

Stock Market

Stocks gain after 3-day fall on facelift efforts

New Age, September 26, 2018

- DSEX, the key index of Dhaka Stock Exchange, gained 0.54%, or 29.33 points, to close at 5,386.88 points on Tuesday after losing 147.50 points in the previous three sessions. Among the large capitalised scrips, the share prices of British American Tobacco, Square Pharmaceuticals, Khulna Power Company and Grameenphone increased most on the day. Besides, a section of investors also went for bargain hunting from the bearish market.
- The bearish trend at the capital market began from the end of August when political activities surrounding the national polls increased in the country. Therefore, the turnover on the DSE dropped further to BDT 487.97 crore on Tuesday compared with that of BDT 580.08 crore in the previous trading session.
- Evince Textiles Limited and Northern Jute Manufacturing Company have been placed in the 'Z' category as the company declared no dividend for the year end June, 2018. The average share prices of energy, pharmaceutical, telecommunication and banks advanced by 0.8%, 0.7%, 0.5% and 0.2% respectively.
- On the other hand, the share prices of non-bank financial institution and cement dropped by 0.1% and 0.4% respectively. Of the 335 companies and mutual funds traded on Tuesday, 140 declined, 153 advanced, and 41 remained unchanged. DS30, the blue-chip index of the DSE, also added 0.43%, or 8.22 points, to close at 1,891.69 points. Shariah index DSES gained 0.61%, or 7.60 points, to finish at 1,241.09 points.
- IFAD Autos, Active Fine Chemicals, Shasha Denims, National Life Insurance Company, BBS Cables, National Housing Finance, United Power Generation Company, Intech Limited and Aman Feed were the other turnover leaders. Global Insurance Company gained the most on the day with a 9.85-per cent increase in its share prices, while Evince Textiles was the worst loser, shedding 7.07%.

<http://www.newagebd.net/article/51562/stocks-gain-after-3-day-fall-on-facelift-efforts>

China group plans support to make DSE a top bourse

New Age, September 26, 2018

- The Chinese consortium, which became strategic partner of the Dhaka Stock Exchange early this month, has said the consortium would help DSE enhance its capability with the aim of making the Bangladesh's premier bourse a leading market in Asia.
- The Chinese consortium of Shenzhen and Shanghai stock exchanges on September 4 joined DSE as its strategic shareholder through purchasing 25% shares of the Bangladesh's premier bourse at BDT 947 crore. The consortium nominated Xie Wenhui, deputy director general of the IT management committee of the Shenzhen Stock Exchange, as a member to the DSE board.
- The Chinese consortium offered technical assistance worth over \$37mn to DSE and the Bangladesh Securities and Exchange Commission asked the bourse to evaluate technical and financial offers of the group for the interest of the country's capital market.
- Given the two countries have similar development pattern, some of Chinese experiences might be shared, he said, citing examples of developing dynamic SME and private sectors and giving people incentives to develop new businesses.

<http://www.newagebd.net/article/51561/china-group-plans-support-to-make-dse-a-top-bourse>

Economy

New VAT returns format ineffective

New Age, September 26, 2018

- Online VAT payment form has remained ineffective since its introduction almost three months ago as field-level tax officials found the returns form faulty while businesses also refrained from filing returns using the form. National Board of Revenue could not enforce the new VAT returns form after field-level value-added tax officials raised objections against making it effective citing various inconsistencies and problems in the form.
- NBR on June 19 introduced the new form, known as Mushok 19, to be used in submitting VAT returns so that traders can submit VAT returns online. Large VAT-payers like Unilever, British American Tobacco, Grameenphone, Standard Chartered Bank, Hotel Westin and some others entities under the Large Taxpayers Unit will participate in the testing programme and fill in their VAT returns online using the amended form.
- NBR will issue a gazette notification to cancel the existing form and introduce the new one. Initially, large taxpayers under the LTU will avail the benefit of online returns submission. Traders, however, will also be able to submit hard copy of VAT returns.

