

Stock Market

Dhaka stocks slump as investors go for short-term gain

New Age, September 25, 2019

- Dhaka stocks on Tuesday slumped again as shaky investors went for short-term profit booking after a surge in the previous two sessions. DSEX, the prime index of Dhaka Stock Exchange, plunged by 0.83 %, or 41.51 points, to close at 4,958.72 points on Tuesday after gaining 144 points in the previous two sessions.
- Average share prices of energy sector fell by 1.7 %, telecommunication 1.2 %, non-bank financial institution 1.19 % and bank sector declined by 0.5 %. Turnover on the bourse declined to BDT 405.63 crore on Tuesday from BDT 517.34 crore in the previous session.
- Out of the 352 scrips traded on the day, 214 declined, 103 advanced and 34 remained unchanged. DSE Shariah index DSES decreased by 1.11 %, or 12.85 points, to close at 1,145.29 points. Blue-chip index DS30 shed 0.88 %, or 15.86 points, to close at 1,774.11 points.
- Fortune Shoes led the turnover chart with its shares worth BDT 19.72 crore changing hands on the day. Grameenphone, Beacon Pharmaceuticals, Sonar Bangla Insurance, National Tubes, Square Pharmaceuticals, Monno Jute Stafflers, Summit Power, National Polymer and VFS Thread Dyeing were the other turnover leaders.
- SEML Lecture Equity Management gained the most on the day with a 10-% increase in its share prices while Fortune Shoes was the worst loser, shedding 9.11 %.

<http://www.newagebd.net/article/85593/dhaka-stocks-slump-as-investors-go-for-short-term-gain>

RESOLVING AUDIT DISPUTE

GP urges finance minister to appoint govt rep for talks

New Age, September 25, 2019

- Mobile phone operator Grameenphone has requested finance minister AHM Mustafa Kamal to appoint a government representative for resolving the dispute over the telecom regulator's audit claims to GP and another mobile operator Robi.
- Expressing satisfaction over the meeting outcome, Foley specified that ceasing all regulatory measures for the recovery of the money was one of the pre-conditions of the dialogue.
- As part of the move to realise BDT 13,446.95 crore in audit claims, the BTRC on August 5 this year issued two separate show-cause notices to Grameenphone and Robi, asking the mobile operators to explain why their 2G and 3G licences would not be revoked for non-payment of the audit claims.
- Earlier, the commission halted issuance of no objection certificates to the mobile operators and auto-renewal facility for their voice and data packages.
- In the letter, GP also said that the operator had been looking forward for the implementation of stopping regulatory measures including withdrawal of show-cause notices so that the operator could immediately initiate the dialogue and engage constructively with the aim of arriving at an amicable solution.
- Suspension of all legal initiatives and related activities associated with the audit demand was also a pre-condition of dialogue, the telecom operator said in its letter to the finance minister. Both the operators in

August this year filed two separate lawsuits with a Dhaka court, challenging the audit claims made by the telecom regulator.

- In July, 2018, the BTRC issued a demand letter to Robi claiming BDT 867 crore in dues based on an audit report on the entity's information system. On April 2 this year, the commission issued to GP a BDT 12,579.95-crore demand letter based on an audit.

<http://www.newagebd.net/article/85591/gp-urges-finance-minister-to-appoint-govt-rep-for-talks>

ICB Unit Fund likely to be opened for all

'Stock market to get more funds'

The Financial Express, September 25, 2019

- The Investment Corporation of Bangladesh (ICB) has moved to resume full operation of the country's largest-ever unit fund - ICB Unit Fund - by opening the scope of purchasing its units for all investors. The state-run corporation has taken the initiative as part of its market supportive measures, and for ensuring mass participation in buying and selling the fund.
- ICB Unit Fund, whose present size is around BDT 50 bn, was established in April 1981 for mobilising savings through sale of its units to small investors and investing the funds in marketable securities. The state-run entity has been managing the unit fund. Thousands of senior citizens have units of the oldest unit fund, which has been distributing lucrative dividends year after year.
- However, sale of its units has been stopped for a long time as per the condition of a development agreement, signed with the Asian Development Bank (ADB). The ADB's conditions, among others, also included establishment of the Central Depository Bangladesh Limited (CDBL), and formation of subsidiaries for the ICB.
- Besides, instead of receiving dividends, the unit-holders are allowed to receive CIP (cumulative investment plan) against their dividends. The ICB Unit Fund distributed BDT 40 cash dividend per unit for the fiscal year (FY) 2017-18, BDT 45 for FY 2016-17, BDT 43 for FY 2015-16, BDT 42 for FY 2014-15, and BDT 40 for FY 2013-14.

<http://thefinancialexpress.com.bd/stock/icb-unit-fund-likely-to-be-opened-for-all-1569298109>

Economy

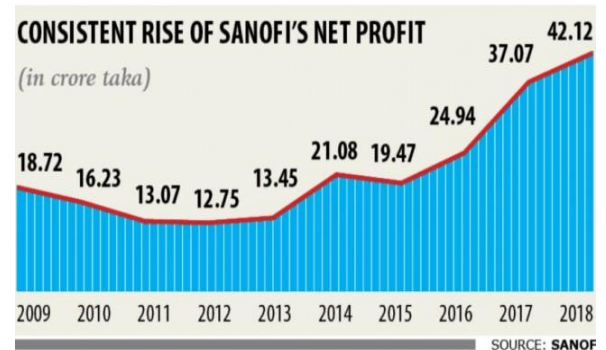
Sonofi's exit plan baffles employees

The drugmaker has been consistently profitable for the last 10 years

The Daily Star 25, September 22, 2019

- French pharma giant Sanofi's intent to leave Bangladesh after 60 years despite being a profitable company has left its 1,000 employees worried about their future. Although the company has been informing its employees that they will not lose their jobs, behind the scenes it has tasked senior officials to draw up a compensation plan.

