

Stock Market

Dhaka stocks inch up in cautious trading

New Age, September 27, 2018

- Dhaka stocks ended flat on Wednesday as many of the investors continued with cautious trading amid rising political tensions surrounding the national polls. DSEX, the key index of Dhaka Stock Exchange, inched up by 0.07 per cent, or 3.96 points, to close at 5,390.85 points on Wednesday after gaining 29.33 points in the previous session.
- Average share prices of general insurance companies soared by 5.52 per cent with the turnover of the sector shooting by 135 per cent on Wednesday compared with the previous session. Share prices of BSRM Steel and BSRM soared by 4.11 per cent and 3.94 per cent on the day after the companies declared rise in profits and 20 per cent dividends each for the year ended on June 30, 2018.
- Miscellaneous, telecommunication and energy sectors also gained by 1.6 per cent, 0.9 per cent and 0.6 per cent respectively while bank and non-bank financial institutions ended flat on Wednesday. Among the large capitalised scrips, the share prices of Grameenphone increased most on the day. Besides, a section of investors also went for bargain hunting from the bearish market.
- Therefore, the turnover on the DSE gain slightly to BDT 514.00 crore on Wednesday compared with that of BDT 487.97 crore in the previous trading session. Of the 335 companies and mutual funds traded on Wednesday, 171 advanced, 131 declined, and 34 remained unchanged. DS30, the blue-chip index of the DSE, also added 0.32 per cent, or 6.19 points, to close at 1,897.88 points.
- Shariah index DSES, however lost 0.06 per cent, or 0.83 points, to finish at 1,240.25 points. Khulna Power Company led the turnover chart with its shares worth BDT 30.78 crore changing hands.

<http://www.newagebd.net/article/51617/dhaka-stocks-inch-up-in-cautious-trading>

Sponsors of Padma Islami Life Ins to sell ownership

The Daily Star, September 27, 2018

- The sponsors of Padma Islami Life Insurance listed on both Dhaka and Chittagong stock exchanges yesterday announced to sell their entire holdings in the company. The insurer informed through the DSE website that the board of directors of the company has decided to sell 1.74 crore shares held by five sponsor shareholders, 11 sponsor directors, one director and one shareholder (the inheritor of one sponsor) subject to the approval of competent authorities.
- The shares account for 44.78% of the total paid-up capital of the company, established in 2000. Padma Life shares traded at BDT 26.20 yesterday at the DSE. The company did not disclose the name of the buyers. Last year the insurer failed to give any dividend to its shareholders. As a result, it is now considered a junk stock.

<https://www.thedailystar.net/business/news/sponsors-padma-islami-life-ins-sell-ownership-1639357>

Banks' profit rises 20pc

The Daily Star, September 27, 2018

- Banks' net profit soared 19.55% in the first six months of the year, compared to the same period a year ago, propelled by impressive performance by a few private lenders. Between the months of January and June, the banks raked in profits of BDT 2,206 crore, according to the provisional data received by the Bangladesh Bank.

- During the period, they logged in operating profit of BDT 11,358 crore, from which BDT 3,929 crore was deducted as tax and BDT 5,223 crore as provisioning against bad loans. As of June, the banking sector's total default loans stood at BDT 89,340 crore, up 20.23% from six months earlier. Pubali's net profit more than doubled to BDT 203 crore in the first six months of this year.
- Among the private banks, Brac Bank recorded the highest net profit of BDT 643 crore, followed by Standard Chartered at BDT 499 crore, Sonali at BDT 327 crore and Islami at BDT 312 crore. Brac Bank Managing Director Selim RF Hussain, however, disputed the figure put out by the central bank about his bank's net profit in the first half of the year.
- The bank's financial report showed that its net profit after tax stood at BDT 273 crore. Among the private lenders, Bank Asia put up a strong showing in the first six months of the year: its net profit shot up 75.71% year-on-year to BDT 123 crore, according to data from the central bank. The six state-run banks, however, collectively registered a net loss of BDT 1,234 crore in the first half, against BDT 1,047 crore a year earlier.