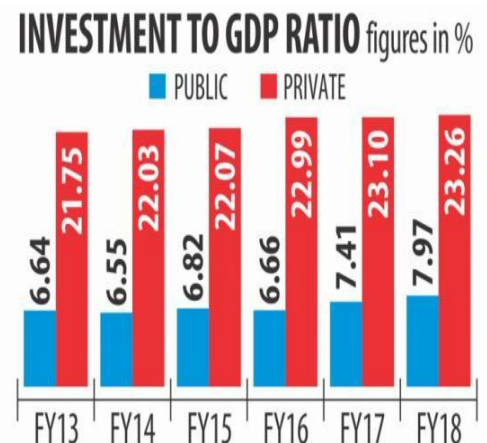
<http://www.newagebd.net/article/51555/new-vat-returns-format-ineffective>

Investment hits record high

Private investment still slow

The Daily Star, September 26, 2018

- Overall investment crossed 31% of GDP for the first time in Bangladesh's history last fiscal year thanks to a spike in public spending on mega infrastructure projects now being implemented. In fiscal 2017-18, overall investment to gross domestic product ratio stood at 31.23%, which was 30.51% the previous year, according to data from the Bangladesh Bureau of Statistics.
- For about a decade the ratio has been hovering between 27 and 30%. But to hit the country's growth ambitions, it can ill afford to hover around the 31%-mark. On the other hand, private investment was 23.26% of GDP, up from 23.10% in fiscal 2016-17. For the last one decade, private investment to GDP ratio has been stuck at 21 to 23%.
- In November 2016, the excess liquidity in the banking sector was BDT 277,956 crore. In May 2018, it was BDT 79,650 crore, according to data from the Bangladesh Bank. Furthermore, private sector credit growth increased by more than 1 percentage point last fiscal year to 16.94%. And yet, on paper, private investment did not increase at that rate. Private investment rose 0.3 percentage points of GDP in the last two years and public investment 1.3 percentage points.



<https://www.thedailystar.net/business/news/investment-hits-record-high-1638673>

Farm loan release drops 25pc in July-Aug

New Age, September 26, 2018

- Disbursements of farm loans by banks dropped by 25.18% in the first two months of the current financial year 2018-2019 compared with the same period of the past fiscal year. State-run, private and foreign banks disbursed BDT 2090.36 crore in farm loans in July-August this FY against BDT 2,794.05 crore in two months of last FY.
- The amount of farm loans disbursed by the banks in two months this FY is 9.59% of the annual target of BDT 21,800 crore for the year. In the past year, the banks distributed 13.7% of the annual target of BDT 20,400 crore in July-August.
- Eight state-owned banks — Agrani Bank, BASIC Bank, BDBL, Bangladesh Krishi Bank, Janata Bank, Rajshahi Krishi Unnayan Bank, Rupali Bank and Sonali Bank — disbursed BDT 792.55 crore in farm loans in July-August, which is 2% lower than BDT 808.66 crore disbursed by the entities in the first two months of FY18.
- The banks disbursed 8.03% of their annual target of BDT 9,875 crore, while their disbursement in the same period of the previous fiscal year was 8.43% of their annual target of BDT 9,590 crore. Rupali Bank's farm loan distribution rate in July-August was the lowest, 1.56% of its annual target while Sonali Bank was the second lowest as it disbursed only 5.10% of its annual target.

<http://www.newagebd.net/article/51560/farm-loan-release-drops-25pc-in-july-aug>

International

UK opposition keeps door open to staying in EU

New Age, September 26, 2018

- The Brexit spokesman of Britain's main opposition Labour Party on Tuesday raised the possibility of staying in the European Union, more than two years after Britons voted to leave. Many young, metropolitan, newer party members vociferously oppose leaving the EU, but older, working-class voters from the party's traditional heartlands are in favour. Labour leader Jeremy Corbyn, a long-time sceptic of the EU, has so far tried to maintain ambiguity on the subject while the government ties itself in knots during the Brexit process.
- Prime minister Theresa May, who has ruled out a second referendum, says leaving without a deal is the only alternative to her plan that would keep Britain close to Brussels on trade — a blueprint that has been rebuffed by EU leaders. If that happened, May would need the backing of almost all her Conservative MPs to approve the deal, which seems unlikely given the centre-right party's own ideological splits.
- It would also radically increase the risk that Britain leaves the EU in March without any agreement at all, throwing the whole process, and the government, into chaos. However, if an election was not possible, a second referendum should be on the table. The terms on which this could be held have been the source of confusion within Labour, reflecting its divisions over the issue. Later Tuesday, the conference will formally vote on a motion on 'all options remaining on the table', including the possibility of a second referendum.

<http://www.newagebd.net/article/51559/uk-opposition-keeps-door-open-to-staying-in-eu>

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