

Stock Market

DSE turnover hits six months low

The Financial Express, October 24, 2018

- Stocks posted a marginal gain on Wednesday as some investors showed their buying appetite on sector-wise issues. Despite the market edged higher, turnover came down to BDT 3.68bn on Dhaka Stock Exchange, which was six months lowest turnover since May 31 this year when turnover was BDT 3.62bn.
- Following the recent sharp fall, the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) opened higher but trading activities remained low. The positive trend sustained till end of the session amid modest volatility.
- At the end of the session, DSEX, the prime index of the DSE, settled at 5,276, advancing 23.65 points or 0.45% over the previous day. Two other indices also edged higher. The DS30 index, comprising blue chips, advanced 8.05 points to finish at 1,872 and the DSE Shariah Index gained 6.40 points to close at 1,218.
- A total number of 102,853 trades were executed in the day's trading session with trading volume of 98.34mn securities. The market capitalisation of the DSE rose to BDT 3,831bn on Wednesday which was BDT 3,803bn in the previous day.
- The gainers took a modest lead over the losers as out of 341 issues traded, 155 advanced, 145 declined and 41 issues remained unchanged on the DSE trading floor. Beximco topped the DSE turnover chart with 8.47mn shares worth BDT 213mn changing hands, closely followed by Khulna Power Company, BBS Cables, Shahjalal Islami Bank and Summit Power.
- BD Finance was the best performer, posting a gain of 9.49% while Meghna Pet Industries was the worst loser, losing 8.50%. The port city bourse CSE ended higher with its CSE All Share Price Index – CASPI –advancing 82 points to settle at 16,216 and the Selective Categories Index - CSCX –gaining 52 points to finish at 9,826. The gainers beat losers as 109 issues closed higher, 86 ended lower and 31 remained unchanged on the CSE. The port city bourse traded 7.97mn shares and mutual fund units worth more than BDT 220mn in turnover.

<http://thefinancialexpress.com.bd/stock/dse-turnover-hits-six-months-low-1540373965>

ICB, DSE shareholders to invest fresh funds soon

Plan on to form working group for market

The Financial Express, October 24, 2018

- The state-run Investment Corporation of Bangladesh (ICB) and the Dhaka Stock Exchange (DSE) shareholders are set to invest their much-talked-about fresh funds in the capital market very soon. They expressed optimism regarding the fresh investment at a meeting in the capital on Tuesday.
- Bangladesh Securities and Exchange Commission (BSEC) arranged the urgent meeting to prop up the stock market that experienced sharp fall in the last few sessions. The representatives of Bangladesh Merchant Bankers Association (BMBA), ICB, DSE Brokers Association of Bangladesh (DBA), and asset management companies attended the meeting to address the issues behind the ongoing market fall.
- As per the BSEC approval, ICB is set to complete the process of raising funds amounting to BDT 20bn through issuing subordinate bonds. ICB will have to invest BDT 15bn in listed securities of the capital market in accordance with the BSEC directive. In September, DSE received BDT 9.62bn from its Chinese strategic partner by selling the exchange's 25% stake.
- The government has reduced the capital gain tax to 5.0% from 15% on the funds, received from the Chinese consortium, with a condition of investing it in the stock market. After issuing the SRO regarding reduction of gain tax,

DSE shareholders will invest the funds in the market. The proposed group will place recommendations before the regulatory bodies from time to time to support and improve the market.

