

Stock Market

Dhaka stocks inch up in seesaw trading

New Age, June 26, 2019

- Dhaka stocks inched up on Tuesday after a three-day fall as some investors went for buying shares on tax review hope while many others remained cautious as they were uncertain about the government's position on the issue ahead of passage of the national budget.
- DSEX, the key index of Dhaka Stock Exchange, added 0.03 %, or 1.80 points, to close at 5,380.96 points on Tuesday after losing 32 points in the previous three sessions.
- The market went through a rough day with the index fluctuating throughout the session and finished the session with a marginal gain as investors were divided over the issue of proposed tax on listed companies, market operators said.
- Some investors went for buying shares as prime minister's private industry and investment affairs adviser Salman F Rahman on Monday said that the government was seriously working on the issue of proposed 15 % additional tax on retained earnings and reserve of listed companies and the issue might be resolved before passage of the budget for the financial year of 2019-20.
- United Power Generation Company, Genex Infosys, Global Insurance, Bangladesh Shipping Corporation, Square Pharmaceuticals, Grameenphone, Runner Automobiles, BBS Cables and BRAC Bank were the other turnover leaders.

<http://www.newagebd.net/article/76545/dhaka-stocks-inch-up-in-seesaw-trading>

Alhaj Textile lays off citing fall in yarn demand

New Age, June 26, 2019

- Alhaj Textile Mills Limited, one of the oldest cotton yarn manufacturers in Bangladesh, has stopped its production for 30 days as the company faced severe business crisis including significant fall in sales amid lack of demand in the market, according to a Dhaka Stock Exchange web post.
- DSE disseminated the news on Tuesday saying that the board of directors of Alhaj Textile Mills had decided to lay off the factory for 30 days with effect from June 25, 2019 to July 24, 2019.
- The company also witnessed shortage of storage facilities for holding stock of finished goods in the warehouses and also faced severe blockage of working capital.
- Share prices of the company plunged by lowest possible 9.90 % to close at BDT 63.70 per share following the factory shut down news.
- Alhaj Textile chief financial officer and company secretary Shawkat Ali told New Age that the company was forced to lay off the factory as sale of yarn dropped significantly. He said that the feeble and unregulated bonded warehouse facility was the main reason behind the fall of sales and demand.
- The company has recently received BDT 35.84 crore from Agrani Bank in a dispute between Agrani Bank and Alhaj Textile, he said. The company kept the amount in the bank as FDR.

<http://www.newagebd.net/article/76542/alhaj-textile-lays-off-citing-fall-in-yarn-demand>

Tax measures to hit steel industry, consumers hard

The Daily Star, June 26, 2019

- The price of mild-steel rod will go up BDT 10,350 per tonne if the proposed value-added tax and other fiscal measures for next fiscal year come into effect, steel millers said yesterday.
- As per the planned VAT and other tax measures spelled out in the Finance Bill 2019, the price of the key construction material will reach BDT 72,050 per tonne, according to Bangladesh Steel Manufacturers' Association (BSMA). At present, a tonne of standard MS rod sells for BDT 63,000.
- The association said the tax on rod has increased by 138 % from BDT 1,950 to BDT 4,650 per tonne.
- "The steel sector is highly capital-intensive, so any additional tax will create extra burden on the sector," said Manwar Hossain, president of the BSMA, while addressing a post-budget press conference at National Press Club yesterday.
- "The increased VAT and tax will not only affect the infrastructure and housing sectors. It will also hold back the steady growth of the steel sector, disrupt the development of the country and hurt the consumers."
- The BSMA, the Bangladesh Re-Rolling Mills Association, and the Bangladesh Steel Mill Owners Association jointly organised the briefing.
- As per the Finance Bill, the VAT on scrap sales will go up to BDT 1,750 from BDT 300, fixed VAT on billet sales to BDT 2,000 from BDT 450 and fixed VAT on rod sales to BDT 2,000 from BDT 450.
- The VAT on retail sales will go up to BDT 3,300 from BDT 200. In total, the total VAT impact will be BDT 9,050 per tonne from BDT 1,400 now, an increase of 546 %, according to the association.

<https://www.thedailystar.net/business/news/tax-measures-hit-steel-industry-consumers-hard-1762537>

Economy

External sector shows sign of recovery in H2

The Financial Express, June 26, 2019

- Current-account balance-to-GDP (gross domestic product) ratio improved during the second half (H2) of 2018 compared to the same period a year earlier. This means the country's export growth shows sign of upturn while import growth is decaying.
- Such as ratio has been fluctuating during the last couple of years, according to the latest Bangladesh Systemic Risk Dashboard (BSRD) report, released by the central bank on Monday.
- The report noted the ratio has been negative since December 2016. During the fiscal year (FY) 2017-18, real GDP growth rate maintained an increasing trend and was recorded at 7.9 %.
- The growth rate was 7.3 % in FY 17.
- The central bank has focused on different macroeconomic indicators such as aggregate debt-to-GDP ratio, government debt-to-GDP ratio and advance-to-deposit ratio of the banks with graphical charts in its 40-page report.

<http://thefinancialexpress.com.bd/economy/bangladesh/external-sector-shows-sign-of-recovery-in-h2-1561433263>

International

Indians stash USD490 bn black money in abroad: Report

The Financial Express, June 26, 2019

- Indians have stashed 490 bn US dollar black money in abroad besides black money parked within the country as 'investments' in different sectors, according to studies of the country's top three think tanks.
- The studies, conducted by the country's top three think tanks, said that the money stashed inside the country in different sectors like real estate, mining, tobacco/guBDTa, bullion, films and education.
- The unaccounted wealth held by Indians outside the country till 2010 could be as high as USD490 bn, said the think tanks-- NIPFP, NCAER and NIFM—in a report.
- This was part of a report of the standing committee on finance tabled in Lok Sabha on Monday, reports TOI. This is the first official acknowledgement of the three government sponsored studies initiated in 2011 to estimate black money held by Indians in the country and abroad.
- On a reference from the then UPA government, the three premier institutes came out with their own estimates of black money. The reports have not been made public yet, though they were submitted to the government during the United Progressive Alliance (UPA) regime.

<http://thefinancialexpress.com.bd/economy/global/indians-stash-490-bn-black-money-in-abroad-report-1561447631>

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