

Stock Market

Stocks dip for 5th day as poor results dampen investors' sentiment

New Age, May 08, 2018

- Dhaka stocks dropped in cautious trading on Tuesday, stretching the losing spell to the fifth consecutive session as poor disclosures by most of the companies dampened the investors' mood.
- DSEX, the key index of the DSE, lost 0.72 per cent, or 41.06 points, to close at 5,642.46 points on the day.
- The key index lost 171 points in last five trading sessions.
- The market began the day's session on an upbeat note but fell soon as investors kept selling shares amid poor earnings and dividend disclosures by most of the companies in last few days, stockbrokers said.
- They said that investors became worried over the continued index fall amid the poor disclosures by high-profile companies.
- The recent poor earnings and dividend disclosures by most of the banks including National Bank, City Bank, Shahjalal Islami Bank, Social Islami Bank, Al-Arafah Islami Bank, Trust Bank and Southeast Bank cast a shadow over the market, they said.
- To worsen the situation, AB Bank on Sunday was placed under the 'Z' category, also known as the junk category, as the bank declared no dividend for the year 2017.
- The average share prices of all the large capitalised scrips except energy declined on the day.
- The share prices of telecommunication, pharmaceuticals, non-bank financial institutions and banks declined by 1.2 per cent, 0.8 per cent, 0.51 per cent and 0.5 per cent respectively.
- Among the large capitalised companies, Grameenphone, Olympic Industries, Titas Gas and City Bank declined most on the day.

<http://www.newagebd.net/article/40737/stocks-dip-for-5th-day-as-poor-results-dampen-investors-sentiment>

Banks fond of big borrowers

The Daily Star, May 09, 2018

- Borrowers of large loans crossing Tk 20 crore accounted for 32 percent of the banking sector loans in 2017, posing concentration risk for banks, a survey finds.
- State-owned commercial banks hold the leading position, delivering 46.57 percent of the loan provided to the large borrowers, according to the survey titled "Credit Operations of Banks 2017".
- The survey conducted by Bangladesh Institute of Bank Management (BIBM) was revealed yesterday at a workshop at its auditorium in the capital. Professor Prashanta Kumar Banerjee, BIBM director, presented the research paper.
- Borrowers with loan amount sizes between Tk 1 crore and Tk 20 crore have taken 39 percent of the loans while 18 percent of the loans range between Tk 10 lakh and Tk 1 crore, research data shows.
- The highest loan growth—28.69 percent— was observed in the Tk 1 crore to Tk 20 crore category.

<https://www.thedailystar.net/business/banks-fond-big-borrowers-1573648>

Economy

Tax collection to be fully automated in a year

The Daily Star, May 09, 2018

- The NBR plans to fully automate the tax collection system by making use of electronic cash register mandatory for businesses in a year, its chief said yesterday.
- "I have already sent the specification of the automation system to the ICT minister for his observation," said Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue (NBR).
- He spoke at the monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) at the Pan Pacific Sonargaon in Dhaka.
- The vendors will have to purchase the machines on their own as it would be difficult for the tax administrator to take the load, Bhuiyan said.
- He said the NBR's automation system will be linked with the ECRs to forestall tax-dodging.
- People are not interested in the new system and are keen to make transactions in cash and through cheques, he said.
- The automation of the tax collection is needed, as many persons and businesses with taxable incomes are still there to be brought under the tax net, he said.
- The NBR chief said he would formulate stringent rules to make ECR mandatory.
- The use of the cash register was made mandatory in 2007 and 2008, but there was laxity, he said.
- Moreover, the machines bought earlier are no longer usable, he said.

