

Stock Market

DSEX dips to fresh four-month low amid low confidence

The Financial Express, April 28, 2019

- Stocks slipped back into the red on Sunday amid lack of investors' confidence to the ongoing bearish market. The market opened on negative note and downturn continued until end of the session amid modest volatility.
- At the end of the session, DSEX, the prime index of the Dhaka Stock Exchange (DSE), settled at fresh four-month low to 5,238, losing 27.98 points or 0.53 % over the previous day. Two other indices also ended lower. The DS30 index, comprising blue chips, fell 8.02 points to finish at 1,855 and the DSE Shariah Index lost 5.62 points to close at 1,209.
- Turnover, another important indicator of the market, however, also fell to BDT 3.44 bn, which was 10 % lower than the previous day's BDT 3.82 bn. The losers took a strong lead over the gainers as out of 344 issues traded, 208 declined, 95 advanced and 41 issues remained unchanged on the DSE trading floor.
- A total number of 107,592 trades were executed in the day's trading session with trading volume of 91.80 mn securities. The other turnover leaders were Fortune Shoes, Monno Ceramic, National Tubes and Bangladesh Submarine Cable Company.
- Generation Next Fashion was the day's best performer, posting a gain of 9.97 % while Agrani Insurance was the worst loser, losing 17.09 % following its lower dividend declaration.

<http://thefinancialexpress.com.bd/stock/dsex-dips-to-fresh-four-month-low-amid-low-confidence-1556447003>

Stockbrokers meet BSEC top brass

Seek actions on placement shares, stock dividends

The Financial Express, April 29, 2019

- The securities regulator has assured top stockbrokers of taking market supportive measures including making a provision for setting a ceiling on shares issued through IPO (initial public offering) and private placements.
- The assurance came at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC) on Sunday. Top stockbrokers, representatives of DSE Brokers Association (DBA) and Bangladesh Merchant Bankers Association (BMBA) attended the meeting chaired by BSEC chairman Prof M Khairul Hossain.
- The stockbrokers also proposed effectiveness of one-year lock-in on placement shares from the date of debut trading instead of the date for approving the IPO prospectus. The stockbrokers also urged the securities regulator to approve the proposals for issuing stock dividends, considering specific grounds for raising capital

<http://thefinancialexpress.com.bd/stock/global/seek-actions-on-placement-shares-stock-dividends-1556508735>

Jamuna Bank gets new chairman

The Daily Star, April 29, 2019

- Md Atiqur Rahman has recently been elected as the chairman of Jamuna Bank. Rahman had also earlier served the financial institution as chairman for a year from 2003 to 2004, the bank said in a statement yesterday.
- He obtained his BSc degree in civil engineering from Bangladesh University of Engineering and Technology. He is also a fellow member of the Institute of Engineers, Bangladesh. He is also the managing director of the Civil Engineers Ltd and the chairman of Standard Group, according to the statement.

<https://www.thedailystar.net/business/banking/news/jamuna-bank-gets-new-chairman-1736155>

Rudimentary capital market to blame for banking sector woes

The Daily Star, April 29, 2019

- The absence of vibrant stock and bond markets is to blame for the banking sector's current woes including liquidity crunch and bulging non-performing loans, experts said yesterday. Banks are providing long-term loans with their short-term deposits, which is essentially the root of the problem, they said.
- One of the biggest problems is that the private sector depends only on financial institutions for long-term loans. Bangladesh will need to invest \$608 bn from 2016-2040 on the infrastructure sector, said a study of GurantCo. However, the current trend shows the country will be able to meet \$417 bn, leaving a gap of \$192 bn.
- Bonds will be the key to meeting the demand for infrastructure funds, said Andrew Bainbridge, chairman of Private Infrastructure Development Group, the parent company of GuarantCo. The DSE is ready to trade bond but it has been barred due to some issues with the National Board of Revenue and the Bangladesh Bank.

<https://www.thedailystar.net/business/news/rudimentary-capital-market-blame-banking-sector-woes-1736167>

Economy

Default loans denting confidence: BIDS

The Daily Star, April 29, 2019

- The rise in default loans stemming from financial scams and weak supervision by the central bank are eroding the confidence of customers in the banking sector, according to a paper of the Bangladesh Institute of Development Studies.
- State-run banks have accounted for the highest share of non-performing loans (NPLs), while the private ones are struggling to keep it low by loan restructuring and rescheduling, the paper said. Default loans in the banking sector stood at BDT 93,370 crore as of December last year, which is 10.33 % of the total outstanding loans.

- The large amount of NPLs, low operating efficiency of banks and a higher cut of yield on national savings tools are mainly responsible for the high interest rate on lending. The central bank has recently allowed more lenders, taking the total number of banks to 59, but the new ones are not in a good position.
- Employees of lenders do not have adequate loyalty to their organizations and they frequently move from one bank to another. Some banks are involved in aggressive banking and they often engage in competition to lure in clients from other lenders.

<https://www.thedailystar.net/business/news/default-loans-denting-confidence-bids-1736185>

Improve ease of doing business

European envoys urge govt

The Daily Star, April 29, 2019

- European ambassadors yesterday urged the government to take practical action with a view to improve the ease of doing business in Bangladesh.
- The heads of missions of the European Union, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, and the United Kingdom made the call while participating in the fifth plenary of the EU-Bangladesh Business Climate Dialogue held at the commerce ministry.
- This would be beneficial both to Bangladesh and the EU, said the EU embassy in Dhaka. They noted that the policy reform process in Bangladesh has proved to be lengthy and complex. Regulatory unpredictability, uncertainty, and the lack of coherence in policy implementation are major barriers to doing business, as highlighted in recent international and domestic reports, they said.
- Senior officials from relevant ministries and agencies as well as by the heads of diplomatic missions of the EU member states and representatives of the EU private sector in Bangladesh were also present. The EU-Bangladesh Business Climate dialogue was initiated in May 2016 between the EU Business Council in Dhaka and the commerce ministry, with an aim to jointly remove impediments that obstruct EU trade and investment in Bangladesh.

<https://www.thedailystar.net/business/news/improve-ease-doing-business-1736176>

International

EU for policy reform to better business climate

New Age, April 29, 2019

- Chief of the EU delegation to Bangladesh Rensje Teerink on Sunday called on the government to take practical action with a view to improve the ease of doing business in Bangladesh.
- At the 5th plenary of the EU-Bangladesh Business Climate Dialogue held at commerce ministry, she stressed the need for political commitment and practical action to carry out urgently needed policy reforms.
- Citing recent international and domestic reports, the EU delegation identified regulatory unpredictability, uncertainty, and the lack of coherence in policy implementation as major barriers to doing business.

- The heads of mission of the European Union, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom participated in the dialogue and suggested that the government should take steps to make business easy and fair for all.
- They desired that the government would carry out in a timely manner necessary policy reforms in favour of a transparent, accountable and predictable regulatory regime in order to encourage more trade and investment from Europe.
- Status of five issues including import duties and trade facilitation, financial flows, import restriction on pharmaceuticals, tax regimes and license and investment in the service sector was discussed in the dialogue.

<http://www.newagebd.net/article/71076/eu-for-policy-reform-to-better-business-climate>

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