

Stock Market

DSE WEEKLY REVIEW

Dhaka stocks gain marginally

New Age, May 26, 2019

- Banking on a single-day surge, Dhaka stocks gained marginally in the past week despite the losses in most of the sessions due to the fading psychological impact of the government incentives for the investors.
- DSEX, the key index of Dhaka Stock Exchange, gained 0.38 %, or 19.81 points, over the week to close at 5,250.60 points on Thursday, the last trading session of the week after losing 56 points in the previous two weeks.
- DSEX fell in three out of the five sessions in the past week, but the 104-point gain in the first trading session along with a marginal uptrend in the fourth session outweighed the losses of the index for the week. The BB also gave BDT 760 crore to state-run Investment Corporation of Bangladesh to revive capital market.
- Overall market scenario was dull in the past week as the impact of incentives and reforms in the capital market waned as investors lacked trust and confidence over the market amid the liquidity shortage in the financial market.
- Average share prices of general insurance, non-bank financial institution, bank and energy advanced by 5.5 %, 2.2 %, 1.0 % and 0.9 % respectively. Average share prices of telecommunication, textile and pharmaceutical sectors dropped by 2.0 %, 0.2 % and 0.1 % respectively.
- The daily average turnover on DSE increased to BDT 358.60 crore in the past week from BDT 292.30 crore in the previous week. Out of the 350 issues traded, 143 declined, 171 advanced and 37 remained unchanged. DS30, the blue-chip index of DSE, added 0.80 %, or 14.61 points, to close at 1,832.82 points.
- Shariah index DSES however, declined by 0.39 %, or 4.66 points, to finish at 1,192.90 points. BRAC Bank led the turnover chart with its shares worth BDT 79.86 crore changing hands in the week. Fortune Shoes, SK Trims and Industries, United Power Generation Company, IFIC Bank, Eastern Bank, Monno Ceramic Industries, Doreen Power, Power Grid Company and Prime Finance were the other turnover leaders.
- Global Insurance Company gained the most in the week with a 42.64-% increase in its share prices while Rupali Life Insurance was the worst loser, shedding 19.33 %.

<http://www.newagebd.net/article/73504/dhaka-stocks-gain-marginally>

BRAC Bank tops weekly turnover chart

Ten companies account for 23pc turnover on DSE

The Financial Express, May 26, 2019

- The BRAC Bank generated the highest turnover on the Dhaka Stock Exchange (DSE) in the outgoing week, while ten most-traded companies accounted for more than 23 % of the weekly transactions. As per the earnings release, the unaudited consolidated earnings per share (EPS) of the bank stood at BDT 1.22 for January-March 2019 as against BDT 1.28 for January-March 2018.

- The consolidated net operating cash flow per share (NOCFPS) was BDT 5.82 for January-March 2019 as against BDT 5.67 for January-March 2018. The consolidated net asset value (NAV) per share was BDT 34.09 as on March 31, 2019 and BDT 26.21 as on March 31, 2018.
- According to the DSE data, 7.86 mn shares of BRAC Bank were traded during the week, generating a turnover of BDT 799 mn, making up 4.45 % of the DSE's total turnover. The turnover of the week on the DSE totalled BDT 17.93 bn as against BDT 14.61 bn in the previous week.
- BRAC Bank, listed on the DSE in 2007, disbursed 15 % stock dividend for the year ended on December 31, 2018. The bank's paid-up capital is BDT 12.33 bn, authorised capital is BDT 20 bn and the total number of securities is 1.23 bn.

<http://thefinancialexpress.com.bd/stock/bangladesh/brac-bank-tops-weekly-turnover-chart-1558759386>

MTB gets global data security standard certificate

The Daily Star, May 26, 2019

- Mutual Trust Bank has recently become the third Bangladeshi bank to receive the certificate for complying with the payment card industry data security standard (PCI DSS) set by Visa, MasterCard, Discover Financial Services, JCB International and American Express.
- It has also become the fourth Bangladeshi institution to achieve the certificate for security standards formed in 2004 to fight against data theft and fraud. Earlier, two banks – City and EBL – and IT Consultants Limited that runs a payment processing consortium popularly known as Q Cash got the certification.
- Even, the central bank should take the PCI DSS certification for ensuring security in its national payments switch, he noted. PCI certification is also considered the best way to safeguard sensitive data and information, thereby helping businesses build long lasting and trusting relationships with their customers.

