

Stock Market

DSE, Chinese consortium to sign share sales deal today

New Age, May 13, 2018

- The Dhaka Stock Exchange will sign a memorandum of understanding with a Chinese consortium today to sell 25 % of its shares to the group of Shenzhen Stock Exchange and Shanghai Stock Exchange for making it the strategic partner of the bourse.
- Finance minister AMA Muhith is expected to be present as the chief guest while Bangladesh Securities and Exchange Commission chairman M Khairul Hossain will be present as the special guest at the occasion at the Le Meridien Hotel in Dhaka.
- Shenzhen Stock Exchange president Wang Jianjun, Shanghai Stock Exchange supervisory board chair Pan Xuexian and DSE managing director KAM Majedur Rahman will sign the MoU.
- The DSE has to submit a signed copy of the agreement to the market regulator within seven days of formal signing between them, said a senior official of the commission.
- The decision to sign the agreement came after the BSEC on May 3 approved the bourse's proposal for selling 25 % of its shares for BDT 947 crore to the Chinese consortium for making it the strategic investor of the bourse, ending three months of uncertainty over the issue.
- The BSEC approved the SPA as the DSE shareholders at an extraordinary general meeting approved the offer and share purchasing agreement of the group after making necessary amendments as per the commission's directions.

<http://www.newagebd.net/article/41118/dse-chinese-consortium-to-sign-share-sales-deal-today>

Stocks drop for 8th day as investors become nervy

New Age, May 13, 2018

- Dhaka stocks dropped for eight straight days on Sunday with the market turnover falling to a one-month low as investors worried over the continued fall in the share prices due to poor earnings disclosures by a good number of listed firms.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.51 %, or 28.54 points, to close at 5,558.66 points on the day.
- The key index lost 255 points in last eight trading sessions.
- Despite an early upward movement, the market began to drop that escalated as the time passed as investors kept jittery share sales throughout the session, market operators said.
- They said that investors took cautious step as the market was falling without break.
- The turnover at the bourse slumped to BDT 378.79 crore on Sunday compared with that of BDT 562.47 crore in the previous session.
- Investors preferred to remain on the sidelines as the media is continuously exposing the bleak situation of the country's banking sectors.

<http://www.newagebd.net/article/41116/stocks-drop-for-8th-day-as-investors-become-nervy>

Economy

Summit Power's Gazipur II Power starts operation

The Financial Express, May 13, 2018

- Summit Gazipur II Power, a 300 MW HFO-fired power plant, has started its commercial operation at Kodda in Gazipur, says Summit Power, which has 20 % stake in the plant.
- The plant was brought into operation within its schedule on Thursday last (nine months from the date of the letter of intent), according to a disclosure posted on the Dhaka Stock Exchange website on Sunday.
- The project is being run under the private sector power generation policy of Bangladesh on build, own and operate (BOO) basis for a 15-year period commencing on commercial operation date (COD).
- Summit Power, which was listed on the Dhaka bourse in 2005, disbursed 30 % cash dividend for the year ended on June 30, 2017.
- Each share of the power generation company closed at BDT 37.30 on Thursday last at the country's prime bourse.
- The company's consolidated earnings per share (EPS) was BDT 1.04 for January-March 2018 as against BDT 0.77 for January-March 2017.
- In nine months, or July 2017-March 2018, consolidated EPS was BDT 3.37 as against BDT 2.74 for July 2016-March 2017.
- Consolidated net operating cash flow per share (NOCFPS) was BDT 3.83 for July 2017-March 2018 as against BDT 3.19 for July 2016-March 2017.
- Consolidated net asset value (NAV) per share was BDT 29.09 as on March 31, 2018 and BDT 29.02 as on June 30, 2017.
- The company's paid-up capital is BDT 10.67 Bn and authorised capital BDT 15 Bn, while total number of securities is 1.06 Bn

<https://thefinancialexpress.com.bd/stock/summit-powers-gazipur-ii-power-starts-operation-1526203384>

Govt's gross borrowing from banking system soars

The Financial Express, May 14, 2018

- The government's gross borrowing from the banking system jumped suddenly Sunday to finance budget deficit partly for the current fiscal year (FY), officials said.
- Bangladesh government borrowed BDT 13 Bn on the day against previously fixed target worth BDT 2.0 Bn through holding of its 91-Day Treasury Bills (T-bills).
- On the other hand, the interest rate on the T-bills dropped at the lowest ebb on the day, as commercial banks rushed to offer bids in the auctions, according to bankers.
- The cut off yield, generally known as interest rate, on 91-day T-bills came down to 1.0 % on the day from 1.09 % of the previous auction, held on May 06.
- Earlier on April 17, 2009, the cut off yield was 1.11 %, the market operators said.

