

Stock Market

Stocks drop for 9th day as more banks announce poor results

New Age, May 15, 2018

- Dhaka stocks dipped for nine consecutive sessions on Monday with the turnover at the Dhaka Stock Exchange falling further as investors remained worried as more banks declared poor earnings results on the day.
- DSEX, the key index of the DSE, lost 0.01 %, or 1.09 points, to close at 5,557.57 points.
- The key index lost 256 points in last nine trading sessions.
- The market was unstable during the whole session with a couple of ups and downs that, however, settled in the negative trajectory as investors were active on both sides of the trading fence amid cautiousness, market operators said.
- Investors remained on the sidelines to observe the next movement of the market as the share prices were falling continuously.
- The turnover at the DSE slumped to BDT 330.81 crore on Monday compared with that of BDT 378.79 crore in the previous session. Monday's turnover was the lowest since March 28 when it was BDT 277 crore.
- Investors became shaky amid the poor earnings disclosures by most of the large capitalised scrips including banks. A number of banks recently declared poor earnings.
- On Monday, Premier Bank and Islami Bank announced quarterly profit fall by 56.41 % and 44.61 % respectively in the January-March period this year compared with that in the same period of the previous year. The share prices of Islami Bank plunged by 2.89 % on Monday.

<http://www.newagebd.net/article/41206/stocks-drop-for-9th-day-as-more-banks-announce-poor-results>

BSEC approves IPO prospectus of ML Dyeing Ltd

Dhaka Tribune, May 14, 2018

- The Initial Public Offering (IPO) prospectus of ML Dyeing Limited was approved on Monday as the textile processing company aims to raise BDT20 crore from the public.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the IPO at a meeting presided over by BSEC Chairman M Khairul Hossain in Dhaka.
- Using the fixed price method, ML Dyeing Limited will offload 20 Mn ordinary shares at an offer price of BDT10 each.
- According to the financial statement that ended on June 30, 2017, the Net Asset Value (NAV) per share of the company stood at BDT23.17, while Earnings Per Share (EPS) was BDT1.58.
- The fund raised through the IPO will be used to purchase machinery and to bear the expenses of the IPO process.
- ML Dyeing is located at Bhaluka in Mymensing and produces Hanks Dyeing, Acrylic Yarn, Cotton Yarn, Cone Dyeing and Piece Dyeing for the export-oriented garment industry.
- Two companies - NBL Capital and Equity Management Limited, and Ruplali Investment - will act as issue managers for the IPO process.

<https://www.dhakatribune.com/business/2018/05/14/bsec-approves-ipo-prospectus-of-ml-dyeing-ltd>

Bank Asia approves 12.5pc stock dividend

The Financial Express, May 15, 2018

- Bank Asia approved 12.5 % stock dividend for the year 2017 at the 19th annual general meeting (AGM) of the bank at Dhaka Officers Club in the city on Monday, according to a statement.
- Chairman of the bank A Rouf Chowdhury presided over the meeting.
- With 12.5 % stock dividend, the paid-up capital of the bank would increase to BDT.1,110.03 Bn.
- Vice Chairman Mohd. Safwan Choudhury, Chairman, Audit Committee of the board Mashiur Rahman, Chairman, Risk Management Committee of the board M. Irfan Syeed, board of directors Md. Shahajahan Bhuiyan, Md. Nazrul Huda, Dilwar H. Chowdhury, Maj. Gen. Mohammad Matiur Rahman (retd.), President & Managing Director Md. Arfan Ali and Company Secretary Md. Kamrul Hasan were present.
- There was a large turnout of the shareholders in the annual general meeting. They expressed satisfaction over the performance of the bank and approved the accounts for the year 2017, the release added.

<https://thefinancialexpress.com.bd/stock/bangladesh/bank-asia-approves-125pc-stock-dividend-1526356753>

Economy

LafargeHolcim replaces 17-km conveyor belt

The Daily Star, May 15, 2018

- The replacement work was completed in two phases, with the second and the last stage ending on April 18, said Harpal Singh, project head of operations of the Surma plant.
- LafargeHolcim set up the conveyor belt, one of the longest trans-boundary conveyors in the world, in 2004 from Meghalaya to its cement plant in Sunamganj. It traverses 10 kilometres (km) in Bangladesh and 7 km in India.
- The old belt all throughout used to create noise, according to officials.
- The Surma plant, located in Chhatak upazila, is the only clinker manufacturing plant in Bangladesh. It also produces high quality cement.
- The plant makes use of a waste management service called Geocycle, aligned with LafargeHolcim's plan to promote eco-friendly waste management.
- The plant disposed 950 tonnes of waste in 2017 and has targeted to recycle 1,200 tonnes of waste this year.
- "LafargeHolcim provides a safer and more responsible solutions for industrial waste management towards a zero-waste future," said Md Anisuzzaman, head of quality and optimisation of LafargeHolcim Bangladesh.