<https://www.thedailystar.net/business/news/banks-profit-rises-20pc-1639363>

Economy

ADB projects 7.5pc GDP growth in FY19

New Age, September 27, 2018

- Asian Development Bank on Wednesday projected that Bangladesh GDP growth would inch down to 7.5 per cent in the current financial year 2018-2019 from 7.86 per cent in the FY18 although the lender expected minimal impact of election-centric events on the economy. The ADB projection is also lower than the government target of 7.80 per cent GDP growth for the current year while planning minister AHM Mustafa Kamal expected 8.25 per cent growth.
- ADB, however, upgraded its GDP growth projection for Bangladesh as the Manila-based regional lender in its ADO released in April projected 7.2 per cent growth in FY19. ADB Bangladesh country director Manmohan Parkash said that the country's economy was expected to continue to grow strongly. Private investment may also step up slightly as the central bank reaches out to small enterprises and agriculture.
- ADB also said that the outlook was subject to some downside risks such as inability to rein in import demand as projected, failure to mobilise appropriate financing to cover the large projected current account deficit, and an unexpectedly large increase in global oil prices or unfavourable weather.

<http://www.newagebd.net/article/51614/adb-projects-75pc-gdp-growth-in-fy19>

MNP service for mobile phone users from Oct 1

The Financial Express, September 27, 2018

- The much-awaited mobile number portability (MNP) service will be available for the country's mobile phone customers from October 1, said chief of the telecom regulatory body.
- Officials said the operators became compliance following some regulatory decisions such as the reset of porting charge at Taka 50 from Taka 30 and reduction of per port transaction charge at Taka 100 from Taka 150. Market leader Grameenphone is also prepared, but its official comment was not available.
- On November 30 last year, the telecom regulator handed over the MNP license to the selected joint venture firm IBTCL. The company, IBTCL, a joint venture of Infozillion BD Limited and Teletech DOO, Slovenia, was directed to provide the service within 180 days of getting the license. According to the MNP guidelines, IBTCL had to port at least one per cent of the mobile phone subscribers through the service by May this year (2018).

- Once the service is introduced, the mobile phone users can port to another operator retaining his/her number unchanged at BDT 50 plus VAT and the process would take highest 72 hours. If any user again wants to change operator, he/she has to wait 90 days.

<http://thefinancialexpress.com.bd/national/mnp-service-for-mobile-phone-users-from-oct-1-1537963899>

International

EU launches Asia strategy to rival China's 'new Silk Road'

New Age, September 27, 2018

- As doubts grow over China's vast 'Belt and Road' trade infrastructure project, the EU is launching an alternative plan for Asia that it says will not saddle countries with debt they cannot repay.
- EU member countries are expected to sign off on the new 'Asia connectivity strategy' — which aims to improve transport, digital and energy links while promoting environmental and labour standards — in time for a major summit of European and Asian leaders next month.
- The new strategy comes after European Commission president Jean-Claude Juncker called for a more muscular EU foreign policy to match the bloc's economic clout, taking on not just US president Donald Trump's 'America First' approach but also China's energetic involvement in Africa and Asia.
- President Xi Jinping said earlier this month that China's trade with Belt and Road countries had exceeded \$5 trillion, with outward direct investment surpassing \$60bn. But some countries are beginning to question whether the strings attached to the money make it more of a burden than a benefit.
- This appears designed to directly address a major criticism of the Belt and Road plan, launched in 2013, that the apparent Chinese largesse is effectively creating debt traps. These fears were highlighted last year when Sri Lanka had to grant a 99-year lease on a strategic port to Beijing over its inability to repay loans for the \$1.4-billion project.

<http://www.newagebd.net/article/51616/eu-launches-asia-strategy-to-rival-chinas-new-silk-road>

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