

## Stock Market

### Stocks keep falling as stakeholders push ball to BB court

New Age, March 29, 2018

- Dhaka stocks on Wednesday inched down amid poor participation of investors after a plunge in the previous session as investors were awaiting a move from Bangladesh Bank regarding the banks' stock market investment limit to ease an acute liquidity crisis that has been haunting the market for two months, market operators said.
- Dhaka Stock Exchange's key index, DSEX, edged down by 0.05 %, or 2.92 points, to close at 5,488.86 points. The key index lost 91 points in last three trading sessions.
- The market seesawed throughout the trading session that ended in the negative trajectory as investors were anxious about what would be the central bank's decision about the banks' exposure limit, market operators said.
- The finance ministry on March 14 asked the BB to reconsider the proposals sent by the DSE Brokers Association and Bangladesh Merchant Bankers Association to mitigate the liquidity crisis to some extent.
- The turnover at the bourse declined to BDT 277.35 crore on Wednesday compared with that of BDT 311.44 crore in the previous session.

<http://www.newagebd.net/article/37794/stocks-keep-falling-as-stakeholders-push-ball-to-bb-court>

### CSE sees lowest turnover in 10yrs

The Daily Star, March 29, 2018

- The Chittagong Stock Exchange (CSE) saw its lowest turnover in 10 years yesterday because of poor performance of traders.
- The port city bourse traded 46.93 lakh shares and mutual fund units worth BDT 10.39 crore in turnover. The previous lowest turnover of BDT 10.31 crore was witnessed on January 7 of 2008.
- Moreover, the dual TREC holders—who were enlisted both in DSE and CSE—were very active in the Dhaka bourse, but inactive in the port city bourse when the market was bearish, he said.

<http://www.thedailystar.net/business/cse-sees-lowest-turnover-10yrs-1554895>

### SoEs may be allowed to deposit 60pc with public banks, 40pc with PCBs

The Financial Express, March 29, 2018

- The government is likely to relax the policy to allow its agencies so that they can deposit more funds with the private commercial banks (PCBs) to help mitigate the ongoing liquidity crunch.
- Under the proposed relaxation, the state-owned enterprises (SoEs) may be allowed to deposit 60 % of their funds with the public banks and rest 40 % with the PCBs.
- Currently, the state agencies are allowed to deposit 75 % of their funds with the public banks and rest 25 % with the PCBs.
- "An official announcement in this connection is expected to come shortly," a highly placed source at the government told the FE on Wednesday.

- He also said the issue has also been discussed at different high-level meetings of the central bank in the last couple of days.
- The private bankers are set to seek 50 % deposit of the government funds to meet the growing demand for the liquidity in the banking sector, according to banking sector insiders.
- They also said the bankers may also urge the regulators to slash the cash reserve requirement (CRR) by 100 basis points to 5.50 % for the commercial banks from the existing 6.50 % on the same ground.
- The appeals will be made at a meeting of the Bangladesh Association of Banks (BAB) scheduled to be held at BAB office in the capital on Friday evening in the presence of Finance Minister AMA Muhith.
- The Ministry of Finance as well as the central bank of Bangladesh is now working with various options to mitigate the ongoing liquidity crunch, according to banking sector insiders.
- As part of the moves, the BB has sought information on withdrawing of funds by the SoEs from the PCBs from January 01 to March 23 last, they added.
- The overall deposit rates started creeping up since the beginning of this calendar year, primarily due to withdrawal of funds from the PCBs by a section of depositors, including public sector agencies.

<https://thefinancialexpress.com.bd/economy/soes-may-be-allowed-to-deposit-60pc-with-public-banks-40pc-with-pcb-1522294314>

## **Private banks' profits slide on piling bad loans**

The Daily Star, March 29, 2018

- Private banks' net profits slid for the first time in four years in 2017, dragged down by their ballooning non-performing loans.
- In 2017, private banks, most of which are listed on the stockmarket, counted BDT 7,782 crore in net profit in contrast to BDT 7,806 crore a year earlier.
- They made operational profit of BDT 24,647 crore from which BDT 7,990 crore was deducted as tax and BDT 7,361 crore as provisioning against bad loans.
- Khondkar Ibrahim Khaled, a former deputy governor of the central bank, said some private banks had faced financial scams last year that eroded their profits.
- Among the private banks, Standard Chartered recorded the highest net profit of BDT 762 crore last year, followed by National Bank at BDT 653 crore and Islami Bank Bangladesh at BDT 624 crore.
- But the overall banking sector's profits, however, grew 11.91 % year-on-year to BDT 9,296 crore in 2017, on the back of some robust numbers logged in by state banks, according to provisional statistics from the central bank.

