

Stock Market

Stocks fall for 4th week on polls-centric tensions

New Age, September 30, 2018

- Dhaka stocks plunged in last week, stretching the losing streak to the fourth consecutive week, as investors continued offloading shares amid rising political tensions ahead of the national election. DSEX, the key index of Dhaka Stock Exchange, lost 2.27%, or 124.16 points, over the week to finish at 5,342.89 points on Thursday, the last trading session of the week.
- DSEX lost 257.74 points in last four weeks. The average share prices of textiles, non-bank financial institution and bank sectors dropped by 6.6%, 4.4% and 1.6% respectively that led the nosedive in the week. Out of the 30 traded bank scrips, 22 declined, just five advanced and three remained unchanged while out of the 23 traded NBFIs, 20 declined, just two advanced and one remained unchanged.
- The daily average turnover on the bourse slumped by 26.62% to BDT 569.95 crore in last week from BDT 776.77 crore in the previous week. Out of the 341 traded issues, 257 declined, 71 advanced and 12 issues remained unchanged. DS30, the blue-chip index of DSE, also lost 0.85%, or 16.17 points, to close at 1,884.83 points over the week. Shariah index DSES shed 2.03%, or 25.49 points, to close at 1,230.02 points.
- Khulna Power Company led the turnover chart with its shares worth BDT 253.97 crore changing hands. United Power Generation & Distribution Company, IFAD Autos, Shasha Denims, Active Fine Chemicals, BBS Cables, Intech Limited, National Housing Finance, National Life Insurance Company and Aman Cotton were the other turnover leaders.
- Republic Insurance Company gained the most in the week with a 38.38 -per cent increase in its share prices, while Evince Textiles was the worst loser, shedding 37.33%.

<http://www.newagebd.net/article/51897/stocks-fall-for-4th-week-on-polls-centric-tensions>

No of BO accounts rises by 77,809 in Aug-Sept

New Age, September 29, 2018

- The number of beneficiary owners' accounts increased by 77,809 in last two months (August-September) this year amid vibrancy at the primary (initial public offering) market.
- As of September 28, the number of BO accounts stood at 26,94,754 while the figure was 26,16,945 as of July 31 this year. So far this year, 14 companies including two mutual funds raised BDT 681 crore through issuing IPOs while only seven companies raised BDT 219.25 crore from the capital market in 2017, hitting a decade low.
- The IPOs of ML Dyeing, VFS Thread Dyeing and Advent Pharmaceuticals were recently oversubscribed by more than 30 times. Opening a BO account with the Central Depository Bangladesh Limited through a depository participant, which is usually a stockbroker or a merchant bank, is a must for trading shares at the Dhaka Stock Exchange and the Chittagong Stock Exchange.
- Of the active 26,94,754 BO accounts, 19,67,373 are owned by male investors and 7,15,275 by female investors. The figures were 19,11,700 and 6,93,357 respectively on July 31, 2018. Individual investors operate 16,99,208 BO accounts, investors jointly operate 9,83,440 BO accounts and 12,106 accounts are operated by different companies including institutional investors, the CDBL data showed.
- Of the accounts (excluding the company-owned BO accounts), 25,26,364 BO accounts are owned by Bangladeshi investors and 1,56,284 accounts owned by non-resident Bangladeshi investors, the data showed. The IPO market was dull in the year of 2017 but this year the primary market was bullish.