<https://thefinancialexpress.com.bd/economy/bangladesh/govts-gross-borrowing-from-banking-system-soars-1526270268>

International

China's Stock Market Is About to Burst Onto the Global Stage

Bloomberg, May 14, 2018

- China's stock market is about to go global like never before.
- On June 1, MSCI Inc. will add distiller Kweichow Moutai Co., brokerage Guosen Securities Co. and more than 200 other locally listed Chinese companies to benchmark equity gauges that guide the investment of \$12 trillion. The New York-based index compiler will publish its final selection of so-called A shares on Monday, putting many of them on the buy lists of international retirement plans, endowments and exchange-traded funds for the first time.
- It's a major symbolic win for China, which for years has craved greater global recognition of its financial markets and a bigger international role for its currency. While foreign investors still have concerns about everything from China's debt risks to state intervention and capital controls, many are keen to increase their exposure to a \$13 trillion economy that's growing twice as fast as the U.S.

<https://www.bloomberg.com/news/articles/2018-05-13/china-s-msci-debut-is-about-to-put-new-stocks-in-your-pension>

Asian stocks up on hopes of thaw in U.S.-China trade tensions

Reuters, May 14, 2018

- Asian shares rose to near two-month highs on Monday on hopes of a thaw in U.S.-China trade tensions, after U.S. President Donald Trump pledged to help ZTE Corp "get back into business, fast" after a U.S. ban crippled the Chinese technology company.
- Trump's comments on Sunday came ahead of a second round of trade talks between U.S. and Chinese officials this week to resolve an escalating trade dispute. China had said last week its stance in the negotiations would not change.
- MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS rose 0.5 %, while Japan's Nikkei .N225 tacked on 0.3 %.
- Chinese shares were also buoyant after Trump's comments on ZTE Corp (000063.SZ) (0763.HK), which JPMorgan analysts said was "a significant positive."
- Shanghai's SSE Composite index .SSEC rose 0.6 % while the blue-chip .CSI300 rallied 1.1 %. Hong Kong's Hang Seng index .HSE climbed 1.2 %.
- "The fact Trump is now...working to find a resolution for ZTE marks the latest sign of thawing in Beijing-Washington relations," JPMorgan said.

<https://www.reuters.com/article/us-global-markets/asian-stocks-up-on-hopes-of-thaw-in-u-s-china-trade-tensions-idUSKCN1IF01O>

Apple, Goldman Sachs working on credit card

The Daily Star, May 14, 2018

- Apple is working with financial giant Goldman Sachs on a credit card that would carry the iPhone maker's digital wallet logo, according to a report Thursday in the Wall Street Journal.
- The move comes as Apple puts increasing focus on revenue from online services and content, and as Goldman Sachs seeks to make more money from consumer banking operations.
- Apple declined to comment on the report, which cited unnamed people close to the matter.
- A joint credit card bearing the Apple Pay brand could launch early next year, and replace a rewards-card partnership Apple has with Barclays, according to the Journal.
- Apple, which still gets most revenue from the iPhone, reported a hefty rise in earnings during the first three months of this year, alleviating worries about the iPhone's prospects and a hit from US-China trade tensions.
- Analysts praised a big jump in revenues in Apple's services business, which is seen as an important element of diversification away from having revenues tied to gadgets.
- A 31 % rise in services to \$9.2 Bn was credited to revenue gains from Apple Pay, Apple Music and other programs.

<https://www.thedailystar.net/business/global-business/apple-goldman-sachs-working-credit-card-1575865>

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