

Stock Market

Stocks tumble to 27-month low

Aggrieved investors go on hunger strike

The Daily Star, April 30, 2019

- Dhaka stocks sank to a 27-month low yesterday, compelling aggrieved investors to stage a hunger strike in front of the Dhaka Stock Exchange building. The DSEX, the benchmark index of the DSE, dropped 62.73 points to close at 5,175.46.
- In the last one month, the bourse lost BDT 29,264 crore, or 7.10 percent, from its market capitalisation. In protest, general investors observed a hunger strike that went on for three and a half hours. They were coaxed out of their strike by Rashed Khan Menon, a member of the parliament, who assured them that their demands would be relayed to the prime minister.
- Menon, who is also president of the Workers Party of Bangladesh, expressed his accord with the investors' demands, urging the government to take action such that the gamblers cannot make off with investors' money.
- And yet they are sitting out in the sideline, which suggests there are deeper issues with the stock market and the regulator should get to the bottom of it. Furthermore, the message coming out from the government is not inspiring confidence at all.
- Meanwhile, turnover, another important indicator of the market, declined 13.26 percent to BDT 298.61 crore. Of the traded issues, 86 advanced, 217 declined and 44 closed unchanged.
- Fortune Shoes dominated the turnover chart with its transaction of 32.92 lakh shares worth BDT 12.27 crore, followed by Genex Infosys, Monno Ceramic, Bangladesh Submarine Cable and Brac Bank. The most negative contributors to the index were Grameenphone, Berger Paints and British American Tobacco.
- Eastern Insurance was the day's best performer with its gain of 14.10 percent while Malek Spinning was the worst loser with its loss of 9.63 percent.

<https://www.thedailystar.net/business/news/stocks-tumble-27-month-low-1736896>

Many listed banks' EPS see moderate rise in 2018

The Financial Express, April 29, 2019

- Most of the listed banks, which so far disclosed financial statements, have witnessed moderate rise in earnings per share (EPS) in 2018 compared to previous year. The dividends recommended by many of those banks, however, have almost remained same for the year ended on December 31, 2018 compared to previous year.
- According to DSE information, the consolidated EPS of Islami Bank Bangladesh rose to BDT 3.92 from BDT 3.06, Jamuna Bank to BDT 3.07 from BDT 2.77 (restated), BRAC Bank to BDT 5.17 from BDT 4.86, Dutch-Bangla Bank to BDT 21.01 from BDT 12.28, Uttara Bank to BDT 4.17 from BDT 3.83, and Eastern Bank to BDT 4.22 from BDT 3.29.
- The consolidated EPS of First Security Islami Bank rose to BDT 2.03 from BDT 1.72, Premier Bank to BDT 2.84 from BDT 2.46, Standard Bank to BDT 1.44 from BDT 1.42, and Bank Asia to BDT 2.01 from BDT 1.90.

The consolidated EPS of Pubali Bank jumped to BDT 3.63 for 2018 from BDT 0.06 (restated) reported for 2017.

- The consolidated EPS of Al-Arafah Islami Bank declined to BDT 2.35 from BDT 3.0, Shahjalal Islami Bank to BDT 1.47 from BDT 1.58, City Bank to BDT 2.30 from BDT 3.57 and Exim Bank to BDT 1.65 from BDT 2.34. City Bank has recommended 6.0 % cash and 5.0 % stock against 19 % cash and 5.0 % stock, Dutch-Bangla Bank 150 % stock against 30.0 % cash, Eastern Bank 20 % cash and 10 % stock against 20 % cash, First Security Islami Bank 10 % stock against 10 % stock, Premier Bank 15.50 % against 15 % stock and Pubali Bank 10 % cash and 3.0 % stock against 5.0 % cash and 5.0 %.

<http://thefinancialexpress.com.bd/stock/many-listed-banks-eps-see-moderate-rise-in-2018-1556512397>

Economy

Microsoft sets sights on cloud business in Bangladesh

The Daily Star, April 30, 2019

- MICROSOFT is targeting to get huge business through its cloud solution segment in Bangladesh, especially from the private sector, as the country has been advancing digitally for the last few years.
- The global software giant has been doing business in the cloud segment in the country since 2016 and has attached more importance to it recently, said Sonia Bashir Kabir, managing director for Microsoft Bangladesh, Myanmar, Nepal, Bhutan and Laos.
- At the summit, there were two sessions: one on the manufacturing sector and the other on the financial services industry of Bangladesh, according to a statement. They discussed ways of business transformation using Microsoft's distinct cloud solutions: Microsoft 365, Dynamics 365, and Microsoft Azure.

<https://www.thedailystar.net/business/global-business/news/microsoft-sets-sights-cloud-business-bangladesh-1736881>

Apex trade body to seek cut in corporate tax rates

The Daily Star, April 30, 2019

- The country's apex trade body is set to propose upward adjustment of tax-free threshold for individual taxpayers, reduction in the corporate tax rates and withdrawal of advance tax for import of raw materials for the upcoming budget.
- In its budget proposal for financial year (FY) 2019-20, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will also suggest carrying out an impact assessment on the new VAT law.
- It will also seek clarification on the proposed changes in VAT rates in the new VAT law that may replace the existing measures, including tariff value, value declaration process and the protection of local industry through Supplementary Duty (SD).
- The apex trade body is expected to submit its pre-budget proposal before the finance minister today (Tuesday) at the 40th budget consultative committee meeting, jointly organised by the National Board of Revenue (NBR) and the FBCCI.

- The FBCCI also seeks effective public-private partnership in making the new VAT law a success. The new VAT and Supplementary Duty Act, passed by parliament in 2012, is scheduled to come into force on July 1, 2019, replacing the existing VAT law of 1991.
- As per decision of the finance minister on March 31, 2019, there will be four VAT rates in the new law -- 5, 7.5, 10 and 15 % -- instead of uniform rate of VAT at 15 %. Also, the VAT-free threshold for small businesses will be BDT 5.0 mn and turnover tax limit up to BDT 30 mn.

<http://thefinancialexpress.com.bd/trade/apex-trade-body-to-seek-cut-in-corporate-tax-rates-1556594853>

International

World's largest bank posts 4.1pc Q1 profit rise

The Daily Star, April 30, 2019

- Industrial and Commercial Bank of China Ltd (ICBC), the world's biggest commercial lender by assets, posted a 4.1 percent rise in profit for the three months ended March, its fastest growth for the period since 2014.
- Profit was 82.01 bn yuan (\$12.18 bn) for the first quarter, compared with 78.80 bn yuan in the same period a year earlier, the bank said in a filing on Monday.
- That compared with an average projection for a 4.3 percent growth, two brokerage estimates compiled by Reuters show. The results from China's biggest commercial lender indicate early signs of profit and asset-quality recovery amid optimism the world's No.2 economy may be starting to stabilise after Beijing ramped up fiscal stimulus this year.
- ICBC's non-performing loan (NPL) ratio was 1.51 percent at end-March, versus 1.52 percent at the end of December. Total bad loans at the bank was 240.28 bn yuan at end-March, compared with 235.08 bn yuan at end-2018.

<https://www.thedailystar.net/business/global-business/news/worlds-largest-bank-posts-41pc-q1-profit-rise-1736860>

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