

Stock Market

Dhaka stocks rebound on banking sector surge

New Age, April 19, 2018

- The key index of Dhaka Stock Exchange, DSEX, rose sharply on Wednesday as investors turned their focus on large-capitalised banking sector which had remained subdued in previous few trading sessions.
- DSEX gained by 0.77 %, or 45.04 points, to close at 5,822.99 points on Wednesday after losing 6.71 points in the previous session.
- The banking sector scrips remained in negative territory in previous few trading sessions amid declarations of lower-than-expected dividends by some of the banks.
- Some banks will declare annual dividends in coming days while they will also unveil financial reports for January-March quarter.
- The share price of another large capitalised scrip, Grameenphone, rose sharply as the company announced to hold its board meeting on financial disclosure of January-March quarter to be held on April 19, 2018.
- The banks were the main driver of the uptrend, gaining by 2.90 % on the day.
- Out of 30 traded bank scrips, share prices of all the banks except Trust Bank advanced on the day.
- Average share prices of energy, telecommunication and miscellaneous increased 0.71 %, 0.64 % and 0.44 % respectively.

<http://www.newagebd.net/article/39305/dhaka-stocks-rebound-on-banking-sector-surge>

Economy

50pc of public funds can be deposited in pvt banks and NBFIs, BB notifies them

New Age, April 19, 2018

- Bangladesh Bank has instructed all the banks to comply with a finance ministry notification on pulling deposit from government, semi-government and autonomous entities' by the private banks and non-bank financial institutions.
- The central bank issued a circular in this regard on Tuesday to all the managing directors and chief executive officers of all scheduled banks.
- Finance ministry on April 2 this year issued a notification allowing private banks and non-bank financial institutions to get up to 50 % of the government, semi-government and autonomous bodies' fund.
- Private banks and non-bank financial institutions were allowed to get highest 75 % fund from the entities.
- BB reduced repo rate to 6 % from existing 6.75 % and banks' cash reserve ratio to 5.5 % from 6.5.
- The reduced CRR and repo rate became effective on April 15, 2018, while the finance ministry directive became effective from March 31, 2018.

<http://www.newagebd.net/article/39304/50pc-of-public-funds-can-be-deposited-in-pvt-banks-and-nbfis-bb-notifies-them>

Cabinet body approves proposal to import LNG from Oman

The Financial Express, April 18 2018

- Cabinet Committee on Public Purchase has approved some 10 proposals including import of liquefied natural gas (LNG) from Oman on government-to-government basis deal.
- Oman Trading International will initially supply 1 Mn tonnes per annum (mtpa) of LNG under a price formula of “11.9 % Brent plus 0.40 US\$ per MMBtu” for a period of 10 years.
- Bangladesh will make the payment of the LNG to the Oman within 25 days of the delivery.
- South Korean Hyundai Development Company (HDC) won the contract to build the hospital at a cost of BDT 5.66 Bn.
- The Cabinet body approved another proposal to import 10-metre gauge diesel electric locomotives from South Korea.
- South Korean Hyundai Rotem Company will supply the locomotives at a contract value of about BDT 4.00 Bn.
- A proposal for carrying out dredging works at 4.7 kilometres area in the Padma River and also 4 km river bank protection works under Rajshahi City Protection Project received the nod of the committee.
- Bangladesh Navy won the contract under the direct procurement method to implement the job at a cost of BDT 3.29 Bn.

