

## Stock Market

### Stocks dip for 2nd day amid investors' poor confidence

New Age, May 29, 2018

- Dhaka stocks dipped for the second session on Tuesday as investors remained pessimistic about a quick market rebound.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.14 %, or 7.72 points, to close at 5,409.69 points on Tuesday after losing 39.39 points in the previous session.
- The market went through a chaotic session with few ups and downs that ultimately settled in the negative territory as investors were unsettled throughout the session, market operators said.
- They said the market ended flat as investors were active on both sides of the trading fence.
- A prolonged downward trend at the market eroded investors' risk-taking appetite, they said.
- The market began to fall from the end of April when most of the high-profile companies including banks declared poor earnings and dividends for the year 2017.
- Moreover, the media reports on huge defaulted loans, scams, money laundering and poor monitoring at the banking sector dampened the investors' mood, market operators said.
- Meanwhile, a DSE team on Tuesday met finance minister AMA Muhith and discussed their budget proposals.
- The proposals include 100 % tax exemption for companies for the first three years after being listed with the stock exchanges and reducing the income tax rate to 15 % from 25 % for the listed companies.

<http://www.newagebd.net/article/42393/stocks-dip-for-2nd-day-amid-investors-poor-confidence>

### ICB, its subsidiaries to waive 100pc interest on margin loans

The Financial Express, May 30, 2018

- Investment Corporation of Bangladesh (ICB) and its two subsidiaries will waive 100 % interest on the margin accounts of the 'affected' investors.
- The subsidiaries are ICB Capital Management Limited (ICML) and ICB Securities Trading Company Limited (ISTCL).
- The investors, who incurred substantial losses after the 2010-11 stock market debacles, would be entitled to avail of the facility.
- Kazi Sanaul Hoq, managing director of ICB, said the decision was taken considering the ongoing market situation. The ICB invited applications by June 28, 2018.
- According to ICB managing director, around BDT 5.0 Bn will be waived against 13,000 accounts managed by the three companies, including the ICB.
- The interest to be waived has been calculated for a period from January 1, 2011 to March 31, 2018.
- Around 5,000 accounts managed by ICB will come under the coverage of the waiver facility.

<https://thefinancialexpress.com.bd/stock/icb-its-subsidiaries-to-waive-100pc-interest-on-margin-loans-1527574156>

## **IPO subscription of two cos to begin next month**

The Financial Express, May 29, 2018

- Aman Cotton: The public subscription of Aman Cotton Fibrous is set to start on June 03 and will continue till June 10 as the company would raise BDT 800 Mn from the capital market under the book building method.
- The company earlier received the approval of Bangladesh Securities and Exchange Commission (BSEC) to float 20.83 Mn ordinary shares for raising the capital.
- Of the total shares, 12.50 Mn will be issued to eligible investors at the cut-off price of BDT 40 each, which was set by the eligible investors through an electronic bidding in November last year.
- The net asset value per share of the company was BDT 35.63 as of June 2016 and the weighted average earnings per share (EPS) was BDT 3.49, according to the IPO prospectus.
- ICB Capital Management is the issue manager of the IPO.
- VFS Thread Dyeing: The IPO subscription of VFS Thread Dyeing will open on June 24 and continue till July 02.
- The VFS Thread Dyeing will raise a capital worth BDT 220 Mn under fixed price method.

<https://thefinancialexpress.com.bd/stock/ipo-subscription-of-two-cos-to-begin-next-month-1527486535>

## **Legacy Footwear's share price continues to soar sans PSI**

The Financial Express, May 29, 2018

- The share price of Legacy Footwear continued to soar with no apparent reason.
- The price jumped 6.79 % further on Monday to close at BDT 88.10 each at the Dhaka bourse. The share soared more than 58 % in 13 trading days till Monday.
- The price rose nearly 325 % or BDT 67.40 each within a year from BDT 20.70 on May 29, 2017.
- Following the recent 'abnormal' price hike, the Dhaka Stock Exchange (DSE) served show-cause notice on the company on May 20.
- Furthermore, the shoemaker also requested the investors not to consider rumours before investing their funds.
- "This unusual trade volume and price hike is quite abnormal considering the current market situation. The investors are requested to assess actual situation before any investment," the company said in a statement.
- According to market insiders, there is a rumour that Legacy Footwear will merge with another shoemaker, but the company already dismissed it. Still, investors were trying to get the stock at a higher price.
- The company's earnings per share stood at BDT 0.56 in the first quarter of this year, which was BDT 0.04 in the negative a year earlier.
- In nine months for July 2017-March 2018, its EPS was BDT 0.38 as against BDT 0.05 for July 2016-March 2017. As of March 31, its net asset value per share was BDT 15.65.
- Legacy Footwear, which was listed on the DSE in 2000, disbursed 10 % stock dividend for the year ended on June 30, 2017.

