

## Stock Market

### Dhaka stocks drop as profit-taking continues

New Age, January 29, 2019

- Dhaka stocks dropped on Monday after a slight decrease in the previous day as investors went on taking profits from the financial scrips after their recent gains. DSEX, the key index of Dhaka Stock Exchange, lost 0.17 %, or 35.22 points, to close at 5,904.22 points on Monday after losing 10.55 points in the previous session.
- The central bank will unveil its MPS for the second half (January-June) of the financial year of 2018-2019 tomorrow. Average share prices of general insurance, life insurance, non-bank financial institution and bank, the key sectors behind the market's recent upward trend, dropped by 5.0 %, 2.6 %, 2.1 % and 2.0 % respectively.
- Out of the 30 traded bank scrips, 26 declined, two advanced and two remained unchanged while out of the 47 insurance companies, all the issues except six sank on the day. Share prices of Grameenphone soared by 4.17 % on Monday as the company reported a profit growth of 28 % to set earnings per share at BDT 26.04 for the year ended on December 30, 2018.
- Average share prices of telecommunication, energy and pharmaceutical sectors advanced by 3.9 %, 0.9 % and 0.7 % respectively. The turnover on DSE declined to BDT 1,009.54 crore on Monday compared with that of BDT 1,198.57 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Monday, 213 declined, 105 advanced and 27 remained unchanged. DSE blue-chip index DS30, however, added 0.15 %, or 3.24 points, to close at 2,046.77 points. Shariah index DSES also added 0.54 %, or 7.18 points, to finish at 1,329.44 points.
- United Power Generation Company led the turnover leaders for the second day with its shares worth BDT 48.99 crore changing hands on Monday. Grameenphone, Eastland Insurance Company, Square Pharmaceutical, Premier Bank, Eastern Housing, Asia Insurance, Provati Insurance Company and Intech Limited were the other turnover leaders. Asia Insurance gained the most on the day with a 10-% increase in its share prices, while Agrani Insurance Company was the worst loser, shedding 9.89 %.

<http://www.newagebd.net/article/63142/dhaka-stocks-drop-as-profit-taking-continues>

### GP profit soars by 28pc in 2018

New Age, January 29, 2019

- The net profit of leading mobile phone operator Grameenphone grew by 28.37 % or BDT 778 crore in the year of 2018 compared with that in the previous year. As per the entity's disclosure made on Monday, it posted BDT 3,520 crore in net profit in 2018 with earnings per share of BDT 26.04 while the net profit was BDT 2,742.3 crore and EPS BDT 20.31 a year ago.
- GP's profit growth was 21.73 % in the year of 2017 considering BDT 2,252.6 crore profit of the entity in the year of 2016. In 2018, the total revenue of GP increased by 3.4 % to BDT 13,280 crore riding on 21 % data and 6.6 % voice revenue growth.
- The launch of 4G service in February of the year helped the company boost data sales. GP attained 74 lakh new subscribers in the year taking its user base to 7.27 crore at the end of December, 2018. With the new subscribers, GP's market share now stands at 46.33 %. GP announced 280 % dividend for the year of 2018 that includes 125 % interim dividend and 155 % final dividend

<http://www.newagebd.net/article/63145/gp-profit-soars-by-28pc-in-2018>

## Prices of ten companies rise 'unusually'

The Financial Express, January 28, 2019

- The share prices of ten listed companies recently rose 'unusually' despite there was no undisclosed price sensitive information for such price hike of shares. The companies' share prices rose 17 % to 51 % during January 1 to January 27. Most of the companies which displayed unusual price hike were from the insurance sector.
- The Dhaka Stock Exchange (DSE) has made separate queries to know whether there was any undisclosed price sensitive information behind the unusual price hike of shares. Following the DSE's queries, the companies separately informed that there was no undisclosed price sensitive information for unusual price hike of shares
- The share price of United Power Generation and Distribution Company closed at BDT 379.40 each on Sunday with a rise of 2.26 % or BDT 8.40. The company's share price closed at BDT 304.30 each on January 1 last. Later, the share price rose 25 % or BDT 75.10 in 18 sessions as of Sunday.
- The share price of Pragati Insurance closed at BDT 38 each with a rise of 9.80 % or BDT 2.0. On Sunday, the company was in the chart of top 10 gainers. The company's share price closed at BDT 28 each on January 7. Later, the share price advanced 28 % or BDT 10 in 13 sessions as of Sunday.
- The share price of Central Insurance Company rose 7.35 % or BDT 2.0 to close at BDT 29.70 each on Sunday. The company's share price rose 42 % or BDT 8.80 during January 6 to January 27. The share price of Rupali Insurance Company rose of 35 % or BDT 7.30 during January 7 to January 27. The company's share price, however, declined on Sunday and closed at BDT 28.10 each with a loss of 4.23 % or BDT 1.20.
- The share price of Pragati Life Insurance closed at BDT 129.10 each with a rise of 1.02 % or BDT 1.30 on Sunday. The company's share price rose 17 % or BDT 18.80 during January 7 to January 27. The IFIC Bank witnessed 40 % rise in share price during January 1 to January 24. The company's share price, however, declined marginally on Sunday and closed at BDT 15.40 with a loss of 4.35 % or BDT 0.70.

