

Stock Market

Stocks barely gain for 2nd week riding on banking sector

New Age, August 12, 2018

- Despite fall in share prices of two-thirds of scrips, Dhaka stocks gained in the past week mainly due to a surge in share prices of banking sector as the bourse took a hard line against 15 more junk companies. DSEX, the key index of Dhaka Stock Exchange, added 0.13 % or 7.21 points over the week to finish at 5,407.01 points on Thursday, the last trading session of the week after gaining 94.62 points in the previous week. The market remained negative in the first two sessions of the week but started to gain from the third session as investors turned their focus on bank stocks amid the easing of students' protest.
- The students' protests that began after two students were killed by a speeding bus in Dhaka on July 29 took a violent turn on August 04 and the situation worsened in the following two days. The protests, however, began to wane on August 7. Besides, a section of investors turned their focus to bank stocks after the DSE moved to crack down on 15 junk companies that have not been providing dividends for more than five years and the companies have become unqualified to remain listed at the bourse as per its listing regulations. Bank sector led the week's gains with a surge in average share prices of the sector by 3 %. Beside bank, average share prices of textile, food and energy sectors gained 6 %, 0.8 % and 0.3 % respectively.
- On the other hand, share prices of Grameenphone hit more than a year low after losing 7 % in the past week with the media reports that the Bangladesh Telecommunication Regulatory Commission would ask GP to pay the government BDT 11,530 crore in dues as an audit found the company did not pay the amount over the years. Average share prices of telecommunication, cement, non-bank financial institutions and pharmaceuticals dropped by 3.4 %, 2.2 %, 1.6 % and 0.3 % respectively. Before the two weeks' gain, the DSEX lost 136 points in the five consecutive weeks amid concern on the financial market. The daily average turnover of the bourse increased little to BDT 687.48 crore in the past week from BDT 685.80 crore in the previous week.

<http://www.newagebd.net/article/48196/stocks-barely-gain-for-2nd-week-riding-on-banking-sector>

Stocks end flat as GP hit over audit claim

New Age, August 12, 2018

- Dhaka stocks ended flat on Thursday amid a heavy fall in the share prices of Grameenphone following media reports that the government moved to ask the mobile company to pay BDT 11,530 crore after an audit into the company. DSEX, the key index of the Dhaka Stock Exchange, added 0.01 %, or 1.05 points, to close at 5,407.00 points on Thursday. The core index had gained 57.50 points in the previous three trading sessions. In line with the previous session, the market began the day with upbeat momentum, but lost the vibe soon after, closing the session with just one point positive as investors became cautious after the media reported that the Bangladesh Telecommunication Regulatory Commission would ask GP to pay the government BDT 11,530 crore in dues as an audit found the company did not pay the amount over the years.
- Therefore, the share prices of GP were hammered by 2.70 % on Thursday. The dismay of investors surrounding GP also afflicted the overall market sentiment, market operators said. The average share prices of telecommunication, cement, food and pharmaceuticals dropped by 2.7 %, 1.0 %, 0.42 % and 0.4 % respectively. The market finished in the positive territory as the bank sector shielded the market from a sharp fall with a gain in its average share price by 1.0 %.
- Out of the 30 traded bank scrips, 24 advanced, just four declined and two remained unchanged. A section of investors turned their focus to bank shares in particular after the DSE moved to crack down on 15 junk companies that have not

been providing dividends for more than five years. The DSE has recently delisted two low-profile companies. Besides the banks, the share prices of textile sector also gained on the day as investors went for bargain hunting after a fall in the prices of the textile scrips in the previous couple of days.

<http://www.newagebd.net/article/48064/stocks-end-flat-as-gp-hit-over-audit-claim>

Economy

Outbound jobs drop by 24 %

The Financial Express, August 12, 2018

- The country's overseas employment dropped by more than 24 % in last seven months compared to that of the corresponding period last year. According to the data available with Bureau of Manpower Employment and Training (BMET), 451,536 workers went abroad with jobs during the period between January and July of the current calendar year. But a total of 596,705 workers went overseas during the same period in 2017, the official data showed.
- Sector insiders said Middle East countries including Saudi Arabia, Kuwait, Qatar, Oman and Bahrain have reduced recruitment of workers from Bangladesh this year. So, the number of outbound jobseekers witnessed a declining trend, they added. The outflow of jobseekers to Middle East will decrease further as Saudi Arabia has recently restricted foreign workers to its several sectors. Development works are also getting slow in this country. Qatar is also searching skilled workers for its different sectors, said a labour official at Bangladesh embassy in Doha.
- Bangladesh sends, to mention, mostly less-skilled construction workers. But the demand for such less-skilled workers is decreasing day by day in this oil-rich country, they added. Sector insiders said if such a declining trend continues, it may miss the yearly target of overseas jobs. They suggested that the authorities concerned should take necessary

<https://thefinancialexpress.com.bd/economy/bangladesh/outbound-jobs-drop-by-24-per-cent-1533960714>

Rupee to trade near record low over coming year: Poll

The Financial Express, August 12, 2018

- India's battered rupee will trade in a tight range in the coming year but not far from its historic low, hampered by higher oil prices and as trade tensions hurt emerging markets, a Reuters poll found. The Indian currency has lost over 7 % this year, with worries over the US-China trade conflict pushing it to a new record low of 69.122 against the dollar in July, making it the worst performing Asian currency. Taken after the Reserve Bank of India hiked rates to a two-year high on Aug. 1, the latest poll of about 40 foreign exchange analysts showed the rupee is now expected to trade at 68.22 per dollar in a year from about 68.60 on Thursday.
- While the 12-month ahead consensus is slightly better than expectations in a July poll, it largely reflects a recent strengthening in the rupee rather than a brightening outlook for the currency. This firmness is mostly because of the Reserve Bank of India's interest rate hikes, and hawkish bias.
- The widening current account deficit, due to higher global crude oil prices and steady capital outflows, has weighed on the rupee. Oil prices have rallied for much of 2018 on tightening market conditions due to record demand and supply cuts led by the Middle East producers. While India remains the fastest growing major economy, a weaker rupee, stubbornly high inflation, elevated oil prices and global trade tensions pose the biggest downside risks to the economy.

<https://thefinancialexpress.com.bd/trade/rupee-to-trade-near-record-low-over-coming-year-poll-1534049741>

International

China auto imports soar on new tariff rates

The Financial Express, August 12, 2018

- China's imports of automobiles jumped 72 % to 7.38 bn dollars in July after lower tariff rates went into effect, data from the General Administration of Customs showed. According to the data, the second largest economic country of the world imported 165,000 units of automobiles and chassis, up 50 % year on year in the previous month.
- The surge could be attributed to pent-up demand as Chinese consumers delayed purchase of cars in expectation of lower auto prices starting from July, Changjiang Securities said in a research note. China has been opening up its doors wider to the world, with a wide range of incentives aimed at expanding imports, including cutting tariffs on vehicles and auto parts reports Xinhua.
- Beginning July 1, the 20-to-25-% tariffs for imported vehicles were cut to 15 %, and duties on auto parts were lowered to 6 % from the previous levels of 8.0 % to 25 %. Many auto brands including Volvo, Audi, and Lexus previously announced plans to reduce prices of cars imported to China after the tariff cuts.

<https://thefinancialexpress.com.bd/economy/global/china-auto-imports-soar-on-new-tariff-rates-1533974684>

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