<http://www.thedailystar.net/business/banking/private-banks-profits-slide-piling-bad-loans-1554931>

## **Dhaka, Jamuna banks allowed to float bonds worth BDT 1,000cr**

New Age, March 29, 2018

- The Bangladesh Securities and Exchange Commission on Wednesday allowed two banks — Dhaka Bank and Jamuna Bank — to float subordinated bonds worth BDT 1,000 crore in total.
- The capital market regulator gave the approval in a commission meeting presided over by its chairman M Khairul Hossain.
- As per the BSEC approval, Dhaka Bank will float non-convertible floating rate subordinated bonds worth BDT 500 crore and Jamuna Bank will issue non-convertible coupon bearing subordinated bond worth BDT 500 crore.
- The face value of each unit of Dhaka Bank's bonds will be BDT 10 lakh, while the face value of Jamuna Bank's bonds will be BDT 1 crore each.
- The bonds to be issued by the two banks will be fully redeemable in seven years.

<http://www.newagebd.net/article/37791/dhaka-jamuna-banks-allowed-to-float-bonds-worth-BDT-1000cr>

## **Economy**

### **Medicine makers demand cash incentive on exports**

The Daily Star, March 29, 2018

- Local medicine makers have urged the government to extend cash incentive benefit to the exports of pharmaceutical products to help the sector grow further and capture more overseas markets.
- In fiscal 2015-16, the annual sales of pharmaceutical products stood at BDT 15,600 crore for the domestic market. This is a huge jump for the sector as the industry size was only BDT 170 crore in 1982. Currently, local manufacturers meet 97 % of the domestic demand for lifesaving medicines.
- Bangladesh exports medicines to 150 countries, including the USA, Canada, Australian and the European Union.
- Exports of pharmaceutical products registered 14.6 % growth in 2011-2016. Pharmaceuticals raked in \$60.24 mn in the July-January period of the current fiscal year, up 14.44 % year-on-year.

<http://www.thedailystar.net/business/export/medicine-makers-demand-cash-incentive-exports-1554835>

### **China's \$2.6b loan may get approval today**

The Daily Star, March 29, 2018

- The hard-term loan committee today may approve a \$2.6 bn financing for the Padma rail link project, paving the way for the signing of a deal with the Exim Bank of China next month.
- The Chinese State Council, the highest policymaking body of the East Asian nation, last month gave the consent to the loan for the project.
- Of the 26 projects committed by China during its president's visit to Dhaka in 2016, the rail link is the most pressing one, receiving the highest amount of loan. Primarily, the Chinese loan amount for the project was estimated at \$3.14 bn.

- The financing for the Padma rail link project will come in the form of PBC, 15 % of which will be provided by the government.
- As a result, the Exim Bank's loan for the project would be \$2.6 bn and the currency would be US dollar. The loan carries 2 % of the interest rate.
- The rail link project is scheduled to be implemented by 2022, but a portion of it would be completed by December 2018 when the government plans to open the Padma bridge.

<http://www.thedailystar.net/business/chinas-26b-loan-may-get-approval-today-1554910>

## International

### Japan passes record \$926b budget

The Daily Star, March 29, 2018

- Japan's parliament approved a record \$926 bn state budget on Wednesday for the next fiscal year, starting on April 1, with analysts wary about Prime Minister Shinzo Abe's ability to push fiscal reform as he faces a crisis over suspected cronyism.
- With the passage of the budget bills, attention is shifting to debate on a mid-year fiscal reform plan to rein in what is already the heaviest public debt burden in the industrialised world.
- Analysts doubt Abe would push painful reform, at a time when he faces his biggest political crisis since taking office in late 2012 as suspicions swirl about a sale of state-owned land at a huge discount to a nationalist school operator with ties to his wife.
- The 97.7 trillion yen (\$925.89 bn) spending plan - above 97.5 trillion yen initially planned for the current fiscal year - features a large welfare outlay to respond to a fast-ageing population and a record military outlay to cope with regional tension related to China and North Korea.

<http://www.thedailystar.net/business/global-business/japan-passes-record-926b-budget-1554838>

### Deutsche Bank Is Considering More Cuts at Investment Bank

Bloomberg, March 29, 2018

- Bloomberg's Steven Aarons reports on possible cuts at Deutsche Bank's trading businesses.
- Deutsche Bank AG is conducting a fresh review of its trading businesses, according to people familiar with the discussions, an overhaul that Chief Executive Officer John Cryan is pursuing to help restore profitability amid reports that the bank is seeking to replace him.
- The future of the investment bank, the lender's largest unit by revenue, has been a central point of contention in Cryan's restructuring efforts since he took over in mid-2015. Investors' frustration with the lack of growth prompted Chairman Paul Achleitner to search for a successor to the CEO, people familiar said this week. Speculation about his position prompted Cryan to tell staff that he's "absolutely committed" to serving the bank and continuing his work.

<https://www.bloomberg.com/news/articles/2018-03-28/deutsche-bank-is-said-to-consider-more-cuts-at-investment-bank-jfb3lt3p>

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