- Of the newly listed companies in 2018, the share prices of Advent Pharmaceuticals and Queen South Textiles Mills soared by 384% and 274% respectively on their debut. Six companies — Silva Pharmaceuticals, Indo Bangla Pharmaceuticals, Kattali Textiles, Runner Automobiles, Genex Infosys, SS Steel — are waiting to be listed with the market soon.

www.newagebd.net/article/51785/no-of-bo-accounts-rises-by-77809-in-aug-sept

Esquire Knit's BDT 150cr IPO gets BSEC nod

New Age, September 28, 2018

- Bangladesh Securities and Exchange Commission on Thursday approved the initial public offering proposal of Esquire Knit Composite Limited allowing the apparel maker to raise BDT 150 crore from the capital market by issuing shares at a price of BDT 40-45 each.
- The commission gave the approval at a meeting presided over by its chairman M Khairul Hossain on Thursday. Esquire Knit will issue 3.48 crore general shares — 2.08 crore shares to eligible institutional investors at BDT 45 each and 1.04 crore shares to general investors at BDT 40 each.
- Earlier, on January 23, BSEC allowed Esquire Knit to conduct bidding among eligible institutional investors under the book building method of new public issue rules. As per the bidding of eligible investors, the cut-off price of the company's shares stood at BDT 45.
- The company will allot shares to general investors and non-resident Bangladeshi investors at BDT 40 as per the regulations. Esquire Knit will use the IPO proceeds for buying machinery, constructing building and civil construction, and to meet the IPO expenses. As per the entity's audited financial statements for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share were BDT 25.96 and BDT 2.52 respectively. Prime Finance Capital Management Limited is the issue manager of the company's IPO.
- Of the target size, sponsor-directors will provide BDT 5 crore, while the rest BDT 15 crore will be collected from general investors by selling its units. The face value of each of the unit is BDT 10.

<http://www.newagebd.net/article/51714/esquire-knits-BDT-150cr-ipo-gets-bsec-nod>

Import tariffs on LNG to go

The Daily Star, September 30, 2018

- The National Board of Revenue is going to waive import tariffs on liquefied natural gas (LNG) to enable industries to bring down their costs, said officials.
- Under the scheme, 5% customs duty and 5% advance trade VAT will be withdrawn at the import stage alongside a 93.24% supplementary duty. The move comes in line with a previous decision of government high-ups to cut import costs of LNG, the first shipment of which arrived at April's end to mainly meet the demand for energy at industrial units. The official said only 15% VAT on import and 15% on distribution of LNG would remain effective.

<https://www.thedailystar.net/business/news/import-tariffs-lng-go-1640587>

Economy

Global buyers, investors for continuation of Accord

New Age, September 30, 2018

- Global buyers and investors have requested Bangladesh government to allow operation of Transition Accord in Bangladesh's readymade garment sector until the 'rigorous readiness' of a national body to take over the factory safety responsibility.
- They have urged the government to implement the decision of Transition Monitoring Committee arrangement adopted in a meeting with the representatives of Accord, global trade union federations, Factory owners and International Labour organisation held at Bangladesh Secretariat in Dhaka on October 19, 2017.
- Bangladesh Investor Initiative, a group of institutional investors from twelve countries around the world having over \$2.8 trillion in total assets, in a letter to the government has expressed its concern over the imminent termination of the Accord in November 2018.
- Partnership for Sustainable Textiles, a Germany-based initiative, including garment brands like Hugo Boss and C&A, has sent a letter to primeminister Sheikh Hasina on August 28 requesting for the withdrawal of all obstacles in implementing the agreement on TMC.
- After the Rana Plaza building collapse in April 24, 2013, that killed more than 1,100 people, mostly garments workers, EU retailers formed the Accord on Fire and Building Safety in Bangladesh to improve factory safety in Bangladesh while North American retailers formed the Alliance undertaking a five-year plan, which set timeframes and accountability for inspections and training and workers empowerment programmes.