<https://www.thedailystar.net/business/tax-collection-be-fully-automated-year-1573633>

Alibaba snaps up Daraz

The Daily Star, May 09, 2018

- Thailand wants to invest in Bangladesh's large infrastructure projects as part of efforts to boost bilateral trade and economic ties, a top Thai minister said yesterday.
- Chinese tech giant Alibaba has expanded its footprints in Bangladesh after it snapped up online marketplace Daraz yesterday, in a development that can be viewed as a game changer for Bangladesh's e-commerce landscape.
- Financial details of the transaction, which includes Daraz's entire business in Bangladesh, Myanmar, Sri Lanka and Nepal, were undisclosed.
- The country's e-commerce market is worth about Tk 2,000 crore (about \$250 million) and the e-Commerce Association of Bangladesh's projects that it will become a billion-dollar industry by 2021.
- The entry of Alibaba, the world's largest online trading platform, means the target might be reached before 2021, said e-CAB leaders.
- "Alibaba's arrival proves that Bangladesh's e-commerce market has huge potential," said Razib Ahmed, the immediate past president of e-CAB.

<https://www.thedailystar.net/business/deal-signed-chinese-firm-1320mw-plant-1572652>

Entrepreneurs call for SME friendly budget in FY2018-19

Dhaka Tribune, May 09, 2018

- Small and medium entrepreneurs have put forward proposals for an SME-friendly budget for the next fiscal year.
- The proposals were made during a meeting held on “SME Friendly Budget Proposal” for the fiscal year 2018-2019 at the Small and Medium Enterprise (SME) Foundation office on Monday.
- The SME Foundation proposed reducing duties from imported goods including raw materials of agricultural capital equipment processing industry, one time plastic utensils, polycarbonate, primary polymer, and coir fiber, among other goods, to reduce production costs in the industries.
- Md Sahabuddin, advisor for SME Foundation and former member of the National Board of Revenue, explained that these proposals were intended for the well-being of small and medium enterprises.
- “Small and medium enterprises will be the foundation of our prosperity in the future,” he said in his keynote presentation.
- Participants at the meeting said that reducing import duties will allow small and medium enterprises to import raw materials at a cheaper rate, thus lowering the production cost which will in turn enable them to compete with foreign products.

<https://www.dhakatribune.com/business/2018/05/07/entrepreneurs-call-sme-friendly-budget-fy2018-19/>

International

Oil soars, shares rattled as Trump dumps Iran nuclear deal

Reuters, May 08, 2018

- Crude oil prices jumped back to near 3 1/2-year highs on Wednesday after President Donald Trump pulled the United States out of an international nuclear deal with Iran, sparking worries about global oil supplies.
- Asian shares ticked down as renewed U.S. sanctions on Tehran were seen as disruptive for many companies that have deals with Iran. Trump’s move is also seen as risking worsening already-tense relations between Iran and U.S. allies in the region.
- “In the very short term, it looks as if the impact of heightened geopolitical worries was limited to oil markets. But that is not the end of the story,” said Norihiro Fujito, senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.
- “U.S. sanctions could affect various industries. And tensions between Iran and Israel look set to intensify. Those will begin to cap share prices,” he added.
- West Texas Intermediate (WTI) crude futures traded at \$70.57 per barrel, up 2.2 percent and near Monday’s peak of \$70.84, the highest level since November 2014.

<https://www.reuters.com/article/us-global-markets/oil-soars-shares-rattled-as-trump-dumps-iran-nuclear-deal-idUSKBN1IA064>

Asian Stocks Slip, Yields Rise, Oil Climbs on Iran: Markets Wrap

Reuters, May 09, 2018

- Asian stocks slipped and crude oil climbed past \$70 in New York after President Donald Trump scrapped the nuclear deal with Iran.
- Treasury yields advanced toward 3 percent, helping stoke gains in the dollar against the yen.
- Equity benchmarks in Japan and South Korea dipped, while Hong Kong and Australian shares were little changed. The S&P 500 Index pared losses to close flat and U.S. futures were steady.
- West Texas crude rose after a volatile trading session Tuesday as traders digested what the Iran move means for energy supplies.
- The greenback rose for a fourth session. Indonesia's rupiah fell to a fresh 29-month low amid concerns about capital outflows from emerging markets.

<https://www.bloomberg.com/news/articles/2018-05-08/asia-stocks-set-for-mixed-open-dollar-gains-markets-wrap>

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