

## Stock Market

### Stocks slump as bad loans rise further

New Age, August 27, 2019

- Dhaka stocks slumped on Monday, stretching the losing trend to the second session, as investors became worried about the continuous rise in defaulted loans in the country's banking sector. DSEX, the key index of the Dhaka Stock Exchange, plunged by 1.1 %, or 57.96 points, to close at 5,165.76 points on Monday after losing 13.12 points on Sunday.
- As per Bangladesh Bank data, the amount of defaulted loans rose by BDT 18,513.17 crore in January-June to reach BDT 1.12 lakh crore by the end of June. After subdued opening of the trading on Monday, the key index started sliding after 15 minutes and lost more than 65 points in two and a half hours of trading.
- The mobile phone operator has been at loggerheads with the Bangladesh Telecommunication Regulatory Commission over unpaid audit and other claims. Out of the 353 scrips traded on Monday, 276 declined, 55 advanced and 22 remained unchanged.
- Turnover on the bourse declined further to BDT 447.11 crore on Monday from BDT 468.99 crore on Sunday. It was BDT 478.90 crore on Thursday. Share prices of companies of all the sectors excepting two declined on the day.
- Among the major sectors, bank declined by 0.8 %, non-bank financial institution 1.6 %, general insurance 2 %, fuel and power 2 %, textile 2.1 % and telecommunication 1.1 %. Share prices of life insurance sector rose by 2.3 % and IT 1.3 %.
- DS30, the blue-chip index of the DSE, dropped by 1.19 %, or 22.09 points, to close at 1,819.67 points. DSE Shariah index DSES lost 0.88 %, or 10.67 points, to close at 1,193.05 points. Standard Ceramics gained the most on the day with a 5.71-% increase in its share prices while SEML FBLSL Growth Fund was the worst loser, shedding 9.80 %.

<http://www.newagebd.net/article/82631/stocks-slump-as-bad-loans-rise-further>

### Four Z-category cos under DSE scanner

The Financial Express, August 26, 2019

- The country's premier bourse will inspect the business affairs of four 'Z' category companies which failed to declare dividends for a period of last five years. In last week, the Bangladesh Securities and Exchange Commission (BSEC) allowed the Dhaka Stock Exchange (DSE) to conduct this inspection.
- The companies whose business affairs will be examined are ICB Islamic Bank, Information Services Network, United Airways and Beach Hatchery. Earlier, on July 14 the premier bourse sought permission from the securities regulator to look into the business affairs of these companies.
- As per the regulatory permission, the DSE will investigate the operational status and other relevant issues of the companies. In August last, the premier bourse decided to review the performances of 15 companies which failed to recommend dividend for a period of last five years.
- The four companies whose business affairs will be inspected were also in the list of 15 companies. The other companies which were reviewed by the DSE are Meghna Pet Industries, Meghna Condensed Milk Industries,

Imam Button, Kay and Que, Savar Refractories, Dulamia Cotton Spinning Mills, Samata Leather Complex, Shyampur Sugar Mills, Zeal Bangla Sugar Mills, Beximco Synthetics, Jute Spinners, Shinepukur Ceramics and Sonargaon Textiles.

- According to DSE listing regulation 51(1)(a), any listed securities may be de-listed for different reasons including the failure of declaring dividend (cash/stock) for a period of five years from the date of declaration of last dividend or the date of listing with the Exchange.
- On July 18, 2018, the DSE delisted Rahima Food and Modern Dying & Screen Printing as the share prices of these companies surged abnormally despite the operations remained closed for more than three years. A listed security may get de-listed if it had stopped commercial operations, productions, or explorations for three consecutive years, according to listing regulations.

