

Stock Market

Stocks sink to 35-month low on poor dividend declarations

New Age, October 29, 2019

- Dhaka stocks plunged again on Monday, hitting a fresh 35-month low as investors' already-shattered confidence took a beating due to a surge in poor and no dividend declarations by listed companies. The key index of Dhaka Stock Exchange, DSEX, slumped by 1.12 %, or 53.42 points, to close at 4,699.23 points on Monday after losing 19.35 points in the previous day.
- Turnover on the DSE increased to BDT 305.90 crore on Monday from BDT 257 crore on Sunday because of panic driven selling. Out of the 353 scrips traded on the day, 260 declined and 57 advanced while 36 remained unchanged.
- Share prices of all the sectors, except three, dropped on the day with paper losing 3.6 %, textile 3.1 %, engineering 3 %, non-bank financial institution 2.7 % and IT sector losing 2.2 %. The ceramic sector rose by 3.6 % on the day.
- DSE Shariah index DSES shed 1.49 %, or 16.32 points, to end at 1,074.53 points. Blue-chip index DS30 decreased by 1.16 %, or 19.41 points, to close at 1,648.94 points. National Tubes led the turnover chart with its shares worth BDT 15.33 crore changing hands on the day.
- Standard Ceramics gained the most on the day with 20.48-% increase in its share prices while Salvo Chemical Industry performed the worst, losing 33.66 %.

<http://www.newagebd.net/article/89080/stocks-sink-to-35-month-low-on-poor-dividend-declarations>

DSE forms IPO review body

New Age, October 29, 2019

- The Dhaka Stock Exchange board on Monday formed a six-member IPO review team to scrutinise the draft initial public offering prospectuses to ensure enlistment of financially sound companies at the stock exchanges.
- According to the release, the DSE listing department head would work as member secretary of the team. Besides the formation of the team, the bourse would also form a 10-15 member expert panel comprising of representatives of chartered accountancy firms and financial analysts.
- In order to scrutinise each draft IPO prospectus, the DSE board review team would co-opt two to three members from the expert panel depending on the nature of the company under consideration. Within the fourth day of any draft IPO prospectus submission, the expert panel would be assigned with assessing the IPO proposal independently within a given timeframe.
- Once the independent evaluation reports would be filed, the IPO review team would discuss the findings. If required, the commission would seek explanation or clarification from the company intending to get enlisted with the stock exchanges.
- Besides, the DSE's IPO review team will have the authority to inspect a company with prior approval from the Bangladesh Securities and Exchange Commission. Finally, the IPO review committee and DSE's internal

assessment report would be placed before the board for the final decision that would be informed to the commission within 22 working days.

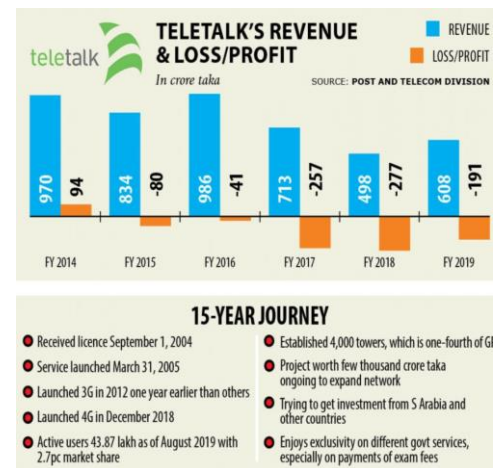
<http://www.newagebd.net/article/89082/dse-forms-ipo-review-body>

Economy

Teletalk to get licence renewed without clearing BDT 6,000cr dues

The Daily Star, October 29, 2019

- State-run Teletalk is getting its 2G licence renewed without clearing about BDT 6,000 crore of dues, in a brazen display of favouritism by the telecom regulator. The carrier owes about BDT 5,700 crore as spectrum charge and another few hundred crore in social obligation fees and some other charges.
- As per rules, all dues must be cleared for licences to be renewed. Teletalk's 2G licence had expired on August 31 and Bangladesh Telecommunication Regulatory Commission has already given the operator the no-objection certificate to continue its business. Not just that, the certificate renewal will be backdated.
- Last year, the telecom regulator sold spectrum from the two bands to Grameenphone and Banglalink for \$31 mn, a price that was fixed in an open auction. Using that rate, it can be calculated that Teletalk's 2G spectrum charges amount to BDT 4,005 crore.
- Earlier in 2012, Teletalk started to use 10 MHz spectrum in the 2,100 band and the telecom regulator said without value-added tax and late fees its market price was more than BDT 1,585 crore then. And last year this band's spectrum sold for \$27 mn per MHz by the telecom regulator. Using this rate, Teletalk owes BDT 2,295 crore to the BTRC.
- In the middle of last year, the operator hit its peak of 49 lakh active users and 3.5 market share. However, in its first 15 years Grameenphone had logged in 3.65 crore active users, Robi 1.61 crore and Banglalink had 2.38 crore active users.



