

## Stock Market

### Dhaka stocks snap 4-week losses on BB move, Kamal's meeting

New Age, September 29, 2019

- Dhaka stocks advanced in the past week, ending a 4-week losing streak, as investors went for bargain hunting purchase following the Bangladesh Bank's move to provide liquidity support to banks for investing in the capital market.
- DSEX, the key index of the DSE, advanced 2.32 % or 112.48 points over the past week to close at 4,968.47 points on Thursday, the last trading session of the week after losing 381 points in the previous four weeks.
- Average share prices of telecommunication, bank, non-bank financial institution and pharmaceutical sectors advanced by 7.3 %, 2.7 %, 2.4 % and 2.1 % respectively. The government took several steps in recent days after the market had dwindled to a 33-month low over several issues including volatility in the financial sector and Gp's tussle with the telecom regulator.
- The daily average turnover on DSE advanced to BDT 562.30 crore in last week from BDT 379.59 crore in the previous week. Out of the 355 issues traded in the week, 252 advanced, 76 declined and 27 remained unchanged. DS30, the blue-chip index of DSE, gained 1.90 % or 33.02 points, to close at 1,768.95 points.
- Shariah index DSES added 2.25 %, or 25.31 points, to finish at 1,148.52 points. Grameenphone led the turnover chart with its shares worth BDT 96.26 crore changing hands in the week. National Tubes, Fortune Shoes, Monno Jute Staffers, VFS Thread Dyeing, Square Pharmaceuticals, Sonar Bangla Insurance, Beacon Pharmaceuticals, Monno Ceramic and JMI Syringe were the other turnover leaders.
- Sonar Bangla Insurance gained the most in the week with a 28.57-% increase in its unit prices while Fortune Shoes was the worst loser, shedding 12.91 %.

<http://www.newagebd.net/article/85996/dhaka-stocks-snap-4-week-losses-on-bb-move-kamals-meeting>

### ICB seeks BDT 1,000cr from BB

*The fund will be injected into stocks*

The Daily Star, September 29, 2019

- The Investment Corporation of Bangladesh has sought BDT 1,000 crore in financial support from Bangladesh Bank on an "emergency basis" to inject liquidity into the ailing capital market as part of its concerted efforts to bring back investor confidence.
- Between June 27 and September 26, the DSEX, the Dhaka Stock Exchange's benchmark index, shed 461 points or 9.29 % to reach 4,968, which is below the psychological mark of 5,000, while investors lost BDT 23,925 crore.
- The government has recently instructed the ICB to provide required support to the market amid the ongoing volatility which has dampened investor confidence, according to the letter signed by ICB Managing Director Md Abul Hossain

#### AT A GLANCE

The BB gave ICB Tk 600cr in loans in 2011 to prop up stocks

Another Tk 300cr was provided in 2017

ICB now has a fund crisis due to the ailing capital market

Stocks' freefall can be contained if it gets the fund, ICB says

- The first instance was in 2011 when short-term loans worth BDT 600 crore were provided in three phases in line with Bangladesh Bank Order 1972.
- The ICB successfully arrested the heavy price fall during the period, protecting marginal investors from further losses. The credit, including interest, was paid back within 90 days. The second was in 2017 when BDT 300 crore was provided and which was now being returned. On September 22, the BB announced liquidity support for banks to ramp up their capacity to invest in the capital market.

<https://www.thedailystar.net/business/banking/news/icb-seeks-BDT-1000cr-bb-1806754>

## **Lodge stock complaints online**

*BSEC platform goes live tomorrow*

The Daily Star, September 29, 2019

- Investors will be able to file stock market-related complaints online on the Bangladesh Securities and Exchange Commission's (BSEC) website from tomorrow, a move aimed at expediting its redress mechanism. To open on a separate window, the system -- Customer Complaint Address Module -- promises delivering remedies in three weeks.
- This is a massive shift considering the fact that it takes anywhere between three to four months, even more in some cases, to get solutions through the current practice of physically registering grievances via letters and applications.
- Investors will need a beneficiary owner's account number, email address and mobile number to file objections and be able to attach any supporting document. The stock market regulator will send the complaints to the related office through emails setting specific timeframes for responses and solutions.
- Investors will be provided a complaint ID and be able to check the status of complaints anytime. Those unsatisfied with responses will be able to make further appeals with the regulator. So it will improve the BSEC's supervision, he said, adding that all the initiatives would turn successful once investors start using the system and spread the word.

<https://www.thedailystar.net/business/news/lodge-stock-complaints-online-1806727>

## **ACI to set up new subsidiary company**

The Financial Express, September 26, 2019

- Advanced Chemical Industries Ltd (ACI), a listed company with local bourses, has decided to set up a new subsidiary company named – 'ACI Marine and Riverine Technologies Ltd'. The decision was taken at the company's 189th meeting of board of directors held on Thursday in the capital.
- The paid-up capital of the proposed subsidiary company will be BDT 100 mn and authorised capital will be BDT 500 mn having 77 % ownership in the ACI Ltd, according to an official disclosure on Friday. Setting up the subsidiary company is subject to approval of concern authority, said the disclosure.
- The ACI was listed on the Dhaka bourse in 1976. The pharma sector company belongs to the "A" category. Each share of the company traded between BDT 257 and BDT 267.50, before closing at BDT 257.60 on

Thursday at the prime bourse. The company's per share price hovered between BDT 240 and BDT 398 in the past one year.

