

Stock Market

More woes for Bangladesh stock investors as DSEX extends losing spell to 13th day

New Age, May 20, 2018

- Dhaka stocks plunged on Sunday, stretching the longest losing spell at the bourse to 13 sessions, amid investors' panic-driven share sales across the board.
- DSEX, the key index of the Dhaka Stock Exchange, slumped by 0.96 %, or 52.60 points, to close at 5,390.70 points, hitting a one-year low.
- The DSEX lost 423 points in last 13 trading sessions that wiped out BDT 21,000 crore from the market capitalisation.
- In recent past, stakeholders intervened in the market when the index witnessed fall in 7-8 sessions at a stretch, but this time it was not seen yet, market operators said.
- They said despite a positive movement for a short while in the beginning, the market began to fall soon after that intensified with time as investors kept selling shares amid the relentless fall in share prices at the market.
- Of the 335 companies and mutual funds traded on the day, 261 declined, 50 advanced, and 23 remained unchanged.

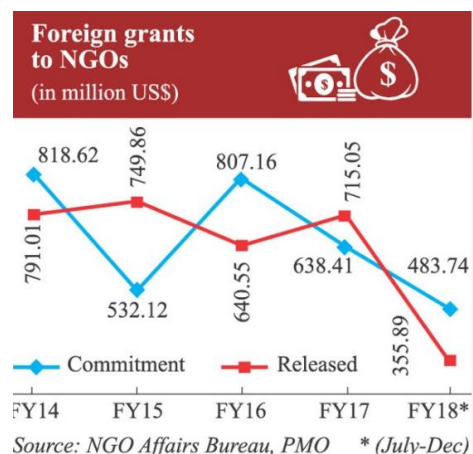
<http://www.newagebd.net/article/41691/more-woes-for-bangladesh-stock-investors-as-dsex-extends-losing-spell-to-13th-day>

Economy

Nonprofits trim operations, facing funding headwinds

The Financial Express, May 21, 2018

- Stories of Bangladesh's growth and prosperity have swayed the donor community to commit less aid for legions of non-governmental organisations (NGOs) in the country, forcing the nonprofits to trim operations.
- In 2014, the country's gross national income per capita reached US\$ 1,070, placing it among the lower middle-income category, calculated using the World Bank Atlas method, a year later.
- Lower middle-income countries are defined as economies whose income per head is between \$ 1,046 and \$ 4,125.
- The country's economic growth, which averaged 6.26 % during the past decade, is projected to reach 7.65 % this fiscal year (FY), highest in recent years, after advancing at 7.24 % during the FY 2017.



<https://thefinancialexpress.com.bd/economy/nonprofits-trim-operations-facing-funding-headwinds-1526841882>

Industries to get 2,000 new gas connections

The Daily Star, May 21, 2018

- The textile factory owners see an increase in their productivity, as the government has finally decided to allocate 2,000 new industrial gas connections and supply adequate gas to the existing units.
- The move to allow new industrial gas connections after a seven-year pause comes in light of the recent import of liquefied natural gas from Qatar.
- The government has already approved 196 new gas connections last month for members of the Bangladesh Textile Mills Association, the platform for spinners, weavers, dyeing mill owners and other allied industries.
- The BTMA members are one of the major gas consumers as the running of spinning mills requires a lot of gas, said Mohammad Ali Khokon, vice president of the association.
- The primary textile sector will be immensely benefitted as many of the factories could not begin production in the absence of gas connections, while the other mills were running below capacity for want of adequate gas pressure.

KEY POINTS

Govt approved 196 new gas connections last month for textile millers

New connections are being given as supply will rise following LNG import

New gas connections will enhance industrial productivity, businesses say

Higher productivity at mills will bring down lead-time for garment factories

Millers urged govt to fix the LNG price at a lower level

<https://www.thedailystar.net/business/industries-get-2000-new-gas-connections-1579176>

Trade deficit doubles in a year

Dhaka Tribune, May 20, 2018

- Bangladesh's trade deficit has almost doubled within 12 months, rising to \$13.20 Bn at the end of March this year, according to the latest data from the central bank's Balance of Payment (BoP).
- The data from Bangladesh Bank showed that the trade deficit was \$7.03 Bn for the July to March period of 2016-17 fiscal year, which means the year-on-year trade gap for the corresponding period was \$6.16 Bn, while the deficit was \$1.47 Bn in the month of March only.
- According to the data, imports increased by 24.5% to \$40.3 Bn this year, as compared to \$32.37 Bn in the July-March period of FY2016-17.
- Meanwhile, Bangladesh earned around \$28 Bn from exports during the same period of FY2017-18, as compared to \$25.33 Bn in the previous year.
- Furthermore, remittance has increased by about 17% to \$10.5 Bn from \$9.06 Bn a year earlier.
- The trade gap in services has also increased by 25.5%, standing at \$3.33 Bn in the July-March period of FY2017-18, while it was at \$2.47 Bn in FY2016-17.

