

## Stock Market

### Stocks gain slightly but market woes persist

New Age, October 23, 2019

- Dhaka stocks gained marginally on Wednesday after a plunge in the previous two sessions as a section of institutional investors went for buying shares to halt the slump at the market while many others preferred to remain on the sidelines amid volatility.
- The key index of Dhaka Stock Exchange, DSEX, gained 0.38 %, or 17.94 points, to end at 4,726.62 points on Wednesday after losing 72 points in the previous two sessions. The DSEX lost 210 points in last 15 trading sessions with just three positive sessions.
- On Tuesday, the index had dropped to its lowest after November 17, 2016. Turnover on the DSE dipped to BDT 271 crore on Wednesday from BDT 288.36 crore in the previous session. The average share prices of textile sector advanced by 2.2 %, energy 0.8 % and telecommunication 0.4 % on the day.
- The average share prices of non-bank financial institution, life insurance and bank sectors dropped by 1.5 %, 1.1 % and 0.3 % respectively.
- Out of the 352 scrips traded on the day, 202 advanced, 88 declined and 62 remained unchanged. DSE Shariah index DSES added 0.35 %, or 3.83 points, to end at 1,084.79 points. Blue-chip index DS30, however, shed 0.09 %, or 1.54 points, to close at 1,659.33 points. Grameenphone led the turnover chart with its shares worth BDT 16.93 crore changing hands on the day.
- National Tubes, Standard Ceramics, Sonar Bangla Insurance, Monno Jute Stafflers, Square Pharmaceuticals, Northern Jute, Coppertech Industries, Monno Ceramics and Jamuna Bank were the other turnover leaders. Quasem Industries gained the most on the day with a 12.39-% increase in its share prices while CAPM IBBL Islamic Mutual Fund performed the worst, losing 9.00 %.



<http://www.newagebd.net/article/88563/stocks-gain-slightly-but-market-woes-persist>

### Ailing capital market: Brokers seek BDT 100b lifeline

The Financial Express, October 24, 2019

- Stock brokers are seeking a BDT 100 bn fund from the government to inject new life into the moribund capital market. The intermediaries said they are set to submit their proposal to the finance minister today (Thursday) seeking the fund as loans.
- Meanwhile, the state-run Investment Corporation of Bangladesh has also sought a fund of BDT 50 bn from the government to support the market. After 2010-11 stock market crash, the government provided BDT 9.0 bn under the capital market refinancing scheme. The fund was handed over to the corporation in three equal installments to reduce the sufferings of small investors affected during the market debacle.

- Initially, merchant banks and brokerage firms disbursed the funds against the portfolios of affected investors at an interest of 9.0 %. Later, the interest rate was reduced following the plea from merchant banks and brokerage firms. Finally, the borrowers received funds at an interest of 5.0 % and they disbursed the fund against investors' portfolios at an interest of 7.0 %.
- On completion of disbursement and recovery, out of BDT 9.0 bn, around BDT 7.61 bn was again disbursed to the ICB following its plea made to support the capital market.

<http://thefinancialexpress.com.bd/stock/bangladesh/ailing-capital-market-brokers-see-BDT-100b-lifeline-1571890697>

## **Square Pharma approves BDT200 crore for expansion**

Dhaka Tribune, October 24, 2019

- The board of directors of Square Pharmaceuticals approved BDT200 crore for factory modernisation and expansion of operation amid increased profitability of the drug maker. The approval of BMRE (Balancing, Modernisation, Rehabilitation and Expansion), along with the dividend declaration came from the board meeting of the company on Tuesday.
- The board recommended 42% cash and 7% stock dividend for the year ending on June 30, 2019, according to an announcement on Dhaka Stock Exchange (DSE) website. The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on December 12 at Dhaka Club in Dhaka. The record date for entitlement of dividend is on November 19 this year, adds the announcement.
- The company has also reported consolidated earnings per share (EPS) of BDT16.03, consolidated net asset value (NAV) per share of BDT86.03 and consolidated net operating cash flow per share (NOCFPS) of BDT15.71 for the year ending on June 30, 2019 as against BDT14.69, BDT73.28 and BDT12.55 respectively for the same period of the previous year.
- In 2018, the pharma company disbursed 36 % cash and 7.0 % stock dividend. In 2017, 35% cash and 7.50% stock dividend disbursed. In 2016, the pharma company's disbursed 40% cash and 10% stock dividend.
- Square Pharmaceuticals, one of the leading pharmaceuticals companies, manufactures and markets various generic pharmaceuticals products, basic chemicals, and animal health products. The company holds 17.73% of pharmaceutical market share. Square Pharma has 4 subsidiary companies, according to the company's profile.
- The company was listed on the Dhaka Stock Exchange (DSE) in 1995. Square Pharma's paid-up capital is BDT 789 crore. Each share of the company closed at BDT 238.30 each on Wednesday.

