

Stock Market

Stocks gain slightly on bargain hunting

New Age, August 28, 2019

- Dhaka stocks on Tuesday gained slightly, after two days of fall, as investors went for bargain hunting targeting some sector-specific scrips. DSEX, the prime index of the Dhaka Stock Exchange, increased by 0.25 %, or 12.93 points, to close at 5,178.70 points on Tuesday after losing 71.08 points in the previous two sessions.
- Some investors continued to remain cautious on Tuesday over rising defaulted loans in the banking sector that had resulted in a heavy fall of the DSEX on Monday. Due to the cautiousness, share prices of the majority of the scrips fell on Tuesday. Out of the 343 scrips traded, 174 declined, 122 advanced and 47 remained unchanged.
- Turnover on the bourse, however, increased further to BDT 467.77 crore on Tuesday from BDT 447.16 crore on Monday, because of increased participation of investors on the trading floor. Among the sectors, telecommunication rose by 2 %, pharma 1.3 %, food 1.6 % and engineering 0.8 %.
- The bank sector declined by 0.3 %, non-bank financial institution 0.4 %, general insurance 1.1 %, and fuel and power 0.6 %. DS30, the blue-chip index of the DSE, advanced by 0.52 %, or 9.47 points, to close at 1,829.14 points.
- DSE Shariah index DSES gained 0.44 %, or 5.28 points, to close at 1,198.34 points. Square Pharma led the turnover chart with its shares worth BDT 14.17 crore changing hands. Silco Pharmaceuticals, Runner Auto, United Power Generation Company, Bangladesh Shipping Corporation, Beacon Pharma, Monno Ceramics, SS Steel, Indo Bangla Pharma, and JMI Syringe were the other turnover leaders.
- SS Steel gained the most on the day with a 7.69-% increase in its share prices while SEMI FBLSL Growth Fund was the worst loser, shedding 9.78 %.

<http://www.newagebd.net/article/82739/stocks-gain-slightly-on-bargain-hunting>

Economy

Bangladesh Bank profits soar to BDT 4,461cr in FY19

New Age, August 28, 2019

- Bangladesh Bank's operating profits soared to BDT 4,461 crore in the financial year of 2018-19 from BDT 791 crore in the previous fiscal year due mainly to central bank's foreign exchange transactions in the local market and banks' heavy borrowing from the BB amid liquidity crisis in the country's banking sector.
- The central bank's board of directors led by its governor Fazle Kabir approved the financial statement of the BB for FY19 at a meeting on Tuesday. BB officials said that the central bank sold foreign exchange worth \$2.34 bn to the local banks in FY19 because of huge demand for the forex for import payments.
- As a result, the BB made huge profits from forex transactions, reserve and rising value of gold on the international market. The BB got interest rate of 6 % by lending money to the local banks, which helped its profits to rise.

- The central bank's board decided to increase the incentive bonus for its staff to an amount equivalent to basic salary of four and a half months for FY19 from an amount equivalent to basic salary of four months.

<http://www.newagebd.net/article/82732/bangladesh-bank-profits-soar-to-BDT-4461cr-in-fy19>

BD imports 7.0 mcm LNG from RasGas, OTI till now

The Financial Express, August 28, 2019

- Bangladesh has so far imported around 7.0 mn cubic metres of LNG by 50 vessels from RasGas of Qatar and Oman Trading International (OTI) of Oman to meet domestic natural gas demand after re-gasification.
- Of the total, RasGas supplied some 40 cargoes while OTI around 10, each carrying about 138,000 cubic metres of LNG on an average, to re-gasify at the country's two operational offshore LNG terminals, said a senior Petrobangla official.
- The Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources (MoPEMR) and state-run Rupantarita Prakritik Gas Company Ltd (RPGCL) observed the 'half-century' over LNG cargo imports in the past two days by cutting two FSRU-like cakes, he said.
- The country's first LNG vessel The Excellence, owned by US company Excelerate Energy, arrived at the first offshore Moheshkhali LNG import terminal on April 24, 2018 but technical difficulties along with rough weather delayed delivery of the cargo by more than three months.
- However, the first LNG vessel from RasGas reached the Excelerate's FSRU (floating storage and re-gasification unit) on August 09, 2018. The second LNG terminal, owned by Summit Group, started flowing re-gasified LNG on April 29, 2019.
- Bangladesh's overall LNG re-gasification capacity is around 1,000 mn cubic feet per day (mmcf) in total, having 500 mmcf of LNG re-gasification capacity in each FSRU. But these two LNG terminals are currently re-gasifying around 522 mmcf of LNG, around half of the capacity, in total as of August 26, 2019, according to Petrobangla.

<http://thefinancialexpress.com.bd/trade/bd-imports-70-mcm-lng-from-rasgas-oti-till-now-1566918080>

Chinese companies coming in droves

The Daily Star, August 27, 2019

- Chinese investors are coming in thick and fast with at least 20 companies contacting the power sector alone every week, said Nasrul Hamid, state minister for power, energy and mineral resources, yesterday.
- Over the past five to six years China gathered vast experience on cheap, clean and renewable energy, something Bangladesh has been transitioning into, for which their companies are exploring investment opportunities here.
- Chinese investors are relocating their industrial and manufacturing units here mainly to address high production costs and shortages of skilled manpower, he told a seminar on China-Bangladesh Investment Facilitation at The Westin Dhaka.

- PricewaterhouseCoopers (PwC) organised the seminar moderated by Mamun Rashid, managing partner of PwC Bangladesh, and attended by businesspeople, investors, bankers, trade analysts and government high-ups of both countries.
- Of the investment from China, over 80 % has been made in Bangladesh's power sector, said Hamid. William Yuan, partner, Global China Business Network, PwC China, echoed this.

<https://www.thedailystar.net/business/news/chinese-companies-coming-droves-1791727>

International

US business investment appears weak in Q3

New Age, August 27, 2019

- New orders for key US-made capital goods rose modestly in July while shipments fell by the most in nearly three years, pointing to continued weakness in business investment and a slowdown in economic growth early in the third quarter.
- Coming against the backdrop of an escalation in US-China trade tensions, the report from the Commerce Department on Monday could provide more ammunition for the Federal Reserve to cut interest rates again next month.
- Fed chair Jerome Powell told a conference of central bankers last week that trade policy uncertainty seems to be playing 'a role in the global slowdown and in weak manufacturing and capital spending in the United States.
- The Fed lowered its short-term interest rate by 25 basis points last month for the first time since 2008, citing trade tensions and slowing global growth. Financial markets have fully priced in another quarter-%age-point cut at the Fed's Sept. 17-18 policy meeting.
- Orders for non-defence capital goods excluding aircraft, a closely watched proxy for business spending plans, and increased 0.4 % last month, the government said, driven by strong demand for electrical equipment, appliances and components.
- Data for June was revised down to show these so-called core capital goods orders advancing 0.9 % instead of surging 1.5 % as previously reported. Economists polled by Reuters had forecast core capital goods orders would fall 0.1 % in July. Core capital goods orders increased 1.5 % on a year-on-year basis.

<http://www.newagebd.net/article/82641/us-business-investment-appears-weak-in-q3>

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