

## Stock Market

### Dhaka stocks extend record losing spell to 9th week

New Age, March 31, 2019

- Dhaka stocks kept plunging in the past week, extending the record losing spell to ninth consecutive week, as investors, unnerved by the unusual market behaviour, continued with cautious trading. DSEX, the key index of Dhaka Stock Exchange, slumped by 1.16 %, or 64.66 points, over the week to close at 5,505.50 points on Thursday, the last trading session of the week.
- DSEX lost 444.66 points in the nine- week bear run. The trading on the market was choppy with two days of fall and two days of brief gains while the 58-point fall on the first day of the week weighed on the index. DSEX declined by about 7.45 % or 447 points in last three months that wiped out about BDT 9,421 crore in market capitalisation.
- The daily average turnover on DSE plunged further by 15.94 % to BDT 361.51 crore in the last week from BDT 430.04 crore in the previous week. On March 24, BRAC Bank declared 15 % stock dividends while Bank Asia declared 5 % stock and 5 % cash dividends for the year 2018 that dampened market sentiment.
- On the other hand, share prices of Grameenphone surged by 3.4 % for another week as Bangladesh Telecommunication Regulatory Commission on March 19 withdrew the four conditions it imposed on leading mobile phone operator as significant market power.
- Share prices of telecommunication, energy and general insurance advanced by 2.7 %, 1.2 % and 0.5 % respectively. Out of the 350 traded issues, 169 declined, 146 advanced and 35 remained unchanged.
- DS30, the blue-chip index of DSE, slumped 1.22 %, or 24.31 points, to close at 1,968.68 points. Shariah index DSES, dropped by 0.23 %, or 2.97 points, to finish at 1,281.46 points. United Power Generation Company led the turnover chart with its shares worth BDT 87 crore changing hands in the week.
- Agrani Insurance gained the most in the week with a 14.19-% increase in its share prices, while Singer Bangladesh was the worst loser, shedding 27.18 %.

<http://www.newagebd.net/article/68787/dhaka-stocks-extend-record-losing-spell-to-9th-week>

### Coppertech subscription opens today

The Financial Express, March 31, 2019

- The initial public offering (IPO) subscription of Coppertech Industries opens today (Sunday). The company will raise a fund worth BDT 200 mn from the capital market under the fixed price method. The subscription for shares of the Coppertech by the eligible investors through electronic subscription system will be continued until April 09.
- The securities regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- approved the IPO proposal of the company on December 26, 2018. As per the BSEC approval, the company will raise a capital worth BDT 200 mn by offloading 20 mn ordinary shares at an issue price of BDT 10 each.
- A market lot consists of 500 shares and an investor needs BDT 5,000 to apply for each lot of the company's IPO shares. For non-resident Bangladeshi (NRB) and foreign applicants, the required amount (per lot) for subscription is US\$ 59.92 or GBP 45.40 or EUR 53:00, according to the Dhaka Stock Exchange (DSE).
- The company will utilise the IPO proceeds for plant & machinery with installation (32.50 %), bank loan repayment (32.50 %), building and other civil works (27.50 %) and IPO expenses (7.50 %). As per the financial statement for the year ended on June 30, 2018 the company's net asset value (NAV) per share, without revaluation, was BDT 12.06.

<http://thefinancialexpress.com.bd/stock/coppertech-subscription-opens-today-1554005403>

## ICB seeks BDT 50b fund to stabilise stock market

The Financial Express, March 30, 2019

- The Investment Corporation of Bangladesh (ICB) has proposed creation of a BDT 50-bn 'market support fund' to help make the stock market stable. Investors are now having low confidence in the market.
- Last Wednesday, the turnover at the country's prime bourse, Dhaka Stock Exchange (DSE), came down to BDT 3.53 bn, hitting a fresh three-month low. Many see it as an instance of investors' reluctance to stake new funds on stocks.
- The ICB recently floated a BDT 20-bn bond. Of the money, BDT 13.90 bn was subscribed. Until March 18, some BDT 12.36 bn was invested in the bourses. On November 06, 2018, the DSEX index was at 5,204 points which rose to 5,950 points on January 24 this year after the money from bond was invested.
- However, the market later saw a downward trend and the DSEX index went down to 5,505 points last Thursday. Sources said ICB directors at a board meeting sought sizeable funds to infuse new life into bourses at a time when investors are unwilling to inject fresh funds.
- The board observed that such a market support fund could be formed by borrowing money from the government exchequer at a low interest rate. ICB managing director Kazi Sanaul Hoq wrote to the finance ministry last week, denoting their ongoing work to add fillip to the bourses.
- The ICB's investment in the bourses was at BDT 7.35 bn in June 2009 which rose to BDT 105.70 bn in June 2018. As a result, the corporation fails to retrieve money from the market by selling stocks. The ICB's term deposit rose to BDT 108.41 bn in June 2018 from BDT 22.71 bn in June 2011.