<https://www.thedailystar.net/business/lafargeholcim-replaces-17-km-conveyor-belt-1576528>

FDI to reach \$8b in two years: Planning minister

The Financial Express, May 14, 2018

- Foreign direct investment (FDI) will increase by seven to eight folds in the next couple of years as the decline in power and gas supply crisis will woo more investors.
- Planning Minister AHM Mustafa Kamal said it to reporters on Monday at a briefing in his office in the Planning Commission in Dhaka.
- “The power and gas supply crunch has hit hard the foreign direct investment in the country over the years. Now supplies of both are okay. So, within the next two years, FDI will reach to \$7-\$8 Bn from the current inflow of nearly \$1.0 Bn,” he said.
- “Just wait for two years. You will see the investment has jumped to that level as the power and energy supply is smooth at the moment,” added Mr Kamal.
- The minister further said, “The investment-GDP (Gross Domestic Product) ratio has increased mainly because of higher public sector investment. From next year, the private sector investment will increase and it will reach our target in the five years plan.”
- According to the provisional data of the Bangladesh Bureau of Statistics (BBS), the investment-GDP ratio in this fiscal has increased to 31.47 % from 30.51 %.
- Out of that, private sector investment-GDP ratio has increased slightly to 23.25 % from that of 23.10 % in the previous FY2017.
- The public sector investment-GDP ratio, however, has boosted to 8.22 % in FY18 from that of 7.41 % in the previous fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/fdi-to-reach-8b-in-two-years-planning-minister-1526306680>

International

Asia stocks pull back as investors eye new risks; oil higher

Reuters., May 15, 2018

- Asian stocks pulled back on Tuesday, brushing off a firmer Wall Street lead and pausing a recent rally, as investors remained cautious about key economic and political risks, while supply concerns kept crude oil prices near 3-1/2-year highs.
- MIAPJ0000PUS dipped 0.65 % after rising the previous day to its highest since late March.
- The index had rallied for three straight sessions prior to Tuesday.
- “The markets appear to be taking a breather after their recent surge, awaiting fresh developments in matters such as U.S.-China trade issues and Washington’s upcoming summit with North Korea,” said Yoshinori Shigemi, global markets strategist at JP Morgan Asset Management in Tokyo.
- Australian stocks were down 0.35 % after briefly touching a four-month high and South Korea's KOSPI .KS11 shed 0.55 %. Japan's Nikkei.
- Hong Kong's Hang Seng .HSI lost 0.5 %, pulling back from a two-month peak to snap a five-day winning run and Shanghai .SSEC inched up 0.05 %.

<https://www.reuters.com/article/us-global-markets/asia-stocks-pull-back-as-investors-eye-new-risks-oil-higher-idUSKCN1IG024>

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>

Goldman: Something strange is happening with the US economy that could cause interest rates to jump

CNBC, May 15, 2018

- America’s budget deficit and unemployment rate are heading in opposite directions — something that’s never happened during post-World War II peacetime and could cause a significant jump in interest rates.
- Goldman Sachs projects, for instance, that the 10-year Treasury note could be yielding 3.6 % next year.
- The deficit increase is coming due to the recent barrage of fiscal stimulus from Congress, including a \$1.5 trillion tax cut approved in December 2017 and a \$1.3 trillion spending bill aimed at keeping the government operating through the end of the fiscal year.
- Normally such moves would come in the early stages of an economic recovery.
- The U.S. economy, though, is in the eighth year of its post-financial crisis expansion, middling as it has been.
- The unemployment rate is now at 3.9 % and falling, while the budget deficit was at \$668 Bn in 2017 and is expected, according to the Congressional Budget Office, to top \$1 trillion by 2020.

<https://www.cnbc.com/2018/05/14/goldman-deficit-unemployment-rate-disconnect-could-fuel-higher-interest-rates.html>

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