<https://www.thedailystar.net/business/news/teletalk-get-licence-renewed-without-clearing-BDT-6000cr-dues-1820182>

Govt focuses more on bank borrowing to meet budget deficit

Fall in sale of savings tools, revenue shortfall trigger it

The Financial Express, October 29, 2019

- The government borrowed nearly BDT 280 bn from the country's banking system in more than 100 days of the current fiscal year (FY) to meet the budget deficit, partially. Of the total, the government borrowed BDT 256.88 bn from the scheduled banks using treasury bills (T-bills) and bonds, and the remainder BDT 19.46 bn from the central bank.

- In the first quarter of this fiscal year, sales of four popular savings instruments was BDT 90 bn, a 59.4 % decline compared to that of the same period a year earlier. Revenue collection by the National Board of Revenue fell by BDT 93.17 bn to BDT 296.20 bn in the July-August period of FY'20 as against the target of BDT 389.37 bn.
- The volume of borrowing may increase by a big margin in December as the government will have to pay more than BDT 100 bn against maturities of its securities particularly T-bills, according to the official. Meanwhile, the limits of the government's short-term borrowing from the central bank have been raised by 50 % to avoid mismatch in cash management by the government.
- Under the amended rules, the government will be able to borrow up to a maximum amount of BDT 60 bn from the central bank of Bangladesh without issuing any securities. Both limits of the government's short-term borrowing have been revised after more than six years, according to the official.

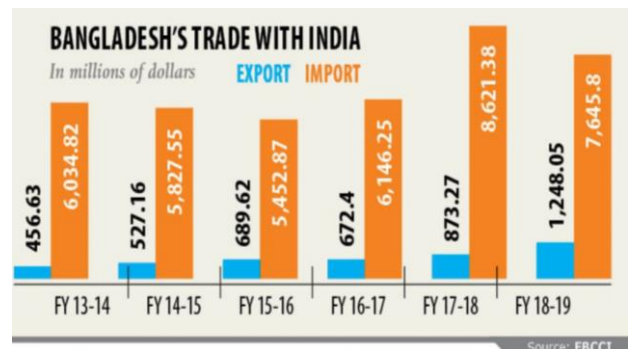
<https://thefinancialexpress.com.bd/economy/govt-focuses-more-on-bank-borrowing-to-meet-budget-deficit-1572320615>

Exports to India may double in 3yrs if trade potential utilised

Indo-Bangla chamber calls for focusing more on northeastern Indian states

The Daily Star, October 29, 2019

- Bangladesh will be able to double its export to India in three years if the former can utilise its trade potential in the northeastern Indian states, according to the India-Bangladesh Chamber of Commerce and Industry (IBCCI).
- Bangladesh's export to India crossed \$1 bn in the last fiscal year against imports of \$10.5 bn, tilting the balance of the bilateral trade in favour of India.
- It took Bangladesh eight years to reach \$1 bn in exports to India. But now only three years would be needed to double exports as trade and connectivity improved between Assam and Bangladesh, according to Ahmad.
- North East India comprises of Arunachal Pradesh, Assam, Meghalaya, Tripura, Mizoram, Sikkim, Manipur and Nagaland. About the potential of the garment sector, Ahmad said the cost of importing garment items to India from other countries is very high.



<https://www.thedailystar.net/business/news/exports-india-may-double-3yrs-if-trade-potential-utilised-1820173>

International

Iran's economy expected to shrink by 9.5pc

The Financial Express, October 29, 2019

- Iran's economy is expected to shrink by 9.5 % this year, compared to a prior estimate of a 6.0 % contraction, the International Monetary Fund (IMF) has said. Hurt by tighter US sanctions, Iran- a key member of the

OPEC is expected to have a fiscal deficit of 4.5 % this year and 5.1 % next year, the IMF said in a report on Monday.

- But new sanctions brought in after US President Donald Trump withdrew from that deal in 2018 are the most painful imposed by Washington. A drop in the Iranian currency following the reimposition of sanctions has disrupted Iran's foreign trade and boosted annual inflation, which the IMF forecasts at 35.7 % this year and 31 % next year.
- The IMF forecast Iran's exports of goods and services to drop to \$60.3 bn this year from \$103.2 bn last year, and to fall further to \$55.5 bn in 2020.

<https://thefinancialexpress.com.bd/economy/global/irans-economy-expected-to-shrink-by-95pc-1572248853>

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