<http://thefinancialexpress.com.bd/stock/four-z-category-cos-under-dse-scanner-1566708153>

## **Mansur elected BRAC Bank chairperson**

New Age, August 27, 2019

- Economist Ahsan H Mansur, independent director of BRAC Bank board, has been elected chairperson of the bank, said a press release. He succeeded Fazle Hasan Abed, the founder chairperson of BRAC Bank, with effect from Monday.
- Abed retired from his role as chairperson and member of the bank's board. Mansur was inducted as an independent director into the BRAC Bank board in May, 2017. He started his career as a lecturer at the Dhaka University's economics department in 1976.
- He joined the IMF in 1981 and thereafter completed his PhD in economics (on general equilibrium analysis) from the University of Western Ontario, Canada in 1982.
- Working in Middle Eastern, Asian, African and Central American countries, he also served as the IMF senior resident representative to Pakistan during 1998-2001 and as the fiscal adviser to the Bangladesh finance minister (1989-91). After retiring from the IMF, Mansur established the Policy Research Institute of Bangladesh as its founder director and executive director.

<http://www.newagebd.net/article/82632/mansur-elected-brac-bank-chairperson>

## **Govt's bank borrowing soars for mega projects**

The Daily Star, August 27, 2019

- In the wake of low revenue mobilisation last fiscal year, the government has now turned to bank borrowing to meet its financing needs, Bangladesh Bank data shows. In the first 35 days of this fiscal year, the government has borrowed BDT 23,761 crore from the banking system, which is almost the same as last year's total bank borrowing and half of this year's target.
- The government borrowed BDT 26,446 crore last fiscal year, according to data from the central bank. This fiscal year, the government has set a borrowing target of BDT 47,364 crore from the banking sources. The

government's borrowing from banking sources usually shoot up at the beginning of a fiscal year to adjust its higher expenditure in the last few months of the previous fiscal year.

<https://www.thedailystar.net/business/news/govts-bank-borrowing-soars-mega-projects-1791178>

## Economy

### Leather sector's woes not ending soon

*Noncompliance, absence of a functional CETP costing exporters heavily*

The Daily Star, August 27, 2019

- Absence of a fully functional central effluent treatment plant (CETP) and solid waste management at Savar Tannery Industrial Estate has been costing Bangladesh's leather and leather goods exporters heavily. Leather goods exporters do not get higher prices of their products unless the Leather Working Group (LWG), the global compliance audit organisation, certifies companies that they are compliant.
- Since Bangladesh can't comply with the conditions of the LWG, the local leather and leather goods exporters have to sell at much lower prices to buyers from China, who are not too fussed about compliance. The tanners could not pay the rawhide merchants before Eid as they were still sitting on 50 % of their old stock because of low demand from international buyers on the ground of non-compliance.
- Currently, the factories consume 66 tonnes of water to tan a tonne of rawhide, whereas the international standard is 25 tonnes. Bangladesh produces nearly 400 mn square feet of rawhide, of which the local leather and footwear companies consume 30 mn square feet.
- Some leather goods and footwear companies import 20 lakh square feet high-quality leather to make exportable goods, according to industry insiders.

<https://www.thedailystar.net/business/news/leather-sectors-woes-not-ending-soon-1791220>

## International

### Yuan slides to 11-yr low

New Age, August 27, 2019

- China's yuan fell to an 11-year low in the onshore market and a record low offshore on Monday after the latest escalation in the US-China trade war rattled investor confidence.
- President Donald Trump announced an additional 5 % duty on \$550 bn in targeted Chinese goods on Friday, hours after Beijing unveiled retaliatory tariffs on \$75 bn worth of US products, sending stocks into a tailspin and investors rushing for the safety of bond markets.
- Trump on Monday sought to limit the fallout and smooth tensions, helping the yuan come off its lows and the dollar recover against the Japanese yen. The US president said China had contacted US trade officials to say they wanted to return to the negotiating table. Beijing called for calm.

- In China's onshore market, the yuan fell to 7.1500 per dollar, the lowest since February 2008. In the offshore market, the yuan slid to as low as 7.187 yuan, the weakest since international trading in the currency began in 2010, before recovering to 7.1524 yuan - down 0.2 % on the day - after Trump's upbeat comments.
- In a sign that some calm had returned to markets, the Japanese yen - which investors regard as a safe-haven - fell 0.5 % to 105.86, having earlier hit a new seven-month high of 104.46. The Australian dollar, a liquid proxy for global risk sentiment, earlier fell to \$0.6690, within a whisker of a recent decade-low of \$0.66775, before recovering to \$0.6766, up 0.2 % on the day.

<http://www.newagebd.net/article/82642/yuan-slides-to-11-yr-low>

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