<http://thefinancialexpress.com.bd/stock/prices-of-ten-companies-rise-unusually-1548649611>

## Aziz recognised as the 'Global Asian of the Year 2018'

New Age, January 29, 2019

- Summit Group chairman Muhammed Aziz Khan has been recognised as the 'Global Asian of the Year 2018' under the 'Power & Energy' category by AsiaOne magazine for his contribution to the sector and industry, said a press release on Monday.
- The award ceremony was held at the Tenth Edition of AsiaOne Summit 'Pride of Asia – Asian Business & Social Forum 2019' on January 21 at Marina Bay Sands Hotel in Singapore. AsiaOne stated that Muhammed Aziz Khan was the pivotal force of the largest infrastructure conglomerate in Bangladesh – the Summit Group of companies.
- Starting his business with zero capital, Aziz has been listed among the richest in Singapore by Forbes in 2018, said the press release. This selection is based on primary and secondary research across 16 industries under 62 sub categories in Asia, with the evaluation and scoring from independent jury members, united research services international primary and secondary data collation, and the AsiaOne editorial team

<http://www.newagebd.net/article/63144/aziz-recognised-as-the-global-asian-of-the-year-2018>

## Economy

### BB to crack down on habitual defaulters

The Daily Star, January 29, 2019

- The central bank has moved to reform the existing acts to clamp down on habitual defaulters, whose tendency to go to courts to stall paying back loans has sent the sector's non-performing loans to an alarming level. As of September last year, the ratio of NPLs stood at 11.45 % of the total outstanding loans. In terms of amount, it is BDT 99,370 crore.
- The Bangladesh Bank is set to hold a meeting on February 6 with banks' managing directors. More than BDT 75,000 crore of default loans is pending with the money loan courts because of the drawn-out process to settle the cases. eneral.

#### DEFAULTED LOANS AT BANKS

In crore taka

SOURCE: BB



<https://www.thedailystar.net/business/news/bb-crack-down-habitual-defaulters-1694404>

### Bangladeshis in US pay highest remittance fee

New Age, January 29, 2019

- Bangladeshi expatriates in the United States pay highest 5.3 % fees while Bangladeshi expatriates in Singapore pay lowest 2.61 % fees for sending remittance back home. The second-highest 5.1 % fees are paid by Bangladeshi diaspora in the United Kingdom, according to a presentation by Bangladesh Bank to finance division in December 2018 on fees for sending remittance from different countries.
- Among the oil-rich Middle Eastern countries, Bangladeshi migrants pay highest 4.46 % fees for remittance, followed by Saudia Arabia 3.90 %, Oman 3.44 % and United Arab Emirates 2.96 %. Bangladeshi migrants in Kuwait pay second-lowest 2.64 % fees for remittance.
- Bangladesh received \$14.98 bn in remittance in 2017-18 financial year for which \$600 mn was paid as fees by about 70 lakh Bangladeshi migrants as the average fee for remittance now was 3.99 %. Saudi Arabia was the biggest source of remittance inflow into Bangladesh as Bangladeshi immigrants sent \$2.5 bn in 2017-18 followed by the United Arab Emirates with a remittance of \$2.4 bn.
- The United States was the third top remittance generating source for Bangladesh with a remittance of \$1.9 bn in 2017-18. The United Kingdom and Malaysia shared the fourth place as Bangladeshi migrants sent \$1.1 bn each from those countries in 2017-18.

<http://www.newagebd.net/article/63147/bangladeshis-in-us-pay-highest-remittance-fee>

### Banks' dependence on central bank for US dollars continues

Dhaka Tribune, January 28, 2019

- High demand for the US dollar by commercial banks remained unchanged for nearly one and a half years now as they continue to buy dollars from Bangladesh Bank (BB) to meet enhanced import payments. The central bank has sold \$1.33 bn to banks as of yesterday. The amount in the last fiscal year was to the tune of \$2.31 bn, meaning banks bought \$ 190 mn per month on average from the central bank.

- The average monthly dollar purchase for July-January (as of 28th) period of the current fiscal year also stands at \$190 mn, as the total sale as of yesterday hit \$1.33 bn. Economists and bankers said the reasons behind the high sales of the US dollar are the several mega projects being implemented in the country, and an increase in import of raw materials and other commodities.
- Speaking to the Dhaka Tribune, Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh (PRI) said that before the national election, the central bank had sold the US dollar because the government needed to stabilize the foreign exchange market.
- As of January 27, 2019, the inter-bank exchange rate of the US dollar stood at BDT83.95, up from BDT78.88 two years earlier, increasing by little more than BDT5. Arfan also explained that there will be more pressure on the US dollar in the coming days for the mega projects to be implemented.
- According to data by the Bangladesh Bank, in the first five months of the current fiscal year (FY2018-19), export earnings stood at \$16.77 bn. Import payments rose by 6.64% and stood at \$23.43 bn during the same period, up from \$21.97 bn during the corresponding period of FY2017-18.