<http://thefinancialexpress.com.bd/stock/icb-dse-shareholders-to-invest-fresh-funds-soon-1540357823>

Acquisition of substantial number of shares

BSEC exempts United Energy from the compliance

The Financial Express, October 24, 2018

- The securities regulator has allowed United Energy Limited (UEL) to transfer its substantial amount of shares, held at two listed companies, in favour of another company floated under same ownership. To facilitate the transfer of the shares, the BSEC waived the UEL from the compliance with the rules regarding acquisition of substantial number of shares.
- The approval came at a meeting held on Tuesday at the Bangladesh Securities and Exchange Commission (BSEC) office in the capital. The UEL holds above 127.46mn and 359.30mn shares at Khulna Power and United Power Generation and Distribution Company respectively.
- As per the BSEC approval, the said amounts of shares held by United Energy Limited will be transferred in favour of their another company namely Mymensingh Power Limited. The share transfer will be executed beyond the regular trade floor. At Tuesday's meeting, the securities regulator has also approved the draft prospectus of AAML Unit Fund.
- The initial size of the fund will be BDT 100mn. Of BDT 100mn, BDT 90mn will be collected through sales of units while the sponsor will contribute remaining BDT 10mn. Assurance Asset Management is the sponsor and fund manager of the AAML Unit Fund.

<http://thefinancialexpress.com.bd/stock/bangladesh/bsec-exempts-united-energy-from-the-compliance-1540356638>

Steps underway to boost cotton yield

Govt offers funds to farmers, aims to cut reliance on imports

The Daily Star, October 25, 2018

- The government targets to raise cotton yield, as the local spinners and yarn producers have to spend billions of dollars to import the white fibre to produce garment items. The Cotton Development Board (CDB) has already started providing funds to cotton farmers—BDT 15,000 per head from a fund of BDT 5 crore—to encourage more people to produce the fibre.
- The board is also looking for new cotton farming lands in hilly and char areas in different districts along with the existing areas in Jashore, Rangpur, Dinajpur, Rajshahi, Gazipur and Mymensingh. The CDB hopes to produce 2.5 lakh bales of cotton by 2021, which would meet nearly 5-7% of the annual demand for the fibre in Bangladesh, the largest cotton importer in the world.
- Currently, Bangladesh imports \$3bn worth of cotton a year. Last fiscal year, the country produced 1.65 lakh bales of cotton, which can meet less than 3% of the annual demand of 10mn bales. One bale equals to 282 kilograms. Some private seed companies also produce and market high-yield hybrid variety of cotton seeds as many farmers and spinners are showing interest to grow cotton as it has the possibility of becoming a cash crop.



- Last fiscal year, the country imported 7.1mn bales of cotton, meeting 97% of the demand of the country's more than 440 spinning mills. Of the imports, nearly 50% comes from India, down from about 60% two or three years ago, as importers have found some alternative markets, particularly in Africa, according to Ali.

<https://www.thedailystar.net/business/news/steps-underway-boost-cotton-yield-1651408>

Rafiq reappointed MD, CEO of Green Delta Capital

New Age, October 25, 2018

- Md Rafiqul Islam has been reappointed as the managing director and CEO of Green Delta Capital, said a press release.
- The board of directors of the company approved his appointment, which was endorsed by Bangladesh Securities and Exchange Commission, it said.
- Rafiq has an experience of 16 years in the field of investment banking including traditional merchant banking services, the release also said. Rafiq was the chief investment officer of Green Delta Capital from July 2011 to October 2015 before joining as managing director and CEO, added the release.
- He is the 2nd vice-president of Bangladesh Merchant Bankers Association (BMBA) for 2018-19 and chairman of FDI sub-committee for Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) for 2018-19

<http://www.newagebd.net/article/54041/rafiq-reappointed-md-ceo-of-green-delta-capital>

Economy

BCIC, Japan-China JV ink \$1.02b deal to set up country's biggest fertiliser plant