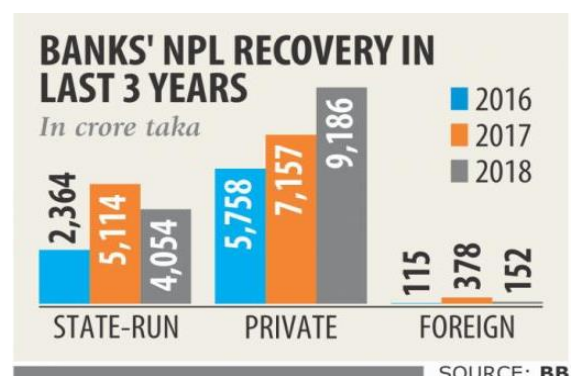
<http://thefinancialexpress.com.bd/stock/icb-seeks-BDT-50b-fund-to-stabilise-stock-market-1553916523>

## Economy

### Recovery fails to keep pace with default loan spike

The Daily Star, March 31, 2019

- The pace of recovery of banks' nonperforming loans (NPL) was much lower than the rate at which their NPL increased last year -- an ominous development for the sector.
- In 2018, banks recovered BDT 13,392 crore of NPLs, up 5.86 % from a year earlier, while delinquent loans in the sector soared 26.38 % to BDT 93,911 crore, according to data from the sector.
- Last week, the government announced that defaulters would be allowed to reschedule their loans for 12 years after furnishing 2 % down payment under a special package.
- At present, defaulters can reschedule their loans for at most 3 years by providing 10 to 15 % down payment. Both small and large borrowers will be able to get the rescheduling facility and a 7 % simple interest formula instead of existing compound formula will be applied.



SOURCE: BB

<https://www.thedailystar.net/business/news/recovery-fails-keep-pace-default-loan-spike-1722655>

## Telcos asked to block 26 lakh illegal SIMs

The Daily Star, March 31, 2019

- The telecom regulator has made a list of about 26 lakh illegal SIMs and urged the mobile operators to deactivate the connections on April 26. The SIMs were registered exceeding the permissible limit of 15 mobile connections against every national identity card.
- The number of mobile connections of each operator will be disclosed on April 3 and the operators will then communicate with the users and deactivate the illegal ones.
- On March 28, the BTRC through a letter warned the mobile phone operators on informing of the decisions taken a day before and warned them of stern regulatory measures if the SIMs were not deactivated on time. Earlier in November 2017, the BTRC instructed the telecom operators not to register more than 15 SIM cards against an NID card, scrapping an earlier provision that allowed an individual to own 20 SIM cards.
- But the telecom watchdog could not monitor whether the order was implemented due to the absence of a Central Biometric Verification Monitoring (CBVM) platform. After establishing the platform with the help of local software company Synesis IT, the BTRC has even found an NID against which 42,000 SIMs were registered.

<https://www.thedailystar.net/business/news/telcos-asked-block-26-lakh-illegal-sims-1722643>

## Onsite audit soon to find corporate tax dodgers

*Harassment by corrupt taxmen feared*

The Financial Express, March 31, 2019

- The National Board of Revenue (NBR) is set to start an onsite inspection from the next month to cross-check whether corporate taxpayers' source tax deduction matches with expenditures, officials said.
- Withholding authorities are legally obligated to deposit tax deducted at source (TDS) collecting from 58 sources including the payment of bills for the procurement of goods and services, disbursement of salary, commission, interest and dividend.
- Currently, more than half the income tax in the country comes from source deduction. An NBR monitoring team will check the taxpayers' compliance with collection of tax deducted at source as per the income tax ordinance-1984.
- The board has already directed field-level tax officials to audit the companies' expenditures to find out proper deduction of tax and depository to the public exchequer within the stipulated time. Through field visit, taxmen would scrutinise whether the withholding entities deducted tax at the government's prescribed rates or not.
- Taxmen may take legal steps if withholding authorities do not extend cooperation. As per the income tax law, the withholding authorities will have to pay the tax with penalty at a rate of 2.0 % per month from their own pockets if they fail to deduct the tax at source.

<http://thefinancialexpress.com.bd/trade/onsite-audit-soon-to-find-corporate-tax-dodgers-1554001686>

## International

### Rising cotton price to hit margins of India's textile cos: report

New Age, March 30, 2019

- Rising cotton prices are set to hit profit margins of textile and apparel players in India due to their inability to pass on the high production cost on to consumers as seasonal demand is weak, reports Business Standard.

- Cotton, the key raw material for textile and apparel production, has become costlier by 6 % in March alone due to lower output last year, according to the report of the India-based business newspaper.
- The benchmark variety of cotton jumped to Rs 12,373 a quintal on Friday from Rs 11,698 a quintal in the beginning of the month. Experts believe the natural fibre will continue to move northward.
- Cotton yarn prices have also jumped 6-7 % across all varieties in March. The industry uses only high quality cotton for technical textiles, which is why importing it for the garment and home textile sectors is not a viable option for Indian producers.
- The United States Department of Agriculture (USDA) estimates India's cotton output at 5.9 mn tonnes for 2018-19 as compared to 6.3 mn tonnes for the previous year. Experts believe that the seasonal uptick in textile demand usually sets in around this time.
- However, the ongoing rural agriculture distress coupled with less availability of disposal income has lowered textile demand. Meanwhile, China yarn demand remains healthy as destocking impact has ebbed, although players have yet to start restocking, given continued uncertainty around US-China trade talks.
- India's cotton textile exports, however, have jumped 12 % between April 2018 and February 2019. Rajagopal estimates the same growth rate to continue in the next few months.

<http://www.newagebd.net/article/68790/rising-cotton-price-to-hit-margins-of-indias-textile-cos-report>

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