

Stock Market

Stocks rise for 2nd week on govt stimulus

New Age, April 08, 2018

- Dhaka stocks soared last week, adding to the previous week's gain, as investors went for heavy buying following the government's steps to beef up liquidity supply in the financial market.
- DSEX, the key index of Dhaka Stock Exchange, shot up by 4.35 % or 243.75 points over the past week closing at 5,841.19 points on Thursday, the last trading session of the week. The index gained 16 points in the previous week.
- Before the last two weeks' gain, the core index lost 470 points in five weeks over several issues, including concern over liquidity crisis, political uncertainty and bourse-regulator's tussle over the selection of a strategic partner for DSE.
- Bangladesh B also cut repo rate by 0.75 % point to 6 % on Tuesday, making cheaper the funds the bank borrows from the central bank.
- The government's steps however, received a spate of criticisms from the economists and financial experts who said that such measure would encourage default loans and financial crimes that have been crippling the banking sector for long.

<http://www.newagebd.net/article/38573/stocks-rise-for-2nd-week-on-govt-stimulus>

Indo-Bangla Pharma IPO process hinges on court

The Financial Express, April 06, 2018

- Following the stay order, the company appealed against the order and, after the hearing held on Thursday, the Appellate Division sent the matter to regular court.
- The HC's stay order will remain valid as the Appellate Division has not stayed the HC's stay order, following the plea of the issuer company.
- The public subscription of the Indo-Bangla Pharmaceuticals Limited will not be started from April 8, he added.

<https://thefinancialexpress.com.bd/stock/indo-bangla-pharma-ipo-process-hinges-on-court-1522993708>

Secondary trading of t-bills, bonds declines in February

The Financial Express, April 06, 2018

- Secondary trading of the treasury bills and bonds declined in February, according to the latest statistics of the central bank.
- In terms of the turnover volume, it was down by 55 Mn to BDT 5.56 Bn from 5.01 Bn in January, the data showed. The secondary trading has been conducted through primary dealers.
- Annual turnover of the secondary trading of the t-bills and t-bonds stood at BDT 282.91 Bn in the past calendar year.
- Currently, 20 commercial banks are performing as primary dealers, participating directly in the primary auctions.

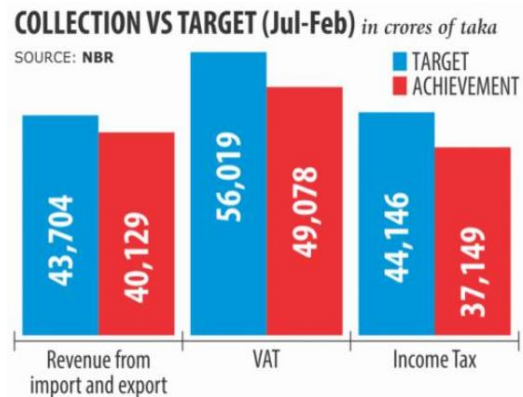
<https://thefinancialexpress.com.bd/stock/secondary-trading-of-t-bills-bonds-declines-in-february-1522998172>

Economy

Revenue shortfall widens in Jul-Feb

The Daily Star, April 08, 2018

- The shortfall from revenue collection target has widened further in the first eight months of the fiscal year as collection of the National Board of Revenue did not pick up.
- The NBR logged in BDT 126,357 crore as revenue in July-February, up 16 % year-on-year.
- The overall receipt was BDT 17,512 crore short of the target of BDT 143,869 crore set for the period.
- The revenue collector missed the target in January by BDT 14,802 crore, according to preliminary data from the NBR.
- It was apprehended that the NBR's revenue collection for the ongoing fiscal year would be below the annual target of BDT 248,190 crore.
- Tariff collection from imports rose 16 % to BDT 40,129 crore on the back of the 25 % growth in imports in the July-January period of the fiscal year.
- The deficits of VAT and income tax collection from targets were BDT 6,941 crore and BDT 6,996 crore respectively.
- Between July last year and February this year, VAT collection soared 18 % year-on-year to BDT 49,078 crore and income tax receipts 13 % to BDT 37,149 crore.
- The current revenue collection goal is 34 % higher than NBR's claimed collection of BDT 185,003 crore last year.
- Economists on several occasions in the past had flagged the revenue collection target to be ambitious.



