

## Stock Market

### Stocks slip into red on Sunday after two-day gain

The Financial Express, October 28, 2019

- The daily trade turnover on the Dhaka bourse came down to BDT 2.56 bn on Sunday, hitting five and a half months low, as most of the investors were reluctant to make fresh investment in stocks. Turnover, a crucial indicator of the market, stood at BDT 2.56 bn on the country's premier bourse, slumping further by 20 % over previous day's mark of BDT 3.22 bn.
- It was the lowest single-day transaction since May 15, this year, when the turnover totaled a record BDT 2.56 bn. The market index also ended lower on Sunday after two days' gain amid selling pressure. DSEX, the prime index of the Dhaka Stock Exchange, went down by 19.35 points or 0.40 % to settle at 4,752.
- Two other indices also ended lower. The DS30 index, comprising blue chips, fell 6.73 points to finish at 1,668 and the DSE Shariah Index lost 5.53 points to close at 1,090. A total number of 91,312 trades were executed in the day's trading session with trading volume of 83.99 mn shares and mutual fund units.
- The market-cap of the DSE rose to BDT 3,594 bn on Sunday, from BDT 3,610 bn in the previous session. Losers took a modest over the gainers as out of 350 issues traded, 176 closed lower, 132 ended higher and 42 remained unchanged on the DSE trading floor.
- Sonar Bangla Insurance topped the turnover chart with shares worth BDT 117 mn changing hands, followed by National Tubes, SK Trims Industries, Square Pharma and Beacon Pharma. Al-Haj Textile was the day's best performer, posting a gain of 9.93 % while Anlima Yarn Dyeing was the day's worst loser, plunging by 9.88 %.

<http://thefinancialexpress.com.bd/stock/stocks-slip-into-red-on-sunday-after-two-day-gain-1572171662>

### Stakeholders want policy support for a vibrant bond market

New Age, October 28, 2019

- The country's bond market has been facing several challenges including lack of demand and supply, high cost of bond issuance, and lack of incentives and those need to be addressed to make it a vibrant one, said stakeholders at a round table on Saturday.
- The City Bank Capital Resources along with public relations consultant Dobliup organised the roundtable titled 'Development of bond market in Bangladesh' at Pan Pacific Sinargaon, Dhaka.
- The City Bank Capital Resources managing director and chief executive officer Ershad Hossain said high cost of bond issuance, regulatory restrictions, lack of incentives and financial literacy were the major barrier in development of bond market and these problems should be resolved.
- Bangladesh Investment Development Authority chairman Sirazul Islam said the government sets a number of development visions, and bond market could be a prime mechanism to finance the development projects.

<http://www.newagebd.net/article/88886/stakeholders-want-policy-support-for-a-vibrant-bond-market>

## Stock market intermediaries seek BDT10,000 crore govt fund

Dhaka Tribune, October 28, 2019

- Institutional investors have sought BDT10,000 crore from the government to support the retail investors who have incurred losses in their stocks they had bought on margin loans.
- In this connection, top financial investors (broker and merchant banks) in the capital market sent a letter to finance minister, BSEC chairman and Bangladesh Bank governor last week seeking the amount in the form of either credit or financial support. The Bangladesh Securities and Exchange Commission (BSEC) received the letter on Sunday, high officials have confirmed.
- Managing director and chief executive officer of 18 broker and merchant banks are signatories to the proposal. As per the proposal, the fund should be for a period of six years at a flat interest rate of 3% and half yearly payment of interest.
- The market capitalization at Dhaka Stock Exchange (DSE) dropped by 15.51% or BDT65,411 crore in the last nine months of this year. The prime index, DSEX lost about 1,250 points from its highest hit of 5,950 points, since January 24 this year.
- DSEX has been witnessing a steep fall in recent times due mainly to liquidity crisis. Experts say there are four major factors behind the shortage of liquidity in the capital market. The reasons are soaring non-performing loans (NPLs) in banks, enhanced bank borrowing by the government due to poor revenue collection, lack of institutional investors, and negative net foreign investment.
- In June this year, the state-owned Investment Corporation of Bangladesh (ICB) made a set of recommendations to the government including offering the money whitening facility for the stock business and creation of a BDT5,000 crore 'market support fund' to revive the ailing capital market.