- The company's consolidated earnings per share (EPS) turned negative to BDT 6.25 for January-March 2019 as against BDT 0.93 for January-March 2018. In nine months for July 2018 to March 2019, its consolidated EPS was also negative BDT 5.81 for as against BDT 8.64 for July 2017-March 2018.
- The consolidated net operating cash flow per share (NOCFPS) was negative BDT 67.72 for July 2018-March 2019 as against negative BDT 64.16 for July 2017-March 2018. The consolidated net asset value (NAV) per share was BDT 206.06 as on March 31, 2019 and BDT 222.09 as on June 30, 2018.
- The sponsor-directors own 35.28 % stake in the company, while the institutional investors own 41.75 % and the general public 22.97 % as of August 31, 2019, the DSE data showed. ACI Ltd is one of the largest conglomerates in Bangladesh with a multinational heritage operates across the country through its four diversified strategic business units.

<http://thefinancialexpress.com.bd/stock/aci-to-set-up-new-subsiary-company-1569587242>

## RMG exporters in a fix as US buyer rejects \$2.6m cargo

Retailer says shipment missed sales season; BGMEA terms it unfair

- A US buyer has dealt a serious blow to 11 Bangladeshi garment exporters as it refused to accept goods worth \$2.6 mn (more than BDT 22 crore) although the shipment reached the port on time. As a result, the garment companies are not just losing the money, they will have to bear the freight charges for shipping the goods back and face compensation claim from US retailer Kontoor Brands, the exporters said.
- Kontoor, however, refuted the claims of the exporters. The retailer said it sent back the goods as the shipment missed the sales season. The goods were shipped from Bangladesh in January this year. Of the 11 companies, Nassa Apparels lost \$998,110.
- An adjuster determines how much an insurance company should pay if a claim is made. The owner of another victim company, asking not to be named, said he had lost \$4.30 lakh. The ship is now in Singapore and is waiting to return to the Chattogram port.
- In a statement, Scott Deitz, vice president for global corporate relations of Kontoor Brands, said the fire affected finished goods being shipped by multiple vendors in Bangladesh that were to be available for sale to consumers in time for the Spring 2019 selling season.
- In this case, the vendors were fully responsible to deliver the garments to the US or Canadian port terminal in the spring. Such assistance includes paying demurrage fees, costs to loss adjustors to prevent the goods from becoming abandoned, and return-to-origin transportation fees on behalf of the vendors to limit their further losses.

EXPORTERS THAT INCURRED LOSSES
Envoy Textiles
Nassa Apparels
MNC
Cimtex
DMC
Tarasima
Cotton Club
Canpark
Madler
Snowtex
Fountain Garments

<https://www.thedailystar.net/business/news/rmg-exporters-fix-us-buyer-rejects-26m-cargo-1805836>

## **EBL expands wings to China**

The Daily Star, September 29, 2019

- Eastern Bank Ltd (EBL), a leading private bank of Bangladesh, will open its first representative office in Guangzhou of China today to explore the growing business opportunities between the two Asian economies.
- The bank in a statement yesterday said this was the first footprint of any Bangladeshi financial institution in China, the world's second largest economy after the United States of America.
- Guangzhou will be the EBL's third overseas office after Hong Kong and Myanmar. The bank first went to Hong Kong with its finance company -- EBL Finance (HK) Ltd -- in 2013. The EBL says its Hong Kong office has been a successful venture with sound professional management and a skilled team earning profits regularly.
- With an initial capital of BDT 1.47 crore only, it made an accumulative profit of nearly BDT 42.5 crore till January 31, 2018, and out of that amount, BDT 23.5 crore has been repatriated to Bangladesh. Also, the bank is working with the major Chinese banks including the Bank of China, China Construction Bank, Industrial and Commercial Bank of China, and Agricultural Bank of China.
- China is now the largest trading partner of Bangladesh. The total volume of trade between the two countries stood at \$12.4 bn in fiscal 2017-18. Based on the current growth rate, analysts and bankers said this bilateral trade volume may reach \$18 bn by 2021.