<https://www.dhakatribune.com/business/stock/2019/10/23/square-pharma-approves-BDT200-crore-for-expansion>

## Economy

### **BD moves up eight spots in ease of doing business index**

The Financial Express, October 24, 2019

- Bangladesh has moved eight spots to 168 in the World Bank's Ease of Doing Business index 2020. The country's ranking was 176 in the last year, according to a report by the World Bank Group. A total of 190 countries have been ranked in the global lender's latest index.
- According to the World Bank Group, Bangladesh is among the 20 economies that have seen progress in at least three out of ten areas of the ease of doing business.

<http://thefinancialexpress.com.bd/economy/bangladesh/bd-moves-up-eight-spots-in-ease-of-doing-business-index-1571892134>

### **Cotton import from USA to soar American traders predict**

The Daily Star, October 24, 2019

- Bangladesh's cotton consumption will continue to grow in the near future because of higher shipment of garment items stemming from the US-China trade war and for higher demand for natural fibre by Western consumers, said a top official of Cotton USA, an association of American cotton growers and traders.
- The retailers and brands are coming back to Bangladesh with a lot of work orders as China became very expensive because of the trade war. Countries like Vietnam and Cambodia are also benefitting from the US-China trade war.
- Another important reason is that the Bangladeshi spinning sector is very much unique in the sense that the majority of the yarn and fabrics are made from cotton. For instance, between 2015 and 2017 Bangladesh imported 226,000 bales of cotton each year, but the quantity tripled last year to 785,000 bales (one bale equals to 282 kilogram).
- Last year, Bangladesh imported 8.28 mn bales of cotton worth \$3 bn. Currently, Bangladesh imports 11 % of its annual total requirement of cotton from the US, which was nearly 4 % even three years ago. For example, before July 2018, China used to import 45 % of its total annual requirement of cotton from the US. But now, it is only 15 %. In the global cotton market, the US's share is 40 %.
- Predominantly Brazil, Australia and India -- and to some extent some West African countries -- have increased their cotton export to China after the trade war. The trade war has also helped lower the prices of cotton. Cotton was trading at more than 90 cents even in July last year, but the price of the fibre has now come down to 60–65 cents on the New York Futures market.
- The higher production in some countries like the US is also responsible for the lower prices of cotton worldwide at present. Usually, more than 18,000 farmers in the US produce over 21 mn bales of cotton in a year, but next year the quantity may rise to 30 mn bales due to favourable weather condition.

<https://www.thedailystar.net/business/news/cotton-import-usa-soar-american-traders-predict-1817935>

## Net use cost escalation feared

*Value chain VAT restored to previous level of 15.0pc*

The Financial Express, October 24, 2019

- The cost of internet services at the consumer end might go up by 40 % unless the government reduces VAT on its value-chain services, industry insiders said. VAT on internet services for consumers is 5.0 %. It is 15 % for value-chain services in each of the three layers.
- The new VAT and Supplementary Duty Act-2012 has scrapped the provision for obtaining rebate, if the VAT rate is lower than the standard rate of 15 % on any services. To air concerns over the matter, Internet service providers (ISPs) sit with the National Board of Revenue (NBR) today (Thursday).
- In the current fiscal budget, NBR re-imposed 15-% VAT on value chains-International Terrestrial Cable, International Internet Gateway, and Nationwide Telecommunication Transmission Network.
- On December 2018, VAT on value chains of internet services was cut to 5.0 % following proposals from the information and communication technology (ICT) ministry. Later, NBR re-imposed the VAT in the budget for the current fiscal year (FY).
- In the FY 2017-18 budget, the government also cut VAT to 5.0 % from 15 % at the consumer level for such services. VAT officials said subscribers continued to pay the same charges as before despite a cut in VAT rates. Internet service providers have not slashed monthly charges for users even after enjoying the reduced rate, they added.

<http://thefinancialexpress.com.bd/national/net-use-cost-escalation-feared-1571889673>

## International

### US existing home sales fall

The Daily Star, October 24, 2019

- The short supply of housing in the United States pushed prices up sharply in September, causing sales of existing homes to drop, according to new industry figures released Tuesday. While low interest rates are enticing buyers to purchase new houses, townhouses or condominiums -- a third of them first-time home buyers -- rising demand is driving prices higher, according to the National Association of Realtors.
- The latest NAR report showed sales of existing homes fell 2.2 % compared to August, to 5.38 mn at a seasonally adjusted annual rate, well below what economists had expected.

<https://www.thedailystar.net/business/global-business/news/us-existing-home-sales-fall-1817836>

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