New Age, October 25, 2018

- Bangladesh Chemical Industries Corporation and a China-Japan joint venture on Wednesday signed an agreement to establish a new granular urea fertiliser factory at Polash, Ghorasal in Narsingdi with a production capacity of 9.24 lakh tonnes per year.
- A consortium of Mitsubishi Heavy Industries Ltd (MHI) of Japan and China National Chemical Engineering No-7 Construction Company Ltd (CC7) won the bid for an EPC contract for establishing the fertiliser factory at a cost of \$1.02bn, which was approved by the cabinet committee on public purchase recently, said a press release.
- The plant will be set up through bidder's financing. BCIC chairman Shah Md Aminul Haq, MHI senior vice-president Hajime Nagano and CC7 chief executive officer Wang Da Lin signed the agreement on behalf of the respective sides.
- The executive committee of the national economic council approved the development project proposal of the fertiliser plant with a total cost of BDT 10,460.09 crore, of which BDT 8,616.72 crore would come from bidder's finance and BDT 1,844.19 crore from the government financing.
- The existing two fertiliser factories with accumulated production capacity of 4.35 lakh tonnes per year at Polash, Ghorashal became very old, resulting in a decrease in production capacity and increase in downtime, said the BCIC press release. Currently, the biggest fertiliser factory in the country is the Shahjalal Fertiliser Factory with annual production capacity of 5.81 lakh tonnes

<http://www.newagebd.net/article/54068/bcic-japan-china-jv-ink-102b-deal-to-set-up-countrys-biggest-fertiliser-plant>

Bangladesh ranks Lonely Planet's 7th best value destination

The Financial Express, October 25, 2018

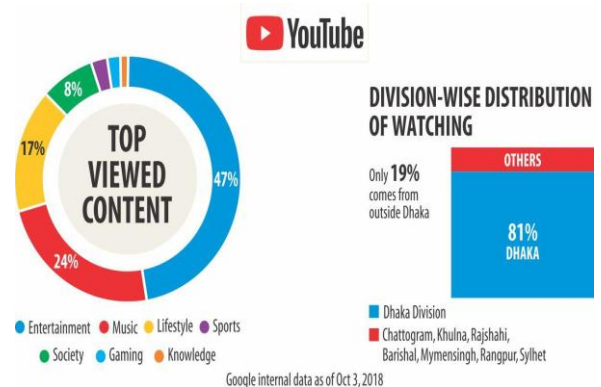
- Lonelyplanet.com, the world's largest travel guide book publisher, has ranked Bangladesh as 7th best-in- value travel destinations for 2019. In a recent report, the travel guide book publisher ranked Bangladesh 7th in their meticulously-crafted list of the top ten places for affordable adventures.
- Lonely Planet's guidebooks are usually aimed at backpackers and other low-cost travelers seeking to explore the world, reports UNB. Lonely Planet's affordable adventures ranking introduces Bangladesh as the world's eighth most populated country, as a home to diverse and exciting cities, as Asia's longest beach (and an emerging surf scene) at Cox's Bazar and the mangroves and wild tigers of Sundarbans National Park.
- The report also described Bagerhat as a historic city is an open-air museum, and other Unesco sites include where the Ganges and Brahmaputra rivers meet, as well as the atmospheric Buddhist ruins at Paharpur. Egypt's Southern Nile Valley topped the rankings, followed by the ambitious post-industrial city of Lodz in Poland and the Great Smoky Mountains National Park of the USA.
- The Maldives and Argentina ranked 4th and 5th consecutively. Albania, Slovenia, and Ecuador complete the Lonelyplanet.com affordable adventure index's list. However, none of Bangladesh's neighbours - India, Myanmar, and Pakistan - were mentioned in the report. Bangladesh government has taken different initiatives to attract international tourists as well as to raise awareness among the locals on tourism's actual and potential contribution to sustainable development.