<https://www.thedailystar.net/business/banking/news/eb1-expands-wings-china-1806730>

## **Economy**

### **Cold Chain BD enters into joint venture agreement with IFC**

The Financial Express, September 26, 2019

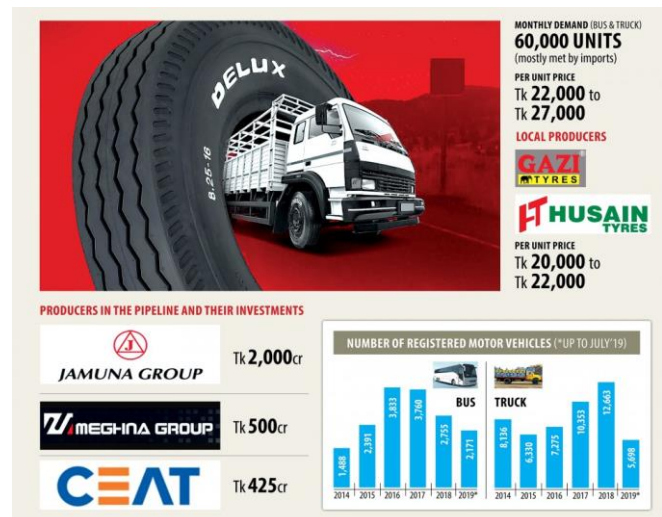
- Cold Chain Bangladesh Ltd (CCBL), owned by Golden Harvest Ice Cream Ltd and Golden Harvest Foods Ltd, has entered into a joint venture agreement with the IFC to invest in a network of temperature-controlled warehouses and logistics assets.
- The International Finance Corporation (IFC) is a member of the World Bank Group. The project will have Cold Chain Bangladesh's own investment of US\$ 15.2 mn, in conjunction with IFC's US\$ 6.51 mn investment.
- The Cold Chain Bangladesh will provide integrated temperature-controlled storage and transport services to customers in the country, according to an official disclosure on Thursday. This integrated cold chain and temperature-controlled, third-party logistics Services Company is the first of its kind of Bangladesh.
- The Cold Chain Bangladesh expects to serve a diverse customer base from 12 storage locations across the country using its temperature-controlled transportation fleet. It will facilitate high quality storage and movement of various types of perishable products, such as pharmaceuticals, frozen food, dairy and meat, vegetables, fruits, bakery and confectionaries, ice-cream etc.
- The company says the venture will increase food safety and quality of delivered products, reduce spoilage and contribute to the development of the country's logistics infrastructure. It will also benefit export-import activities and the economy as a whole.

<http://thefinancialexpress.com.bd/stock/cold-chain-bd-enters-into-joint-venture-agreement-with-ifc-1569477416>

## Tyre manufacturing awaits a boom with BDT 3,000cr investment

The Daily Star, September 29, 2019

- Bangladesh is on the verge of becoming a saturated market in tyre manufacturing by next year with the inclusion of some local and foreign conglomerates in the business. Apex Husain Tyre and Gazi Tyre currently meet 5 % demand for tyres of big buses and trucks in the country while imports meet the rest.
- Now Jamuna Group, Meghna Group and CEAT are all set to enter the market with huge investments and produce more tyres than what the country needs. GPH Ispat and a few other companies are also planning to go for tyre production.
- Jamuna Tyres and Rubber Industries Ltd, a concern of Jamuna Group, has invested over BDT 2,000 crore to produce tyres for big bus, truck, passenger car and motorcycle. Annually, Jamuna will produce 25 lakh units of tyres, almost enough to meet the country's total demand.
- Meghna Rubber Industries Ltd, a wing of Bangladesh's largest bicycle tyre and tube manufacturer Meghna Group, is setting up a new BDT 500 crore plant to produce tyres for big buses and trucks. Meghna currently produces tyres for motorcycles, easy bikes, CNG-run three-wheelers, light trucks and rickshaws. The company also exports bicycle tyres and tubes.



<https://www.thedailystar.net/business/export/news/tyre-manufacturing-awaits-boom-BDT-3000cr-investment-1806757>

## International

### China's industrial profits fall as headwinds hit firms

The Daily Star, September 29, 2019

- Profits at China's industrial firms contracted in August, reversing the previous month's brief gain, as weak domestic demand and the trade war with the United States weighed on corporate balance sheets.
- Industrial profits fell 2 % in August from a year earlier to 517.8 bn yuan (\$72.59 bn), data released by the National Bureau of Statistics (NBS) on Friday showed. That compared with a 2.6 % gain in July.
- Profits have slowed since the second half of 2018, despite some transitory rebounds, with falling factory-gate prices threatening to further knock profits as economic growth skidded to a near 30-year low. As a result, policymakers are widely expected to unveil more support measures to boost a slowing economy amid sluggish consumption, rising export pressure and faltering domestic demand.

- The decline in profits was in line with grim manufacturing readings in August with industrial production growth falling to its weakest in 17-1/2 years while exports also tumbled. Producer prices, one key barometer of domestic demand and indicative of profitability, posted their sharpest fall in three years last month.
- For January-August, industrial firms earned profits of 4.02 trillion yuan, down 1.7 % year-on-year, the same as the reading in the first seven months. Analysts expect economic growth could cool further this quarter from a near 30-year low of 6.2 % hit in April-June.
- Earlier this month, the People's Bank of China (PBOC) increased support for slowing growth by cutting banks' reserve requirement ratio (RRR) for the third time this year. China also cut a new one-year benchmark lending rate to free up credit to struggling smaller firms.

<https://www.thedailystar.net/business/global-business/news/chinas-industrial-profits-fall-headwinds-hit-firms-1806718>



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