<http://www.newagebd.net/article/51896/global-buyers-investors-for-continuation-of-accord>

Green investment increases by 8.9pc in April-June quarter

The Financial Express, September 29, 2018

- Investments in green initiatives have increased by 8.90% at the end of April to June quarter of 2018 compared to the previous January to March period. According to Bangladesh Bank (BB), the total amount invested as green finance increased to Taka 26,237.75mn in April to June 2018 quarter from Taka 24,092.40mn in January to March quarter, reports BSS.
- As per the quarterly report from April to June, BB is trying to play a significant role by monitoring the whole scenario and by taking appropriate policy initiatives. BB data shows that 32 banks have arranged 114 training programmes concerning green banking where the total number of participants was 3,860.
- On the other hand, six FIs have arranged six training programmes concerning green banking where the total number of participants was 147. As per the central bank's instruction, the official said, banks and FIs have formed a "Climate Risk Fund" by allocating 10% of their Corporate Social Responsibility (CSR) budget for this fund.
- BB established a lending scheme namely "Financing Brick Kiln Efficiency Improvement Project", supported by Asian Development Bank (ADB), to help reducing greenhouse gas emissions and refine particulate pollution from brick fields, the BB official said.

<http://thefinancialexpress.com.bd/economy/green-investment-increases-by-89pc-in-april-june-quarter-1538146570>

Switch to any operator

The Daily Star, September 30, 2018

- Customers can now switch to any operator without changing their existing 11-digit mobile phone number as the country is set to introduce the much-awaited mobile number portability (MNP) service tonight. Bangladesh will be the 72nd country to launch the service.
- Customers will be charged BDT 50 as well as a 15% value-added tax to change carriers within 72 hours. To do so within 24 hours, another BDT 100 has to be paid. Both require a visit to the new operator's customer care centre. Customers will have to wait at least 90 days to make another switch. Infozillion BD Teletech, a joint venture between a Bangladeshi firm and a Slovenian firm, have completed preparations for the launch.
- The service is expected to improve the quality of telecom service as competition among operators will increase to ensure satisfaction and retain customers. The launch will bring an end to the telecom regulator's decade-long efforts to bring in the service. The BTRC first took the initiative in 2009 and it was discussed by the parliamentary standing committee on telecommunication several times. There was little progress afterwards.
- This prompted the regulator to change the model and in 2016, the BTRC decided to appoint a third party to offer the service. It awarded the licence to Infozillion in November 2017. May 1 was set for the launch, but the date was deferred twice as the operators were not ready.

<https://www.thedailystar.net/business/news/switch-any-operator-1640593>

International

Global M&A volume drops in Q3 as trade tensions loom

New Age, September 30, 2018

- Global mergers and acquisitions dropped to \$783bn in the third quarter, down 35% from the prior quarter, as the escalating trade dispute between the United States and China cast a shadow on the financial and regulatory prospects of some deals. US chip maker Qualcomm Inc pulled its planned \$44bn acquisition of NXP Semiconductors NV in July after China delayed offering antitrust clearance, a move seen as retaliatory to the trade tariffs announced by the United States.
- This has cast uncertainty on the prospects of other deals involving global companies that require Chinese regulatory approval, including aerospace supplier United Technologies Corp's \$23bn acquisition of Rockwell Collins Inc.
- The number of global announced deals hit its lowest since 2013, at about 9,135, and global deal volume was down 6% compared with a year ago. To be sure, dealmaking activity has remained stronger than average and the first nine months of 2018 saw global M&A reach a new record of \$3.2 trillion.
- M&A activity in Europe has been particularly strong, with deals worth \$962.5bn so far this year, a 72% increase compared with a year ago and the strongest period for European dealmaking since 2007.
- US M&A, which rose 14% year-over-year to \$368.1bn in the quarter, fared better than other regions. Announced deals in Europe fell 14% to \$151.4bn, while M&A in Asia-Pacific was down 38% to \$185.1bn, the Thomson Reuters data showed.
- Among the third quarter's biggest announced deals were chipmaker Broadcom Inc's \$18bn acquisition of software maker CA Inc, and Dell Technologies Inc's proposal to pay \$21.7bn in cash and stock to buy back securities related to its stake in software company VMware Inc.

<http://www.newagebd.net/article/51894/global-ma-volume-drops-in-q3-as-trade-tensions-loom>

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