

## Stock Market

### Stocks fall for 3rd week on battering of financial scrips

New Age, May 12, 2018

- Dhaka stocks in the past week extended the losing streak to third week as investors kept selling shares of large capitalised companies, especially banks, because of poor earnings disclosures.
- DSEX, the key index of Dhaka Stock Exchange slumped 1.96 % or 111.47 points over the week to finish at 5,587.22 points on Thursday, the last trading session of the week.
- The key index lost 256 points in the last three weeks.
- The market did not notch any positive session in the last two weeks as investors kept jittery share sales as the country's troubled financial sector exposed further its suffering through the declarations of poor earnings.
- Market operators said continuous media reports about banks' scams and their poor earnings weighed heavily on the investors' psyche in last few trading sessions.
- The United Nations on May 7 launched a report where it said Bangladesh's banking sector had been plagued by financial scams, non-performing loans and poor monitoring, posing a macroeconomic risk.
- The continuous profit fall disclosures by most of the banks in recent days mirrored the circumstances in the financial market. The banks required to keep huge provisions to make up its substantial amount of defaulted loans that incur losses, brokers said.

<http://www.newagebd.net/article/41041/stocks-fall-for-3rd-week-on-battering-of-financial-scrips>

## Economy

### \$5b flies out as remittance annually: Muhith

The Daily Star, May 13, 2018

- Country's foreign exchange reserve (forex) fell below US\$ 32 bn again on Wednesday, following a regular bi-monthly payment to Asian Clearing Union (ACU) and the central bank's direct selling of US dollar to the commercial banks.
- As much as \$5 Bn is sent out of Bangladesh every year by foreign nationals working mostly in the export-oriented garment industry, said Finance Minister AMA Muhith.
- "This \$5 Bn is taken mostly by Indians, Sri Lankans and nationals from our neighbourhood," he said at a discussion on Friday on the budget for fiscal 2018-19.
- Private television channel Maasranga and the Metropolitan Chamber of Commerce and Industry jointly organised the event at the capital's International Convention City Bashundhara.
- Businesses, economists, politicians and analysts from various sectors spoke at the programme, which was broadcasted live.
- To enhance the skills of Bangladesh's human resources, the government took a project in 2011 under the finance ministry. There are 7-8 schemes under the project and the finance ministry provides funds to implement them.

<https://www.thedailystar.net/business/5b-flies-out-remittance-annually-muhith-1575619>

## Jul-Apr RMG exports to India surge 115pc

New Age, May 12, 2018

- The country's export earnings from India in the July-April of the current financial year 2017-18 surged by 20.73 per cent riding on a 115.18% growth in readymade garment exports.
- Export earnings from China, the largest trading partner of Bangladesh, however, plunged by 30.59 % in July-April due to the poor performance of leather and leather goods sector, according to Export Promotion Bureau data released on Thursday.
- Exporters said that although RMG exports to India witnessed a sharp rise in terms of %, the amount is still well below the potential.
- According to the Export Promotion Bureau data, overall export earnings from India in the first 10 months of the FY 18 increased to \$701.55 Mn from \$581.10 Mn in the same period of FY 17.
- Readymade garment export to India in the July-April period of FY grew to \$225.57 Mn from \$104.83 Mn in the last fiscal.
- 'RMG export growth to India is higher in % but the amount still negligible considering more than \$5 Bn RMG export to USA. Most probably the companies owned by Indian nationals in

<http://www.newagebd.net/article/41040/jul-apr-rmg-exports-to-india-surge-115pc>

## Liquidity crisis hits credit flow

The Financial Express, May 13, 2018

- Bangladesh economy is set to grow by 7.0 % in the current fiscal year (FY), according to the latest projection of the International Monetary Fund (IMF).
- The recent liquidity crisis in private banks has created uncertainty in the credit flow in favour of the micro entrepreneurs, specially in agriculture and micro loans, a microfinance expert told a programme Saturday.
- The liquidity crisis has not only hampered the expansion programme of the micro finance institutions but it has also become impossible to meet the demand of the micro finance borrowers.
- However, eminent woman entrepreneur Rokia Afzal Rahman said that it is a lesson for the big banks that the MFIs are disbursing loans in rural areas with easy conditions, recovering hundred % loans from the poor borrowers and making profit.
- On the other hand, environment minister Anisul Islam Mahmud said that despite growth, disparity has not increased in Bangladesh due to inclusive growth that was possible because of microcredit.
- Their comments came at the 13th Citi Microentrepreneurship Awards (CMA) ceremony, sponsored by the Citi Foundation.

<http://today.thefinancialexpress.com.bd/print/liquidity-crisis-hits-credit-flow-1526140257>

## International

### Oil jumps after US abandons Iran deal, plans 'highest level' sanctions

Dhaka Tribune, May 9, 2018

- Saudi Arabia, the world's largest oil exporter, has said it will take all necessary measures to prevent supply shortages following the US withdrawal from the Iran nuclear deal.
- Oil prices rose more than 2 % on Wednesday, with Brent hitting a 3-1/2-year high, after US President Trump abandoned a nuclear deal with Iran and announced the “highest level” of sanctions against the OPEC member amid an already tight market.
- Ignoring pleas by allies, US President Donald Trump on Tuesday pulled out of an international nuclear deal with Iran that was agreed in late 2015, raising the risk of conflict in the Middle East and casting uncertainty over global oil supplies.
- Brent crude oil futures at one point touched their highest since November 2014 at \$76.75 per barrel. They were still at \$76.62 per barrel at 0653 GMT, up \$1.77, or 2.4 %, from their last close.
- US West Texas Intermediate (WTI) crude futures were up \$1.51 per barrel, or 2.2 %, at \$70.57 a barrel, near highs also last seen in late 2014.

<https://www.dhakatribune.com/business/2018/05/09/oil-jumps-after-us-abandons-iran-deal-plans-highest-level-sanctions>

### Homebuilders poised for gains but face interest-rate fears

Reuters, May 11, 2018

- Some investors are betting on shares of homebuilders to outperform U.S. stocks at large, but with interest rates expected to rise they may have to wait several months before those bets pay off.
- The U.S. economy looks ideal for homebuilding stocks to benefit. The unemployment rate has fallen to its lowest level in more than 17 years and consumer confidence is near the highest levels in 17 years, according to the Conference Board.
- And demand for housing in an already tight market is being supported by the many millennials seeking to purchase their first home, several investors said.
- The U.S. Commerce Department’s data on April housing starts will be released on Wednesday, followed by data on new-home sales on May 23.
- But other factors could raise costs for home buyers, potentially hampering home sales. A sharp rise this year in U.S. Treasury yields reflects increasing worries about inflation and fears that the Federal Reserve will raise interest rates more aggressively than has been expected.

<https://www.reuters.com/article/us-usa-stocks-weekahead/homebuilders-poised-for-gains-but-face-interest-rate-fears-idUSKBN1IC185>

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