<https://thefinancialexpress.com.bd/trade/cabinet-body-approves-proposal-to-import-lng-from-oman-1524064103>

International

Resource stocks rally as oil surges, bonds suffer

Reuters, April 18, 2018

- Resource stocks were on a roll in Asia on Thursday as oil prices hit heights not seen since late 2014, though the potential boost to inflation globally also pressured fixed-income assets.
- Brent crude futures climbed another 34 cents in early trade to \$73.82 a barrel, adding to a 2.7 % jump overnight. U.S. crude gained 30 cents to \$68.77.
- The surge came on a Reuters report that OPEC’s new price hawk Saudi Arabia would be happy for crude to rise to \$80 or even \$100, a sign Riyadh will seek no changes to a supply-cutting deal even though the agreement’s original target is within sight.
- The leap in oil combined with fears that sanctions on Russia could hit supplies of other commodities to light a fire under the entire sector.
- Aluminum prices reached their highest since 2011, alumina touched an all-time peak and nickel jumped the most in 6-1/2 years.

<https://www.reuters.com/article/us-global-markets/resource-stocks-rally-as-oil-surges-bonds-suffer-idUSKBN1HQ02S>

Asia Stocks Push Higher, Dollar Pares Advance: Markets Wrap

Bloomberg, April 19, 2018

- Asian stocks climbed to the highest in a month and measures of volatility continued to decline amid optimism that global growth can weather any impact from trade tensions.
- The dollar pared gains and oil extended its rise.
- Shares from Sydney to Hong Kong rose. U.S. Treasury yields ticked lower after climbing to 2.87 % Thursday in the wake of the Federal Reserve's Beige Book report that showed a solid outlook for the economy despite trade concerns.
- Energy firms climbed in the U.S. and Asia after an industry report showed crude inventories fell.
- The yen slid amid the positive investor sentiment and as U.S. President Donald Trump and Japanese Prime Minister Shinzo Abe agreed to work closely on bilateral trade.
- With investor optimism on the economy being tested increasingly by the flattening yield curve, geopolitical tensions showed continued signs of dissipating.

<https://www.bloomberquint.com/global-economics/2018/04/18/asia-stocks-face-mixed-start-treasuries-retreat-markets-wrap>

Investors Are Getting Worried About an Inverted Yield Curve

Bloomberg, April 18 2018

- To Citigroup Inc., the chances are slim that the U.S. enters a recession anytime soon. Officials at the Federal Reserve feel the same way.
- Yet both camps agree that an inverted Treasuries yield curve would be an ominous sign for growth.
- The reality of sub-zero spreads may soon collide with an otherwise sanguine outlook on the economy.
- The yield curve from 5 to 30 years flattened Wednesday to as little as 29 basis points, the narrowest spread since 2007.
- From 2 to 10 years, the gap touched 41 basis points, also the smallest in more than a decade.
- For extending to 10 years from 7, investors pick up a mere 4.3 basis points, less than a quarter of what they got a year ago.

<https://www.bloomberg.com/news/articles/2018-04-18/from-citigroup-to-the-fed-curve-inversion-angst-is-intensifying>

Oil near late-2014 highs as Saudi pushes for higher prices, U.S. crude stocks decline

Reuters, April 19, 2018

- Oil prices on Thursday remained close to late 2014-highs reached in the previous session as U.S. crude inventories declined and as top exporter Saudi Arabia pushes for prices of \$80 to \$100 per barrel by continuing to withhold supplies.
- Brent crude oil futures LCOc1 were at \$73.82 per barrel at 0325 GMT, up 34 cents, or 0.5 %, from their last close.
- U.S. West Texas Intermediate (WTI) crude futures CLc1 were up 28 cents, or 0.4 %, at \$68.75 a barrel.
- Brent on Wednesday marked its highest level since November, 2014 at \$73.93 per barrel. WTI hit its strongest since December, 2014 at \$68.91 a barrel.
- Reuters reported on Wednesday that top oil exporter Saudi Arabia would be happy to see crude rise to \$80 or even \$100 a barrel, which was seen as a sign that Riyadh will seek no changes to an OPEC supply-cutting deal that was introduced in 2017 to boost prices.

<https://www.reuters.com/article/us-global-oil/oil-near-late-2014-highs-as-saudi-pushes-for-higher-prices-u-s-crude-stocks-decline-idUSKBN1HQ028>

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