<https://www.thedailystar.net/business/banking/news/mtb-gets-global-data-security-standard-certificate-1748182>

No bonus shares issuance from cos' capital reserve

BSEC tightens rules

New Age, May 26, 2019

- Bangladesh Securities and Exchange Commission has imposed restriction on bonus dividend declaration by the listed companies saying that the companies must have justification for issuance of bonus shares and must highlight in its price sensitive information that the bonus shares are declared from their accumulative profits not from capital reserves.
- BSEC issued a notification in this connection on Thursday with an immediate effect. According to the notification, the listed companies have to disclose PSI mentioning the reasons for bonus dividend declaration and utilisation of such retained amount as capital.
- The companies will have to mention that the bonus shares are declared from their accumulated profits or share premium. Besides, the company must quote in the PSI that the bonus shares are not declared from capital reserve or revaluation reserve or any unrealised gain or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

- The commission must enforce its rules and regulations with appropriate measures against errant people to curb loopholes at the market and revive the investors' confidence in the market.

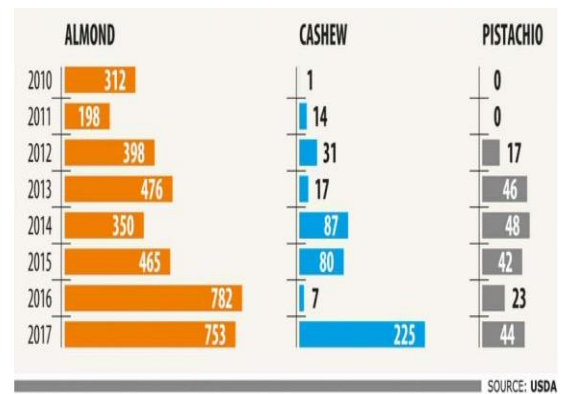
<http://www.newagebd.net/article/73395/no-bonus-shares-issuance-from-cos-capital-reserve>

Economy

Bangladesh becoming major importer of US nuts

The Daily Star, May 26, 2019

- Bangladesh is progressively becoming an important market for the US's tree nuts, mainly almond, thanks to the country's rising income and expanding food and beverage industry, said a report by the US Department of Agriculture (USDA).
- As per capita income has risen, food habits changed from cereals to increased meat consumption and from home cooking to dining out. Since 2010, total import of tree nuts -- almond, cashew and pistachios -- grew more than three times to 1,022 tonnes, according to the report.
- Bangladesh is a net importer of nuts such as almonds, cashews, pistachios and walnuts. Save for peanuts, the other nuts consumed here are imported. Cashews and almonds are imported the most, while the share of pistachios and walnuts is slowly growing.
- Bangladesh imports almonds from the US, which is a major global supplier, directly and indirectly via re-exporting from Hong Kong. Decades ago, high value tree nuts were limited in supply in retail markets and consumers were not aware of the health benefits of them.



<https://www.thedailystar.net/business/export/news/bangladesh-becoming-major-importer-us-nuts-1748185>

Exclusive economic zone for Japanese investors on cards

The Financial Express, May 26, 2019

- An exclusive economic zone for Japanese investors is going to be developed at Araihasar upazila in Nayaranganj alongside Dhaka-Syhet Highway. Bangladesh Economic Zone Authority (BEZA) will sign a joint venture agreement with Sumitomo Corporation of Japan for development of the proposed economic zone, official sources at BEZA said.
- According to them, the new economic zone will be developed on 1,000 acres of land of which the government has already acquired 500 acres in phase-1 while the remaining 500 acres are under the land acquisition process as part of phase-2, reports UNB.
- The location of the economic zone is 37 km away off Gulshan in the capital and it will be named as Bangladesh Special Economic Zone (BSEZ).

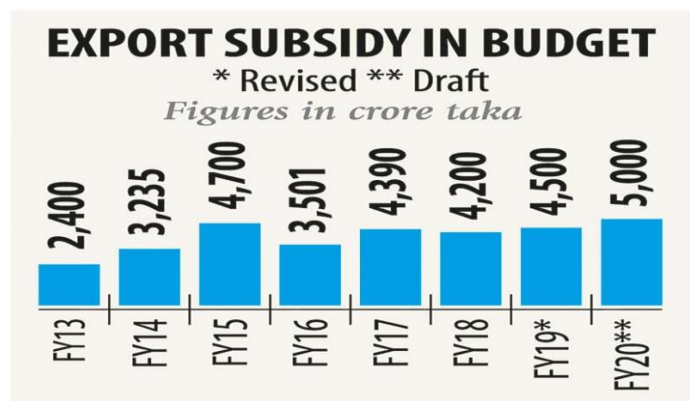
- The sources said the proposed economic zone is being developed exclusively for Japanese investors as the follow-up of a decision taken during Prime Minister Sheikh Hasina's visit to Japan in May 2014 and Japanese Prime Minister's counter visit to Bangladesh in September the same year.
- The Executive Committee of the National Economic Council (Ecne) has already approved a BDT 25.82 bn project to this end and Japanese multilateral donor Japan International Cooperation Agency (JICA) is financing the project.

