

## Stock Market

### Stocks dip for 5th week as anxiety lingers

New Age, May 26, 2018

- Dhaka stocks in the past week dropped for the fifth consecutive week as investors were grappling with lingering downtrend in the market, uncertainty over the financial market and upcoming budget declaration.
- DSEX, the key index of Dhaka Stock Exchange, shed 0.25 % or 13.62 points over the week to finish at 5,429.69 points on Thursday, the last trading session of the week.
- The key index shed 414 points in the last five weeks.
- Bangladesh Securities and Exchange Commission on Thursday held an emergency meeting with top brokerage houses, merchant bank and asset management companies to shield the market from jittery sale-offs.
- The BSEC asked the stakeholders to support the market so that the general investors could not get panicked.
- The brokers, however, said that the intermediaries could not support the market for long as they had limitations.
- The banks' investment limit in the capital market set by the Bangladesh Bank became a barrier. Despite holding meetings with the central bank for several times and a direction from the finance ministry, the BB is not solving the issue, they said.
- The market remained subdued as worries over the grim financial sectors and upcoming budget declaration has been driving the market sentiment.

<http://www.newagebd.net/article/42164/stocks-dip-for-5th-week-as-anxiety-lingers>

### BSEC urges stakeholders' support to bring stability in capital market

The Financial Express, May 25, 2018

- The securities regulator has urged the stakeholders to play a supportive role for bringing back stability in the capital market.
- Bangladesh Securities and Exchange Commission (BSEC), the regulator, made the call at a meeting with the stakeholders at the office of the state-run Investment Corporation of Bangladesh (ICB).
- BSEC Executive Director Mohammad Saifur Rahman chaired the meeting, attended by representatives from leading merchant banks, brokerage firms and asset management companies.
- BSEC organised the meeting amid recent sluggish trend in the country's capital market.
- DSEX, the broad index of Dhaka Stock Exchange (DSE), suffered a substantial fall of 423 points in 13 straight sessions as on May 20.
- After a single-day break, the DSEX declined again on May 22 and 23.
- On Thursday, the DSEX closed green with a rise of 68.60 points or 1.33 % to close at 5,429 points following the news of the stakeholders' meeting.

<https://thefinancialexpress.com.bd/stock/bsec-urges-stakeholders-support-to-bring-stability-in-capital-market-1527222703>

## Renata to establish subsidiary company in United Kingdom

The Financial Express, May 26, 2018

- Renata Limited (formerly Pfizer Limited) has decided to establish a subsidiary company in United Kingdom after fulfilling necessary regulatory requirements to export products to the European countries.
- The name of the subsidiary will be 'Renata (UK) Limited' as the company's board of directors approved a proposal in this regard, Renata sources said.
- The company also received registration for two products in the UK. The sales of Hydrocortisone 10 mg and 20 mg tablets started in February in the UK market.
- The government of Bangladesh also approved acquisition of two abbreviated new drug applications (ANDAs) by Renata.
- The company made a net profit of BDT 2.62 Bn in the year ended on June 30, 2017, registering an increase of 19 %, from BDT 2.21 Bn in the previous year.
- The company's sales also grew by 13 % in 2017 as the company's total sales stood at BDT 16.04 Bn which was BDT 14.20 Bn in the previous year, according to the company's annual report, 2016-2107.
- "Our performance for 2017 was satisfactory. While sales grew by a modest 13 % and net profit rose by a respectable 19 %," the chairman of Renata, in its annual report, 2017 said.

<https://thefinancialexpress.com.bd/stock/renata-to-establish-subsiidiary-company-in-united-kingdom-1527314236>

## Economy

### Agent banking accounts double in a year

New Age, May 26, 2018

- Agent banking accounts in Bangladesh have doubled in just one year ending in March this year, with the service now at the doorstep of the rural people.
- This new mode of banking is gaining popularity among the rural people as the clients are allowed to keep deposits and withdraw cash through the outlets operated by the agents without entering the branches of banks while it is cheaper too.
- The number of accounts for agent banking has increased to 14.69 lakh under 16 banks at the end of March this year against 7.12 lakh under 13 banks in March, 2017.
- The number of agent banking accounts was 8.73 lakh in June last year, 10.38 lakh in September of the year and 12.14 lakh at the end of December, 2017.
- With this increase in the number of accounts, the amount of deposits with the agent banking system is also on the rise.

<http://www.newagebd.net/article/42108/agent-banking-accounts-double-in-a-year>

## **Recover BDT 25,000cr black money next fiscal year: BEA**

The Daily Star, May 27, 2018

- Once a spirited mobile operator, Banglalink is progressively becoming a bit-part player, with its revenues declining for the seventh consecutive quarter now.
- Bangladesh Economic Association yesterday demanded the government recover BDT 25,000 crore of black money in the upcoming fiscal year.
- “The constitution has not given the right to anyone to enjoy unearned money,” said Abul Barkat, president of the BEA, at a press conference on the association's recommendations for fiscal 2018-19's budget.
- Subsequently, the BEA called for a white paper on black money and a commission to work on the illegally earned money.
- The total amount of undeclared income in the country would come to BDT 5 to BDT 7 lakh crore, it said.
- Citing a finance ministry estimate, Barkat said black money accounts for 42-80 % of the country's gross domestic product.
- “This is a fact,” he said, adding that BDT 14,000-15,000 crore of black money has been whitened since 1972.

