Deposit in the agent banking accounts rose by 20 % or BDT 622 crore in January-March 2019 amid banks' increased focus to the system. Customers can get services like cash deposits, withdrawals, remittance disbursement along with cash payments through agent banking window.
- Bangladesh Bank's latest quarterly report on agent banking released on Wednesday showed that total deposit in agent banking accounts increased to BDT 3,734.50 crore at the end of March this year from BDT 3,112.41 crore at the end of December last year.

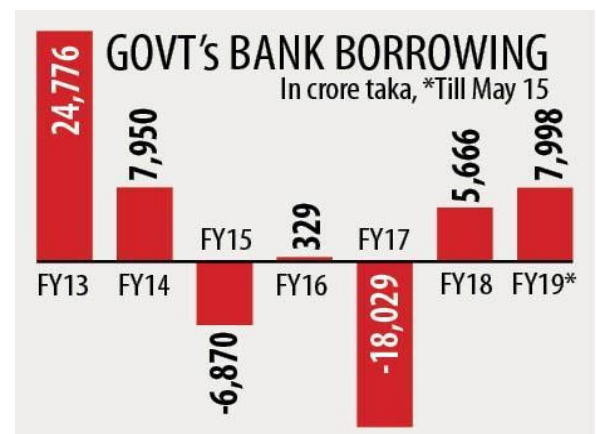
- Of the 19 banks which have agent banking operation, deposits in Al-Arafah Islami Bank's agent banking accounts was the highest, BDT 1,024.34 crore at the end of March this year, up by 10 % from BDT 928.3 crore at the December this year.
- Deposits in Dutch-Bangla Bank through its agent banking wing was BDT 955.56 crore, representing 26 % of total deposits in the agent banks, and the figure was BDT 753.62 crore in the Bank Asia's agent banking wing, representing 20 % of total deposits.

<http://www.newagebd.net/article/73241/agent-banking-deposit-grows-by-20pc-in-jan-mar>

Govt's bank borrowing hits six-year high

The Daily Star, May 22, 2019

- The government has all on a sudden stepped up its borrowing from the banking system from this month as its revenue collection fell short of expectations, sending the cash-strapped banks into a state of panic.
- Until the end of April, the government did not borrow from banks; rather, it paid back BDT 1,083 crore, according to data from the Bangladesh Bank. But from this month it started borrowing; as of May 15, it has taken BDT 7,998 crore, which is the highest in six years.
- The government had earlier targeted to borrow BDT 2,725 crore from commercial banks in May. But in the second week of this month, it has revised the amount to BDT 6,725 crore.
- Between July last year and March this year, the National Board of Revenue managed about BDT 153,419 crore in collections, up 7 % from a year earlier, as per its provisional data. The amount missed the periodic target by nearly BDT 50,500 crore.
- The government has assigned the NBR to collect BDT 296,201 crore in fiscal 2018-19, meaning the revenue authorities will have to collect more than BDT 142,000 crore in the remaining three months to meet the target, which seems highly improbable.
- The interest rate in the call money market ranges 4.50 to 4.60 %, whereas the rate for placement funds goes as high as 12 %. Rahman, also the managing director of Dhaka Bank, called for allowing government agencies to keep their deposits with private banks.



<https://www.thedailystar.net/business/banking/news/govts-bank-borrowing-hits-six-year-high-1747558>

BB doubles deferred payment period for power companies

The Financial Express, May 22, 2019

- The central bank has doubled the deferred payment period for import of raw materials only for the power generating enterprises to help ease the pressure on foreign exchange market, officials said. Under the

relaxation, importers are now allowed up to 360 days instead of 180 days to settle the deferred payment for import of raw materials for power generation.

- The central bank earlier permitted the import of industrial raw materials on deferred payment basis up to 180 days by industrial importers for their own use. Deferred payment arrangements are often used in retail settings where a person buys and receives an item with a commitment to start making payments at a future date.
- The latest move of the BB came against the backdrop of higher import of fuel oils, particularly for power generation, that created extra pressure on the country's foreign exchange market in recent months. During the period from January 03 to May 06, the Bangladesh taka (BDT) depreciated by 60 poisha against the US currency in the inter-bank forex market.

<http://thefinancialexpress.com.bd/economy/bangladesh/bb-doubles-deferred-payment-period-for-power-companies-1558583682>

International

Japan's trade surplus falls sharply as exports drop

The Daily Star, May 22, 2019

- Japan's trade surplus dropped by around 90 % in April, official data showed Wednesday, with exports affected by a slowdown in China's economy as it wages a trade war with Washington. Meanwhile, Japan's politically sensitive trade surplus with the United States grew 17.7 % in April from a year earlier, the data showed, days before US President Trump arrives on a state visit.
- Japan's overall trade surplus plummeted by 90.3 % to 60.4 bn yen (\$550 mn). The decrease, sharply lower than market expectations, was chiefly due to falls in exports of chip-related products to China, the finance ministry data showed.
- But the trade surplus with the United States was up for a second consecutive month, led by exports of automobiles, chip-making equipment and aircraft. The jump in the surplus with the US -- to 723.2 bn yen (\$6.5 bn) -- follows an almost 10 % rise in March and a 1.6 % dip in February.
- The latest figures come ahead of Trump's visit to Japan this weekend for meetings with Prime Minister Shinzo Abe. They are expected to focus on issues including trade. Trump has frequently complained that Japan has an unfair advantage in bilateral trade, and is seeking to negotiate a new trade agreement with Tokyo.

<https://www.thedailystar.net/business/global-business/news/japans-trade-surplus-falls-sharply-exports-drop-1747495>

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