<http://www.thedailystar.net/business/revenue-shortfall-widens-jul-feb-1559683>

Prime Bank arranges syndicated loan of BDT 1.44b for rice mill

- Prime Bank has arranged its 30th syndication deal as a lead arranger through raising BDT 1.44 Bn to finance an auto rice mill project of Hashem Rice Mills Limited, one of the concerns of Sajeeb Group.
- The bank along with five other banks and financial institutions -- Bank Asia Limited, BASIC Bank Limited, Pubali Bank Limited, Trust Bank Limited and SABINCO -- participated in the syndication.
- The production capacity of the project will be 40 tonnes per hour (192,000 tonnes per annum). Most of the machinery and equipment of the project will be of European brand and the project is expected to create employment opportunities for more than 200 people of various categories.

<https://thefinancialexpress.com.bd/trade/prime-bank-arranges-syndicated-loan-of-BDT-144b-for-rice-mill-1523114049>

Project aid allocation worth BDT 600b likely

The Financial Express, April 07, 2018

- The government is likely to earmark more than BDT 600 Bn as project aid in the development budget for the next financial year (FY) 2018-19, up 16 % from the outlay for the current FY.
- In the current national budget, the authorities allocated BDT 520.50 Bn in project aid to be provided from overseas assistance in the revised Annual Development Programme (ADP) of the current fiscal year.
- Project aid is made available by different bilateral and multilateral development partners for executing development project aimed at improving infrastructure and reducing poverty.
- The World Bank, the Asian Development Bank, Japan, China, India and Islamic Development Bank (IDB) are Bangladesh's major project aid providers.
- In the current fiscal, the government framed a BDT 1.64 trillion original ADP, where it allocated BDT 604.16 Bn worth of funds, 51 % higher than those of the previous fiscal, as the project aid.

<https://thefinancialexpress.com.bd/trade/prime-bank-arranges-syndicated-loan-of-BDT-144b-for-rice-mill-1523114049>

Export-GDP ratio fall likely in FY18

The Financial Express, April 07, 2018

- The ratio of the export of goods and services to the Gross Domestic Product (GDP) of the country may decline in the ongoing fiscal year.
- It may reach 14.36 % as against 15.04 % in the past fiscal year, the provisional estimation of the national income released by the Bangladesh Bureau of Statistics (BBS), showed.
- The evaluation put the annual value of the exports of goods and services at BDT 3215.35 Bn in the current fiscal year, which was BDT 2970.85 Bn in FY17.
- BBS estimated around 8 % growth of export in the current fiscal year.
- The BBS found that the export-GDP ratio has been declining gradually for the last couple of years. It was 19 % in FY14, which continuously dropped to 17.34 % in FY15 and 16.65 % in FY16.

<https://thefinancialexpress.com.bd/trade/export-gdp-ratio-fall-likely-in-fy18-1523082085>

Emphasis on flexible tax policy to entice FDI

The Financial Express, April 05, 2018

- The country's investment promotion authorities urged the government's revenue authority to adopt a more flexible tax policy to woo more foreign direct investment (FDI).
- The suggestions came up at a pre-budget meeting for the fiscal year 2018-19 between the investment authorities and National Board of Revenue (NBR) at the latter's premise on Thursday.
- Leaders of Bangladesh Investment Development Authority (BIDA), Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA), Bangladesh Hi-Tech Park Authority and Business Initiative Leading Development (BUILD) also suggested NBR to take major decisions regarding promoting investment.

<https://thefinancialexpress.com.bd/economy/bangladesh/emphasis-on-flexible-tax-policy-to-entice-fdi-1522938401>

International

U.S. Needs China More Than China Needs the U.S.