<https://www.thedailystar.net/business/recover-BDT-25000cr-black-money-next-fiscal-year-bea-1582153>

## **Foreign companies with virtual presence to be taxed**

New Age, May 26, 2018

- The government is going to bring an amendment to the income tax law in the upcoming national budget for fiscal year 2018-2019 to establish the taxing rights of the country on income of the foreign entities which are operating business activities virtually, without permanent establishment in Bangladesh.
- National Board of Revenue will be able to impose tax on income derived in Bangladesh by foreign companies, mainly technology giants and digital media platforms, even if the companies have no permanent establishments in the country.
- Currently, according to the Income Tax Ordinance-1984, NBR cannot impose tax on income of foreign entities if they do not have permanent establishments.
- NBR has already decided in principle to incorporate a provision titled ‘business in connection with Bangladesh’ in the ordinance so that they can impose tax on such companies, which mainly run their business online, if the income is generated in the country, with or without having permanent establishments.
- Under the move, the definition of the permanent establishment will be broadened to cover business activities run both virtually and through physical establishment.
- Service receivers make the payments to non-resident companies through Bangladesh Bank and credit cards of commercial banks.

<http://www.newagebd.net/article/42161/foreign-companies-with-virtual-presence-to-be-taxed>

## Benapole port misses revenue target

The Daily Star, May 27, 2018

- Revenue earnings at the Benapole land port fell BDT 29.75 crore short of the target of BDT 368.75 crore for the first 10 months of this fiscal year although the volume of imports increased by around 3 lakh tonnes year-on-year.
- In the same period of fiscal 2016-17, some 10.65 lakh tonnes of goods were imported.
- Mohammad Belal Hossain Chowdhury, commissioner of Custom House, Benapole, reasoned a drop in the import of high tariff-carrying goods and a rise in those on which tariff was low, such as rice.
- This was echoed by Md Mofizur Rahman Sozon, president of Benapole C&F Association.
- However, Aminul Huq, vice-president of Benapole Import-Export Business Association, said procedural delays, lack of development initiatives and imposition of additional tariffs this fiscal year were driving away traders to other ports.

<https://www.thedailystar.net/business/benapole-port-misses-revenue-target-1582138>

## International

### Oil output could return to October 2016 level, says Russia's Novak

Reuters, May 26, 2018

- A return to the oil production levels that were in place in October 2016, baseline for the current deal to cut output, is one of the options for easing curbs, Russia's energy minister said on Saturday.
- Sources said this week that Saudi Arabia and Russia were discussing raising OPEC and non-OPEC oil production to ease 17 months of strict supply curbs amid concerns that a price rally has gone too far.
- "When we extended the agreement until the end of 2018, we spoke about such possibilities (of returning to the October 2016 level)," Novak told reporters.
- "But a decision will be made in June," he added, referring to meetings of OPEC and non-OPEC countries in Vienna on June 22-23.
- The existing deal came into force on January 1, 2017, and envisaged global oil producers reducing their combined output by 1.8 Mn barrels per day (bpd) to cut bloated stockpiles and prop up oil prices.
- Russia's oil output reached a 30-year high of 11.247 Mn bpd in October 2016 and it pledged to cut it by 300,000 bpd to 10.947 mln.
- In March and in April this year it failed to fully comply with the deal, pumping at the pace of 10.97 Mn bpd, a 11-month high.

<https://www.reuters.com/article/us-oil-opec-russia/oil-output-could-return-to-october-2016-level-says-russias-novak-idUSKCN1I00HA>

## China's secret goal is to crush Silicon Valley

Cnbc, May 26, 2018

- America's wide lead in venture capital is fading, threatened by Asia and its rising brain center: China.
- A surge of new money from China and the rest of Asia helped drive funding totals to the stratosphere and transformed the venture landscape. Last year Asia directed 40 % of the global total versus 44 % from the United States.
- China's share was 24 %, according to Dow Jones VentureSource. Just a decade ago China's share of VC spending in start-ups globally was less than 5 %.
- That tidal wave of Chinese cash into promising new start-ups could herald a shift in who controls innovation and the world's technological advantage. Already we are seeing the trend play out in CNBC's 2018 Disruptor 50 list, released Tuesday.

<https://www.cnn.com/2018/05/22/chinas-secret-goal-is-to-crush-silicon-valley.html>

## GM Is Building Cheap Cars for China's Masses

Bloomberg, May 26, 2018

- For much of the past decade, sales of global automakers were buoyed by demand from China, whose residents have eagerly snapped up locally produced versions of pricey foreign cars such as Daimler's Mercedes-Benz, Volkswagen's Audi, and BMW's namesake sedans. Yet General Motors Co. has not only fared well with its premium-priced Buick line, it's killing it with Baojun, a made-for-the-mainland brand that sells for as little as \$6,000.
- There was a method to the down-market move. GM figured the next wave of car buyers in China would come from the smaller cities, especially in the interior of the country, where the middle class is growing and people are buying more cars. Baojun sales are up tenfold since 2013, to 1 Mn cars last year, more than Chevrolet and not far behind Buick.

<https://www.bloomberg.com/news/articles/2018-05-24/gm-is-building-cheap-cars-for-china-s-masses>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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