<http://thefinancialexpress.com.bd/economy/bangladesh/exclusive-economic-zone-for-japanese-investors-on-cards-1558793714>

Exporters may get more cash incentives

The Daily Star, May 24, 2019

- The government mulls over increasing the cash incentive for exports by one %age point as it looks to motivate exporters to leverage the sudden opportunities presented by the US-China trade war. Currently, 26 sectors are provided with cash incentives ranging from 2 % to 20 % of their export proceeds to encourage higher shipments.
- But garment exporters, who fetch more than 80 % of the country's export receipts, demanded more cash incentives in the incoming fiscal year to tide them through the rising costs amid implementation of the new wage scale in the industry.
- The finance ministry though is planning to extend the facility to all sectors as the escalating US-China trade war has suddenly expanded Bangladesh's export market. The export growth, which slowed down last fiscal year, has started looking up again this fiscal year thanks to the trade war kick-started by US President Donald Trump in 2018.
- In the first ten months of fiscal 2018-19, export receipts soared 11.6 % year-on-year in contrast to 6.41 % registered a year earlier, according to data from the Bangladesh Bank. Of the amount, BDT 500 crore went to the jute sector and the other BDT 4,000 crore was allocated for all sectors, including textile and garments, according to finance ministry statistics.



<https://www.thedailystar.net/business/export/news/exporters-may-get-more-cash-incentives-1748197>

Bangladesh has highest number of green garment factories

10 more receive platinum rating from US organisation

The Daily Star, May 26, 2019

- Ten more garment factories received the top billing from the United States Green Building Council (USGBC) to take the total to 24, the highest in the world, in a heartening development for Bangladesh's apparel sector, whose image has been battered by incidents of industrial accidents.
- Of the 24 platinum-rated LEED (Leadership in Energy and Environmental Design) factories in Bangladesh, six are amongst the top 10 in the world. Overall, the total number of LEED-certified garment factories in Bangladesh is 90, including the 24 platinum rated buildings, according to the USGBC.
- The move towards green buildings helped in recovering Bangladesh's image after the Rana Plaza building collapse in April 2013, which killed 1,134 and injured more than 2,000. Not only branding, green technology also helps to cut down on energy usage by 40 % and water consumption by more than 30 %.

COMPANIES TO GET GREEN CERTIFICATES

UHM Ltd
Saiham Tower
Designer Fashion Ltd
Mithela Textile Industries Ltd
Tosrifa Industries Ltd (fabric division)
Genesis Washing Ltd
AR Jeans Producer Ltd
BIFFL corporate office
SSG Fan Factory
Green Textile Ltd (unit 3)
Pioneer Denim Ltd
Kenpark 2
The Civil Engineers Ltd (woven and unit 2)

<https://www.thedailystar.net/business/news/bangladesh-has-highest-number-green-garment-factories-1749016>

International

Global stocks, oil edge higher on muted trade optimism

The Daily Star, May 26, 2019

- World stocks edged higher on Friday and oil prices recovered from bruising falls, after US President Donald Trump nurtured muted hopes of progress in U.S.-China talks while concerns over trade and the health of the world economy persisted.
- Trade tensions have roiled global markets this week with the MSCI All Country index up 0.2 % on the day but in line for a more than 1 % fall in its third week in the red, their longest losing streak since a rout in December.
- Asian bourses were torn between fears of a more protracted U.S.-China trade war and hopes the world's two largest economies would reach a deal soon. China mainland blue chips and Hong Kong stocks climbed around 0.3 % while Japan's Nikkei fell 0.2 %.
- Flight-to-safety plays continued to dominate global markets with the benchmark 10-year U.S. Treasury note yield hitting 2.292 % overnight, the lowest level since mid-October 2017. The yield last stood at 2.3220 %.
- Key parts of the US yield curve were inverted, flashing another warning sign about the health of the world's biggest economy. US manufacturing growth sputtered in May, data showed on Thursday, measuring its weakest pace of activity in nearly a decade, while new orders fell for the first time since August 2009.

- The US Commerce Department said on Thursday it was proposing a new rule to impose anti-subsidy duties on products from countries that undervalue their currencies, in another move that could penalise Chinese products. The euro, which on Thursday slumped to levels last seen in May 2017 as a recovery in euro zone business activity was weaker than expected, traded at \$1.1191 on Friday.

<https://www.thedailystar.net/business/global-business/news/global-stocks-oil-edge-higher-muted-trade-optimism-1748989>

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