<http://thefinancialexpress.com.bd/national/bangladesh-ranks-lonely-planets-7th-best-value-destination-1540363449>

YouTube viewership soars upon 4G rollout

The Daily Star, October 25, 2018

- The Bangladeshi YouTube channels saw a spike in subscription after the launch of the fourth generation (4G) mobile broadband in the country, with the youth particularly lapping up the entertainment available on the platform.
- As of October, viewership of the Google-owned video-sharing platform in Bangladesh has grown 64% year-on-year to 2.94 crore, according to Google's internal data report.
- YouTube has counted their viewers through the unique Internet Protocol addresses. Some 47% of the Bangladeshi YouTube viewers enjoy entertainment on the platform, 24% listens to music and 17% watches lifestyle content, according to the report. The growth in viewership has been driven by youth: 28% are between the ages of 18 to 24 and 23% between 25 and 34 years of age. Some 11% of the viewers are between 35 to 44 years of age.
- Five Indian YouTube channels -- Colors TV, T-Series, SET India, Zee Bangla and Sony AATH -- are the most viewed in Bangladesh. Among the Bangladeshi YouTube channels, NTV Natok is in top position, followed by Rtv Drama. A few thousand YouTubers are now developing content for their own channels, according to Khandaker Fakaruddin Ahmed, head of NTV Online. Dhaka division accounts for 81% of the viewership, followed by Chattogram division at 8%.



<https://www.thedailystar.net/business/news/youtube-viewership-soars-upon-4g-rollout-1651366>

Accord starts handing over charge to RCC

The Financial Express, October 25, 2018

- Accord has formally started handing over the responsibility of its ongoing safety activities in the country's ready-made garment (RMG) sector, sources said. As part of the charge shifting process, the EU-based buyers' platform handed over the responsibility of 20 garment factories to Remediation Coordination Cell (RCC) on Wednesday.
- Of the 20 units, 12 are located in Dhaka, five in Gazipur, and rest three are located in Chattogram, they added. Accord's move came after the decision of Transitional Monitoring Committee (TMC) meeting, held on October 09, that Accord would start the process from October 15.
- Accord has handed over to RCC the units' initial fire, electrical, structural and follow-up inspection reports, recognition certificate of remediation completion, and escalation and financial supports, received from its remediation fund status.

<http://thefinancialexpress.com.bd/trade/accord-starts-handing-over-charge-to-rcc-1540438700>

International

Chinese wealth may get harder to snag for global bankers

- News of a foreign wealth manager being denied exit from China last week is raising concerns for global private banks, as they seek to tap trillions of dollars of wealth offshore in the face of Beijing's growing curbs on overseas investments and outflows.
- The banker, a Singapore-based member of UBS wealth management business, was prevented from leaving Beijing and asked to meet local officials this week. Her identity is not known yet. Although the purpose of the meeting is not publicly known, the news still led several banks including UBS, Citigroup, JPMorgan, Standard Chartered and BNP Paribas to ask private bankers to reconsider travel to China, people familiar with the matter said on Monday.
- The uncertainty around the UBS banker's delayed departure comes at a tricky time for foreign investors in China as Beijing steps up curbs and increases scrutiny on offshore investments and outflows amid a weakening economy and currency.
- UBS is the largest wealth manager operating in Asia, with \$383bn of assets under management, according to Asian Private Banker magazine, ahead of Citi, Credit Suisse, HSBC and Julius Baer. Foreign private banks have invested heavily in courting the rich in China - home to the world's fastest-growing pool of wealth and the second-largest group of billionaires in the world, after the United States.
- Regulations and restrictions on business ownership and products have so far deterred most banks from having an onshore presence. An offshore business, mainly managed out of their Hong Kong and Singapore hubs, remains the preferred route.
- A high degree of secrecy means there are no credible data on the total assets that Chinese individuals hold offshore. Offshore private banks are at liberty to help clients - including those from China - manage wealth already outside the mainland via legal means such as through company stock listings, asset sales or the creation of trust companies.
- The yuan has fallen over 6% so far this year, hit by a Sino-US trade dispute, and unobtrusively China has been moving to rein in currency outflows. Moreover, under new global standards aimed at cracking down on tax cheats, China this year began a two-way exchange of information about bank accounts with other nations, which consultants say will give the authorities more visibility about the offshore holdings of its citizens.

<http://www.newagebd.net/article/54038/chinese-wealth-may-get-harder-to-snap-for-global-bankers>

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