<https://www.dhakatribune.com/business/2019/01/28/banks-dependence-on-central-bank-for-us-dollars-continues>

## **Businesses alarmed at 25% quota rise in state-owned vessels' cargo carrying**

Dhaka Tribune, January 28, 2019

- The cabinet has approved in principle the draft of the Bangladesh Flag Vessels (Protection) Bill 2019 with a provision stating that at least 50% instead of the existing 40% of the seaborne cargoes related to Bangladesh's foreign trade must be carried by Bangladesh Shipping Corporation (BSC) flag vessels.
- The approval came at the cabinet meeting held with Prime Minister Sheikh Hasina at her office yesterday, reports UNB.
- The ordinance reduced minimum membership requirement to create a workers' welfare association to 20% in a factory in the Export Processing Zone (EPZ). Earlier, 30% workers' consent was required to form a workers' welfare association. As per the ordinance, if a worker wants to resign on completion of 25 years of service, he would get service benefit of 45 days for every working year instead of existing provision of 30 days.
- The ordinance also authorizes the Department of Inspection for Factories and Establishments to inspect the EPZ factories alongside the BEPZA authority. Noting that an annual report on the cabinet's decisions was placed at the meeting, Shafiul Alam said implementation rate of the cabinet decisions taken in 2018 is 86.26%.

<https://www.dhakatribune.com/business/2019/01/28/50-seaborne-cargoes-in-foreign-trade-must-be-carried-by-bsc-vessels>

## **\$5.9b flows out from BD in 2015: GFI**

The Financial Express, January 28, 2019

- At least US\$ 5.90 bn flew out from Bangladesh illicitly in 2015 through misinvoicing in international trade with the advanced economies. The amount is closer to around two months' merchandise export of the country. Washington-based Global Financial Integrity (GFI), in its latest report on illicit financial flows to and from the developing countries, unveiled the data on Monday
- It also showed that illicit financial inflows from other countries to Bangladesh stood at \$2.8 bn in 2015. Though titled as 'Illicit Financial Flows to and from 148 Developing Countries: 2006-2015', the report does not provide country-wise statistics of illicit financial outflows for the mentioned 10-year period.
- The earlier report, released in 2017, showed that annual average illicit capital outflow from Bangladesh stood at \$7.58 bn during 2005-2014, and the amount was \$9.10 bn in 2014. But the previous report estimated both trade

misinvoicing and hot money outflow, as GFI's measure of illicit financial flows stems from two sources. One is the deliberate misinvoicing in merchandise trade, and another is leakages in the balance of payments or hot money flows.

- The latest report only focused on trade misinvoicing and trade with the developed nations. Around 90 % of Bangladesh's export trade takes place with the advanced economies, while around 70 % of import trade with the developing countries.
- Thus, the actual outflow through the trade misinvoicing may be higher than the amount mentioned in the report. The country's merchandise trade with the rest of the world stood at around \$75.0 bn in 2015, according to the Bangladesh Bank (BB) and the Export Promotion Bureau (EPB) data. GFI estimate is based on the International Monetary Fund's (IMF) Direction of Trade Statistics dataset.

<http://thefinancialexpress.com.bd/economy/bangladesh/59b-flows-out-from-bd-in-2015-gfi-1548694839>

## International

### China industrial profits shrink again

New Age, January 29, 2019

- Earnings at China's industrial firms shrank for a second straight month in December, putting pressure on policymakers to support industries hurt by slowing prices and weak factory activity amid a protracted US-Sino trade war.
- The downbeat data points to more troubles ahead for the country's vast manufacturing sector already struggling with a decline in orders, job layoffs and factory closures as China's economic growth slows to its weakest in nearly three decades.
- China's economy expanded 6.6 % in 2018 and growth is set to slow further this year as Beijing's efforts to reduce debt risks depress the property market and curb credit flows to the private sector, while a crackdown on pollution dents industrial activity.
- Industrial profits in December fell 1.9 % from a year earlier to 680.8 bn yuan (\$100.9 bn), weighed down by weak factory-gate prices and soft demand, the National Bureau of Statistics (NBS) said on Monday. This is on top of a decline of 1.8 % in November - the first contraction in profits in nearly three years.
- For the full year, profits rose 10.3 % to 6.64 trillion yuan in 2018, easing from 2017's robust pace of 21 %. Upstream sectors such as oil extraction, coal and metal mining still commanded the lion's share of profit gains last year, but analysts say that as industrial prices slow further or even shrink, profitability will come under pressure.
- A survey from the state planner this month showed activity at 2,500 Chinese small- and mid-sized enterprises continued to contract in the fourth quarter last year despite a flurry of supportive government policies. The Small and Medium Enterprises Development Index stood at 93 last quarter, below the 100-mark that separates growth from contraction, according to the National Development and Reform Commission.
- Moody's said in a recent report the Chinese government's latest measures to support funding for private firms would be limited in effect, as credit would mostly flow to the fewer stronger privately-owned enterprises. Monday's data showed industrial firms' liabilities rose 5.2 % from a year earlier to 64.1 trillion yuan by end-2018, compared with a 5.8 % rise as of end-November.

<http://www.newagebd.net/article/63139/china-industrial-profits-shrink-again>

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