

Stock Market

Stocks fall on profit taking

New Age, April 10, 2018

- Dhaka stocks dropped on Tuesday as investors went for profit taking sales following a four-day gaining streak.
- The key index of Dhaka Stock Exchange, DSEX, declined 0.33 %, or 19.80 points, to close at 5,859.60 points on Tuesday after gaining 90 points in the previous four trading sessions.
- The market began with positive vibe gaining 27 points at one point of the day as a section of investors went for share buying.
- The turnover at the bourse touched BDT 700 crore after more than four months.
- The turnover at the bourse reached BDT 710.96 crore on Tuesday compared with that of BDT 691.52 crore in the previous session.
- The day's turnover was the highest after November 28, last year when it was BDT 813.20 crore.
- Before Tuesday's decline, the DSEX gained 390 points within just seven trading days.
- Due to the profit taking move of the investors, the average share prices of non-bank financial institutions, energy and bank sectors declined 1.3 %, 0.32 % and 0.25 % respectively.

<http://www.newagebd.net/article/38767/stocks-fall-on-profit-taking>

Stock taxes to be consistent: NBR

The Daily Star, April 10, 2018

- The National Board of Revenue will focus on bringing consistency among the tax measures related to the stockmarket, NBR Chairman Md Mosharraf Hossain Bhuiyan said yesterday.
- The tax administrator will also consider making the corporate tax rate attractive for listed companies discussion.
- The NBR organised the event at its headquarters to get views from economists and accounting experts as part of its regular exercise for the framing of fiscal measures for 2018-19.
- The gap in corporate taxes for listed and non-listed companies should be wider to lure more firms into going public.
- At present, non-listed companies pay 35 % corporate tax when listed ones pay 25 %.

<https://www.thedailystar.net/business/economy/stock-taxes-be-consistent-nbr-1561048>

Economy

Power sector's demand for ADP fund soars

New Age, April 10, 2018

- The power division has sought an allocation of BDT 31,627.38 crore for development projects under the government's Annual Development Programme in 2018-19 financial year.
- The demand is 25.84 % higher than the revised development allocation for the current financial year to be closed on June 30, 2018.
- The allocation for the power division projects increased in the revised budget to BDT 24,516.76 crore from BDT 18,845 crore for 20127-18 financial year, according to the revised Annual Development Programme approved on March 6.
- The revised development allocation for the division was BDT 8,276.82 crore in 2014-15, BDT 15,476.21 crore in 2015-16 and BDT 16,217.83 crore in 2016-17 for the power division.
- The proposed allocation is 52.58 % higher than the ceiling of BDT 20,728.58 crore set by the finance division for the power sector development projects under mid-term budgetary framework for 2018-19 financial year.
- The energy division also sent a proposal in March seeking an allocation of BDT 2,257.93 crore for development projects for storage and supply of primary energy, including petroleum oil and natural gas.

<http://www.newagebd.net/article/38699/bb-extends-adr-adjustment-time-to-next-march>

Yarn production to rise 2.67pc: USDA

The Daily Star, April 11, 2018

- Yarn production is set to expand 2.67 % to 7.70 lakh tonnes this fiscal year on the back of rising garment exports, according to a report from the United States Department of Agriculture.
- The amount of yarn produced in the country is much higher at 13.50 lakh tonnes a year.
- Yarn production in Bangladesh is much higher as cotton import.
- The total demand for yarn is more than 21 lakh tonnes. where 30 % is imported, mainly from India, China, Vietnam and Pakistan.
- Cotton import in Bangladesh has been increasing between 20 and 25 % over the last few years.
- Last fiscal year, Bangladesh imported nearly 70 lakh bales.
- Bangladesh's 430 spinners can supply nearly 90 % of the demand for yarn from the knitwear sector and 35 % from the woven sector.
- Bangladeshi woven garment manufacturers import fabrics worth more than \$6 Bn from countries like China, India, Vietnam and Pakistan.
- Raw cotton consumption is projected to increase to 6.7 Mn bales in fiscal 2017-18.
- In fiscal 2016-17, raw cotton consumption was 6.3 Mn bales.