<https://www.dhakatribune.com/business/2018/05/20/trade-deficit-doubles-in-a-year>

Bangladesh Bank begins special probe into 'misreporting' of forex rate

The Financial Express, May 21, 2018

- The central bank has started carrying out a special inspection to detect irregularities relating to foreign exchange reporting by the commercial banks, officials said.
- Three inspection teams of Bangladesh Bank (BB) started on-site inspection Sunday to find out alleged 'misreporting' on foreign exchange rate to the central bank by some banks.
- Besides, overall inflow and outflow of the foreign exchange of the banks concerned have also been probed to assess the actual position on the foreign exchange of the banks.
- The teams have been assigned to conduct such allegation against six banks initially, according to the BB officials.
- The banks reported on their BC (Bills for Collection) selling rate ranging between BDT 83.65 and BDT 83.70 to the central bank, using 'web-link' by 11 am each working day.
- Some banks, however, had traded the US dollar between BDT 84.50 and BDT 85 in the name of 'corporate deal' but the rates were not reported to the central bank, according to market insiders.
- Talking to the FE, a senior treasury official of a leading private commercial bank said, some banks had offered higher rates on the US dollar to the exporters for maintaining business relations.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-bank-begins-special-probe-into-misreporting-of-forex-rate-1526874049>

International

Stocks rally after Mnuchin says Sino-U.S. trade war 'on hold'

Reuters, May 21, 2018

- Stocks rose on Monday as U.S. Treasury Secretary Steven Mnuchin declared the U.S. trade war with China "on hold" following an agreement to drop their tariff threats that had roiled global markets this year.
- U.S. S&P mini futures ES1 rose 0.60 % in Asian trade on Monday.
- MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS advanced 0.55 % in early trade, led by strong gains in greater China. Hong Kong's Hang Seng .HSI was up 1.0 %, Taiwanese shares .TWII 1.1 % and mainland shares .CSI300 0.4 %.
- Japan's Nikkei .N225 gained 0.4 %.
- Mnuchin and U.S. President Donald Trump's top economic adviser, Larry Kudlow, said the agreement reached by Chinese and American negotiators on Saturday set up a framework for addressing trade imbalances in the future.
- "The weekend talk appears to have made progress. While they still need to work out details of a wider trade deal, it is positive for markets that they struck a truce," said Hirokazu Kabeya, chief global strategist at Daiwa Securities.

<https://www.reuters.com/article/us-global-markets/stocks-rally-after-mnuchin-says-sino-u-s-trade-war-on-hold-idUSKCN1ILOXT>

Asian Stocks Gain; Dollar Rises With U.S. Yields: Markets Wrap

Bloomberg, May 19, 2018

- Asian stocks gained Monday as U.S. equity futures jumped in the wake of news that the Sino-American trade war is on hold for now. Treasury yields nudged higher, taking the dollar with them.
- Equity benchmarks rose in Japan, Hong Kong and South Korea as S&P 500 Index contracts gained 0.6 %. Stocks were little changed in Australia.
- Oil futures climbed. U.S. Treasury Secretary Steven Mnuchin said the U.S. was “putting the trade war on hold,” amid progress in talks with China.
- “The trade talks over the weekend suggest that real trade-war outcomes are very unlikely,” Robert Mead, co-head of Asia-Pacific at Pacific Investment Management Co., said in a Bloomberg Television interview.
- Investors this week will be keeping a close eye on the minutes of May’s Federal Reserve meeting, to be released Wednesday, along with preliminary purchasing manager indexes in the euro zone.
- Geopolitics remains in focus as South Korea’s president visits Washington to discuss North Korea and Brexit negotiations resume in Brussels.

<https://www.bloomberg.com/news/articles/2018-05-20/stock-futures-climb-on-u-s-china-trade-war-pause-markets-wrap>

At \$78,000, Tesla Moves Mass-Market Model 3 Beyond Masses

Bloomberg, May 21, 2018

- Elon Musk’s Model 3, once touted as Tesla’s \$35,000 car for the masses, can now set a buyer back almost \$80,000.
- Musk unveiled specifications for a faster and more powerful version of the Model 3 in a series of tweets over the weekend.
- It will cost \$78,000, more than double the \$35,000 base-model starting price discussed into the run-up before the electric car’s deliveries started last year.
- The \$78,000 sticker puts the electric sedan beyond reach of many consumers, and, by Musk’s own estimations, brings it closer to the realm of luxury cars.
- “A Model 3 with a \$35,000 price will be the rarest of the rare,” said Kevin Tynan, a Bloomberg Intelligence analyst.
- “Perhaps the second most collectible Tesla ever, behind the one floating around in space.”

<https://www.bloomberg.com/news/articles/2018-05-20/at-78-000-tesla-moves-mass-market-model-3-beyond-the-masses>

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