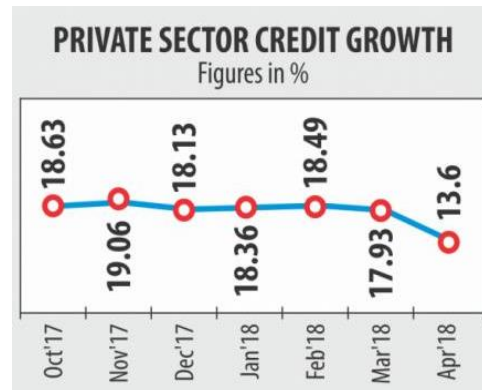
<https://thefinancialexpress.com.bd/stock/legacy-footwears-share-price-continues-to-soar-sans-psi-1527574060>

## Economy

### Private credit growth nosedives in April

The Daily Star, May 30, 2018

- Private sector credit growth saw a dramatic fall in April as banks put the brakes on their lending activities to adjust their loan-deposit ratio ceiling as per the central bank's instruction.
- Last month, credit growth stood at 13.6 %, down 4.33 % points from the previous month, according to data from the central bank.
- The growth rate was far below the monetary target of 16.3 % set for the second half of the fiscal year -- and a stark contrast to the preceding nine months.
- At the end of April, total outstanding private sector credit stood at BDT 8.81 lakh crore.
- The steep fall in credit supply to the private sector was due to the banks not having the available funds to give out loans, said Md Arfan Ali, managing director of Bank Asia.
- "Though there is still excess liquidity of BDT 80,000 crore in the banking system, most of the private banks are going through fund shortage."



<http://www.thedailystar.net/business/private-credit-growth-nosedives-april-1583629>

### Telcos may be allowed in MFS

The Daily Star, May 30, 2018

- Mobile operators may be allowed to hold a maximum of 49 % shares in companies that run mobile financial services, in what can be viewed as a U-turn from the Bangladesh Bank's previous stance.
- Along with the banks and non-bank financial institutions, non-governmental organisations, multinational companies, investment firms and fintech companies with experience of working in banking and finance will be allowed to form an MFS provider company, according to the BB's latest draft regulation.
- The draft regulation, however, said the MFS providers in the country will be led only by scheduled banks.
- Banks will have to form subsidiary companies to provide MFS and the companies will play as payment service providers (PSPs).
- One single bank, known as the parent bank, should have at least 51 % of the equity of the PSP working as MFS. The remaining shares will be owned by NBFIs, mobile operators, NGOs and authorised entities.

<http://www.thedailystar.net/business/telcos-may-be-allowed-mfs-1583617>

## Govt to import 500MW of power from Tripura

The Daily Star, May 30, 2018

- The government yesterday approved a BDT 1,342-crore project to set up a high-voltage sub-station in Comilla in order to import 500 megawatts of electricity from Tripura, India.
- The approval came at a meeting of the Executive Committee of the National Economic Council (Ecne) chaired by Prime Minister Sheikh Hasina at the NEC conference room in Sher-e-Bangla Nagar in Dhaka.
- The Asian Development Bank will provide BDT 1,019.79 crore for the project, the government BDT 252.51 crore and Power Grid Company of Bangladesh (PGCB) BDT 69.96 crore.
- For this reason, the back-to-back station will be set up to keep the export option open, Kamal added.
- The transmission line from Tripura to Comilla will be set up entirely with the government funds.
- PGCB will implement the project between July 2018 and June 2022.

<http://www.thedailystar.net/business/govt-import-500mw-power-tripura-1583620>

## International

### Stocks take battering as Italian crisis roils financial markets

Reuters, May 29, 2018

- Asian stocks extended a global sell-off on Wednesday as Italy's political crisis rippled across financial markets, toppling the euro to a 10-month low, pushing up Italian borrowing costs and sending investors rushing to safe-haven assets such as U.S. Treasuries.
- MSCI's broadest index of Asia-Pacific shares outside Japan tumbled 1.5 %, while Japan's Nikkei average sold off as much 1.9 % to hit a six-week low.
- Chinese shares also headed south, with the Shanghai Composite index down 1.8 %, South Korea's KOSPI and Australia's S&P/ASX 200 slipped 2.0 % and 0.6 %, respectively
- The sharp downturn followed from an equally harsh session on Wall Street on Tuesday, where the Dow Jones Industrial Average fell 1.6 %, the S&P 500 lost 1.2 % and the Nasdaq Composite dropped 0.5 %. The financial sector took a hard hit.
- Investors fear that repeat elections in the euro zone's third-largest economy - which could come as soon as July - may become a de-facto referendum on Italian membership of the currency bloc and the country's role in the European Union.

<https://www.reuters.com/article/us-global-markets/stocks-take-battering-as-italian-crisis-roils-financial-markets-idUSKCN1IV004>

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## Wall Street falls on Italy worries; bank shares drop

Reuters, May 29, 2018

- The S&P 500 and the Dow Jones Industrial Average registered their biggest one-day % drops in a month on Tuesday as political turmoil in Italy sparked concerns about the stability of the euro zone and shares of U.S. banks tumbled.
- Italy has been unable to assemble a coalition government since inconclusive elections in March, which saw the rise of anti-establishment parties that support leaving the euro.
- The most recent nominee for prime minister failed to secure support from the country's major political parties.
- The political crisis in Rome, and the threat to the euro project it represents, triggered a rush to traditional safe havens like U.S. debt, pulling down U.S. 10-year Treasury yields and in turn spurring losses for U.S. banks.
- Shares of S&P 500 banks registered their biggest one-day decline in more than two months, ending more than 4 % lower.

<https://www.reuters.com/article/us-usa-stocks/wall-street-falls-on-italy-worries-bank-shares-drop-idUSKCN1IU1E1>

## New Chinese plans are raising questions about Hong Kong's IPO prominence

Cnbc, May 29, 2018

- China is laying the groundwork for China Depository Receipts, allowing major firms to issue a type of secondary listing in the mainland.
- Some are worried that could negatively affect the Hong Kong IPO market, but experts said it's unlikely to have a major impact in the short term.

<https://www.reuters.com/finance/markets>

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