<https://www.thedailystar.net/business/yarn-production-rise-267pc-5a-1561060>

A new horizon opens for pharma ingredient makers

The Daily Star, April 11, 2018

- The budget for the upcoming fiscal year, 2018-19, would explore ways for 'rationalising' the existing corporate tax rate in the country.
- About 95 % of the BDT 5,000 crore worth of raw materials needed by the pharmaceutical sector are brought in from abroad.
- The raw materials, which are mostly imported from China, South Korea and India, are not always of the requisite quality.
- The government will give unconditional tax-holiday to all API and laboratory reagents producers, both local and joint ventures, for five years from fiscal 2016-17 to fiscal 2021-22.
- When a producer can manufacture at least five molecules every year it would get 100 % tax holiday from fiscal 2021-22 through to December 31, 2032.

BY THE NUMBERS

20 new entrepreneurs are getting ready to invest in the sector

Demand for ceramics is increasing 20 percent on an average every year

The sector's market size is Tk 29,000cr

The sector meets 80pc of the local demand

Bangladesh now holds 0.14pc of the global ceramics export market

<https://www.thedailystar.net/business/new-horizon-opens-pharma-ingredient-makers-1561084>

Brighter days await ceramics

The Daily Star, April 11, 2018

- China-Bangla Ceramic Industries Ltd, which started production in 2009, plans to invest BDT 200 crore to increase production capacity.
- Islami Bank Bangladesh is providing finance to set up the second unit of the joint venture between Bangladesh and China that was incorporated in 2001.
- China-Bangla currently employs 750 people and the new factory will need 800 more.
- The demand for ceramics in Bangladesh is increasing by 20 % on an average every year, according to data from the BCMEA.
- This sector caters to 80 % of the local demand.
- Presently there are 62 ceramic manufacturers in Bangladesh. Of them, 20 produce tableware, 25 tiles and 16 sanitaryware.
- Businesses have so far invested BDT 9,000 crore in the sector and provided jobs to five lakh workers, two lakh of whom are women.
- In 2016-17, local ceramic makers exported \$41.82 Mn worth of products to over 50 countries, including the USA, UK, Canada and some European and Latin American countries, according to the National Board of Revenue and the Export Promotion Bureau.

<https://www.thedailystar.net/business/brighter-days-await-ceramics-1561066>

International

Morgan Stanley Just Gave Up Predicting More Gains for Asia Stocks

Bloomberg, April 11, 2018

- Anyone savoring this week's equity rally in Asia should just cash out right away.
- The first cut to the MSCI Emerging Markets Index since early 2016 implies no further gains for the gauge this year, while stocks in China, Hong Kong and Japan are also unlikely to return anywhere near their January peaks.
- Worse-than-expected global economic data will weigh on corporate earnings, just as higher volatility across financial markets limits how much investors are willing to pay for risk assets,
- All our covered markets will struggle in 2018 to regain recent peaks in January.
- Strategists elsewhere are starting to trim their year-end forecasts for global stock gains, having held on for two months after a surge in volatility roiled investors in February. Tuesday saw the first cut to the S&P 500 Index from Wall Street.

<https://www.bloomberg.com/news/articles/2018-04-11/morgan-stanley-gives-up-predicting-more-gains-for-asia-stocks>

Chinese investment in US falls sharply in 2017

The Financial Express, April 10, 2018

- Chinese investment in the US plunged last year as tensions between the two countries mounted.
- The value of deals announced in 2017 fell by more than 90 % from the year before, according to joint studies by the National Committee on US-China Relations and the Rhodium Group.
- China has curbed outbound investments, while the US is raising concerns about deals for national security reasons.
- Chinese firms completed \$29 Bn (£20.5 Bn) worth of investments in the US last year, down 35 % from the record \$46 Bn completed in 2016, the report found.

<https://thefinancialexpress.com.bd/economy/global/chinese-investment-in-us-falls-sharply-in-2017-1523346398>

Oil rises above \$70 a barrel as shadow of trade war recedes

The Financial Express, April 11, 2018

- Oil broke above \$70 a barrel on Tuesday, extending strong gains from the previous day.
- Brent crude futures were up \$1.39 at \$70.04 a barrel by 1131 GMT, while West Texas Intermediate crude futures rose \$1.23 to \$64.65 a barrel.
- The oil price has risen by nearly 4.5 % in the last two trading days.
- Equities and industrial commodities rose, while perceived safe-havens such as gold and US Treasuries came under pressure, reflecting confidence among traders

<https://thefinancialexpress.com.bd/trade/oil-rises-above-70-a-barrel-as-shadow-of-trade-war-recedes-1523385107>

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