<https://www.dhakatribune.com/business/stock/2019/10/27/stock-market-intermediaries-seek-BDT10-000-crore-govt-fund>

## Regulator to consider DSE analysis on IPOs

The Daily Star, October 27, 2019

- The stock market regulator has decided to take into account the Dhaka bourse' financial assessment of companies seeking to raise funds through initial public offering (IPO) while giving its nod to a firm's plan on going public.
- The bourse will have to carry out the assessment by professional auditors. Last week, the Bangladesh Securities and Exchange Commission (BSEC) ordered the DSE to form an IPO experts' panel which will scrutinise the financial reports of the IPO-seeking companies.
- The DSE will send its consent to the BSEC on the basis of the analysis of the panel. The commission has approved about 60 IPO proposals, out of a total of 90, in the last eight and a half years' of the current commission's tenure, ignoring reservations of the largest bourse.
- Some of the newly listed companies were downgraded to junk stocks and many reported lower earnings after their listing, much to the dismay of stock investors. The issue led to disagreements and strained relations between the BSEC and DSE from time to time.

- The BSEC has realised that if the financial reports of the newly listed companies were assessed properly prior to their floatation, many would not have received the permission to go public, according to a participant who attended Thursday's meeting.

<https://www.thedailystar.net/business/news/regulator-consider-dse-analysis-ipos-1819669>

## Economy

### FTA with US to benefit BD

*Tariff commission observes; hurdles are too many*

The Financial Express, October 28, 2019

- Flags of Bangladesh and the United States of America are seen cross-pinned in this photo symbolising friendship between the two nations. Bangladesh looks to sign a free trade area (FTA) deal with the United States as it failed to get restored the generalised system of preferences (GSP) facility.
- Once the study is done, the official said, a formal proposal would be given to the USA to start negotiations. Since then, multiple labour and human rights issues have emerged as major barriers between the Bangladesh-USA bilateral relations.
- Available data shows the USA is a major investor in Bangladesh which mainly focuses on energy and power sectors. In 2018, the US companies invested here some \$2.1 bn, up by 43 % compared to 2017. Bangladesh exported goods to the USA to the tune of \$6.87 bn in fiscal year 2018-19.
- Bangladesh's major exportables to the USA include apparel, footwear, pharmaceuticals, plastic, leather, ceramic, tobacco and textile fibre.

<http://thefinancialexpress.com.bd/economy/bangladesh/fta-with-us-to-benefit-bd-1572234905>

### E-commerce transactions soar by 54pc in FY19

New Age, October 28, 2019

- E-commerce transactions through the banking channel increased by 54.26 % or BDT 508 crore in last fiscal year 2018-2019 compared with that in the previous fiscal year as customers became used to shopping through e-commerce sites.
- As per the Bangladesh Bank data released on Sunday, e-commerce in terms of value through the banking channel increased to BDT 1,441.1 crore in FY19 from BDT 936.1 crore in FY18.
- However, transactions through the banking channel constitute a minor part of the total e-commerce transactions as the majority of e-commerce and f-commerce businesses and the customers still prefer cash-on-delivery mode of payment.
- In cash-on-delivery mode, e-commerce and f-commerce businesses receive cash upon delivery of products ordered online. In terms of volume, the number of e-commerce transactions increased by 58.61 % or 15.11 lakh year-on-year in FY19.
- The BB data showed 5.96 lakh transactions worth BDT 598.1 crore were placed from abroad in FY18 and the figure increased to 9.64 lakh transactions worth BDT 771.5 crore in FY19.

<http://www.newagebd.net/article/89003/e-commerce-transactions-soar-by-54pc-in-fy19>

## International

### **US duty-free loss could cost Thai products \$60m**

New Age, October 28, 2019

- Thai exporters facing the loss of duty-free status for certain goods sold to the United States could incur losses of up to 1.8 bn baht (\$59.68 mn) per year, commerce minister Jurin Laksanavisit told reporters on Sunday.
- The United States on Friday suspended duty-free treatment for \$1.3 bn worth of Thai imports, including seafood products, under its Generalised System of Preferences (GSP) programme, saying Thailand did not 'afford workers in Thailand internationally recognised worker rights.'
- The world's largest producer of canned tuna and owner of the Chicken of the Sea brand, Thai Union Group Pcl, said in a statement that the move should not affect its products.

<http://www.newagebd.net/article/89011/us-duty-free-loss-could-cost-thai-products-60m>

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