Reuters, April 05, 2018

- Donald Trump has upped the ante in a rapidly escalating trade war with China, threatening an additional \$100 Bn of tariffs on top of the initial round of \$50 Bn.
- China's export share of its gross domestic product has fallen from 37 % in 2007.
- It is the largest foreign holder of U.S. Treasury securities — some \$1.3 trillion in direct ownership and at least another \$250 Bn of quasi-government paper.
- America depends on China because of a fundamental weakness in the structure of the U.S. economy — a profound and worrisome lack of domestic saving. In the fourth quarter of 2017, the net domestic saving rate (depreciation-adjusted saving of households, businesses and the government sector, combined) was just 1.3 % of national income.
- First of all, he continues to insist that the U.S.-China trade deficit is \$500 Bn, fully one-third larger than the actual figure of \$375 Bn published by the Commerce Department.
- Second, data from the OECD and the World Trade Organization suggests at least 40 % of this bilateral imbalance reflects supply-chain effects of components and parts that are produced outside of China but assembled inside China.

<https://www.bloomberg.com/view/articles/2018-04-06/trump-s-tariffs-overlook-how-much-u-s-needs-china>

US escalates China trade showdown with tariffs on \$50 Bn in imports

New Age, April 04, 2018

- The Trump administration on Tuesday raised the stakes in a growing trade showdown with China, targeting 25 % tariffs on some 1,300 industrial technology, transport and medical products to try to force changes in Beijing's intellectual property practices.
- The US tariff unveiling, representing about \$50 Bn of estimated 2018 imports and aimed at dealing a setback to China's efforts to upgrade its manufacturing base, drew an immediate condemnation from Beijing, along with a threat of retaliatory action.
- The tariff list from the US trade representative's office followed China's imposition of tariffs on \$3 Bn worth of US fruits, nuts, pork and wine to protest new US steel and aluminum tariffs imposed last month by US president Donald Trump.
- The standoff between the world's two largest economies has sparked market fears that they could spiral into a trade war that could crush global growth.
- Asian share markets were mixed amid trade tension concerns, with Japan's Nikkei 225 off 0.1 % but Shanghai's main index poised to open 0.3 % higher.

<http://www.newagebd.net/article/38285/us-escalates-china-trade-showdown-with-tariffs-on-50-Bn-in-imports>

U.S. Tariff List Aims at Technology; China Vows It Will Respond

Bloomberg, April 06, 2018

- The U.S. proposed imposing 25 % tariffs on about \$50 Bn worth of Chinese-made products, focusing on high-tech items from semiconductors to lithium batteries. China condemned the move and said it will respond on an equal scale against U.S. products.
- The U.S. is targeting the 1,300 product lines to try to force China to change its intellectual property practices.
- In addition to advanced technologies such as communication satellites, the list includes products ranging from various types of steel to television components, medical devices, dishwashers, snow blowers and flame throwers.
- The proposed tariffs cover a number of sectors, from health care to aviation and auto parts.

<https://www.bloomberg.com/news/articles/2018-04-02/rattled-bulls-cling-to-predicted-earnings-surge-to-save-stocks>

The Saudi Crown Prince hung out this week with Google execs Sergey Brin and Sundar Pichai

Cnbc, April 06, 2018

- The Saudi Crown Prince Mohammed bin Salman met with a host of Silicon Valley executives this week, including Google co-founder Sergey Brin, Magic Leap CEO Rony Abovitz, and Virgin founder Richard Branson.
- The Saudi Crown Prince was shaking hands with Hiroshi Lockheimer, the Google SVP who runs Android, Chrome, and other platforms, while CEO Sundar Pichai, Google's SVP of technical infrastructure, Urs Hölzle, and leader of Google's cloud business, Diane Greene

<https://www.cnn.com/2018/04/07/heres-a-look-at-who.html>

China's Foreign Reserves Rise on Yuan Gains, Capital Curbs

Bloomberg, April 08, 2018

- China's foreign-currency holdings increased last month as the government kept capital curbs in place and the yuan capped its best quarter in a decade.
- Reserves rose \$8.34 Bn to \$3.143 trillion in March, the People's Bank of China said Sunday. That was slightly below the \$3.146 trillion estimate in Bloomberg's survey of economists.
- China's stockpile, the world's largest, increased last year for the first time since 2014 as robust economic growth boosted confidence in the yuan and trade remained strong. Still, rising trade tension with the U.S. may lead to slower growth of the holdings, and even renew capital outflow pressure on emerging-market economies including China.

<https://www.bloomberg.com/news/articles/2018-04-08/china-s-foreign-reserves-rise-on-yuan-gains-capital-curbs>

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