- Sanofi though has been profitable consistently for the last 10 years of its operation, so the company's retreating from Bangladesh was rather shocking, said another employee. It logged in profits of BDT 42.12 crore in 2018, up 13.62 % year-on-year, company documents show.
- The Sanofi official blamed the corrupt marketing system in the industry for the company's exit. For instance, the local pharma companies can give a lot of commission and gifts to doctors for prescribing their medicines to patients. But such marketing is not permitted by Sanofi's global company policy.
- Sanofi has been present in Bangladesh for over 60 years and is committed to ensuring that its patients have continued access to innovative, affordable and high-quality healthcare solutions. In its world-class plant located in Tongi, Sanofi products are produced maintaining good manufacturing practice standards and storage procedure.
- Sanofi has been in the country since 1958. The company has around 1,000 employees on their payroll and many local vendors are directly associated with the business. Bangladesh government holds 45.36 % stakes in the company and the chairperson of Bangladesh Chemical Industries Corporation is also the board chairman of Sanofi Bangladesh.

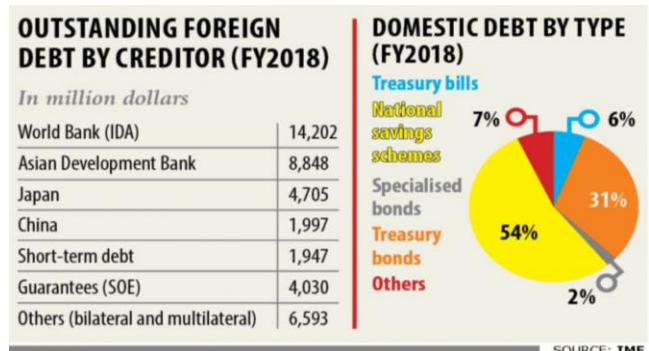


<https://www.thedailystar.net/business/sanofi-aventis-intent-to-leave-bangladesh-despite-profit-1805002>

Bangladesh can borrow more from abroad

The country has a low debt-GDP ratio, IMF says

- The country has scope to bankroll its infrastructure projects through external borrowing as it has a very low debt to gross domestic product ratio, said International Monetary Fund recently. In fiscal 2017-18, public debt in Bangladesh stood at \$91 bn, which is about 34 % of the GDP.
- The majority of public debt is domestic and denominated in local currency. In fiscal 2017-18, domestic debt was 56 % of the total public and publicly guaranteed debt (PPG) stock. The IMF arrived at the assessment without the use of judgement as all external debt indicators are below their thresholds and overall public debt is below its indicative threshold.
- External debt stood at \$40 bn in fiscal 2017-18 and is predominantly owed to multilateral and bilateral creditors, which account for 62 % and 23 % respectively of the outstanding debt. As infrastructure needs in Bangladesh remain, external debt will likely be the primary avenue to finance large infrastructure projects. Favourable debt dynamics help support the sustainability of the investment effort



- The IMF welcomed the government's work on revising the medium-term debt management strategy (MTDS). The last MTDS was prepared in 2014, but the recent rapid increases in NSC issuance reduced its relevance.
- Given the still competitive garment sector, the present value of debt-to-exports and debt service-to exports ratios are well below their thresholds, with the most extreme shock being to exports.

<https://www.thedailystar.net/business/news/bangladesh-can-borrow-more-abroad-1804993>

International

LNG prices seen wallowing at 10-yr seasonal lows by year end: traders

New Age, September 25, 2019

- Asian LNG prices will likely be at their lowest, seasonally, in a decade by the end of the year as rapidly rising production outstrips feeble demand, weighed down by a global economic slowdown and the US-China trade war, traders said.
- Most trade sources in a Reuters survey forecast spot Asian liquefied natural gas for December delivery to go no higher than \$6 per mn British thermal units, which would be the lowest for that month since Refinitiv began collecting such data in 2010.
- They said January and February prices were unlikely to rise much above December's level. Six dollars per mmBtu is lower than the current price of financial LNG contracts, indicating traders see them as overvalued.
- Supplies of the super-chilled gas have been boosted in the past year by new terminals in Australia, Russia and especially the United States. This rise has upended gas markets in Europe, bringing continent-wide inventories to multi-year highs.
- Spikes in crude oil and European gas prices over the past two weeks failed to alter the bearish mood. Industry sources said low spot buying from Asia and full stocks in Europe were the major reasons for weak prices this winter.
- Meanwhile, traders are learning not to expect the demand surge from China that in previous years boosted prices to multi-year highs and turned it into the world's second-largest purchaser of LNG.
- Not only are Chinese players better organised for winter buying, but the country's exponential growth has the trade dispute hanging over it. China slapped tariffs on US LNG last year, and tit-for-tat trade levies have taken their toll on economic growth forecasts as well as industrial demand.

<http://www.newagebd.net/article/85508/lng-prices-seen-wallowing-at-10-yr-seasonal-lows-by-year-end-traders>

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