

Stock Market & Company

Stocks snap 4-day surge on profit taking

Newage, January 22, 2019

- Dhaka stocks dropped on Tuesday after a substantial gain in the previous four sessions as a section of investors rushed to take profits after the price appreciation. DSEX, the key index of the Dhaka Stock Exchange, lost 0.58 per cent, or 26.13 points, to close at 4,408.10 points on Tuesday after gaining 398 points in the previous four sessions.
- The main index fell sharply at the beginning of Tuesday's session but regained some ground at the middle of the session before ending in the negative trajectory as investors went for profit taking, market operators said.
- Referring to the four-day gain, they said that the market had been declining in the last 12 months, and it was the first time in the period that the index gained nearly 400 points in a spell. The share prices had risen sharply in the four sessions before Tuesday amid moves from the government, the Bangladesh Bank and market intermediaries to stabilise the ailing market, they said.
- A meeting of policymakers in presence of prime minister Sheikh Hasina at her office in Dhaka on January 16 made a six-point proposals including increasing of investment of financial institutions on the capital market and providing loan facility to the intermediaries to halt the turmoil on the country's stock market.
- Besides, Bangladesh Bank governor Fazle Kabir on a couple of occasions said that the central bank would extend whatever support it needed to stabilise the stock market while top brasses of four state-run banks at a meeting held on January 16 agreed to increase investment on the capital market following the government directions to do so.
- Market operators said investors were now waiting to see what sort of actions the government would take to revive the market and many investors were still very nervous about investing on the stock market.
- The turnover on the DSE decreased to Tk 406.80 crore on Tuesday from Tk 494.79 crore in the previous trading session.

<https://www.newagebd.net/article/97319/stocks-snap-4-day-surge-on-profit-taking>

Iqbal becomes Bank Asia DMD

Newage, January 22, 2019

- SM Iqbal Hossain has recently been promoted as the deputy managing director of Bank Asia, said a press release. Prior to the promotion, Iqbal was the senior executive vice-president and head of international business and export finance division of the bank, it said.
- Iqbal started his banking career with Sonali Bank in 1984. During his 18-year long career at Sonali Bank, he served at many important branches, including its Kolkata branch in India for five years.
- He joined Bank Asia as the FVP and manager operations of the principal office branch in 2003. During his 17 years or service at Bank Asia, he has served as branch manager of major branches, including the principal branch, and contributed to the business enhancement of those branches.

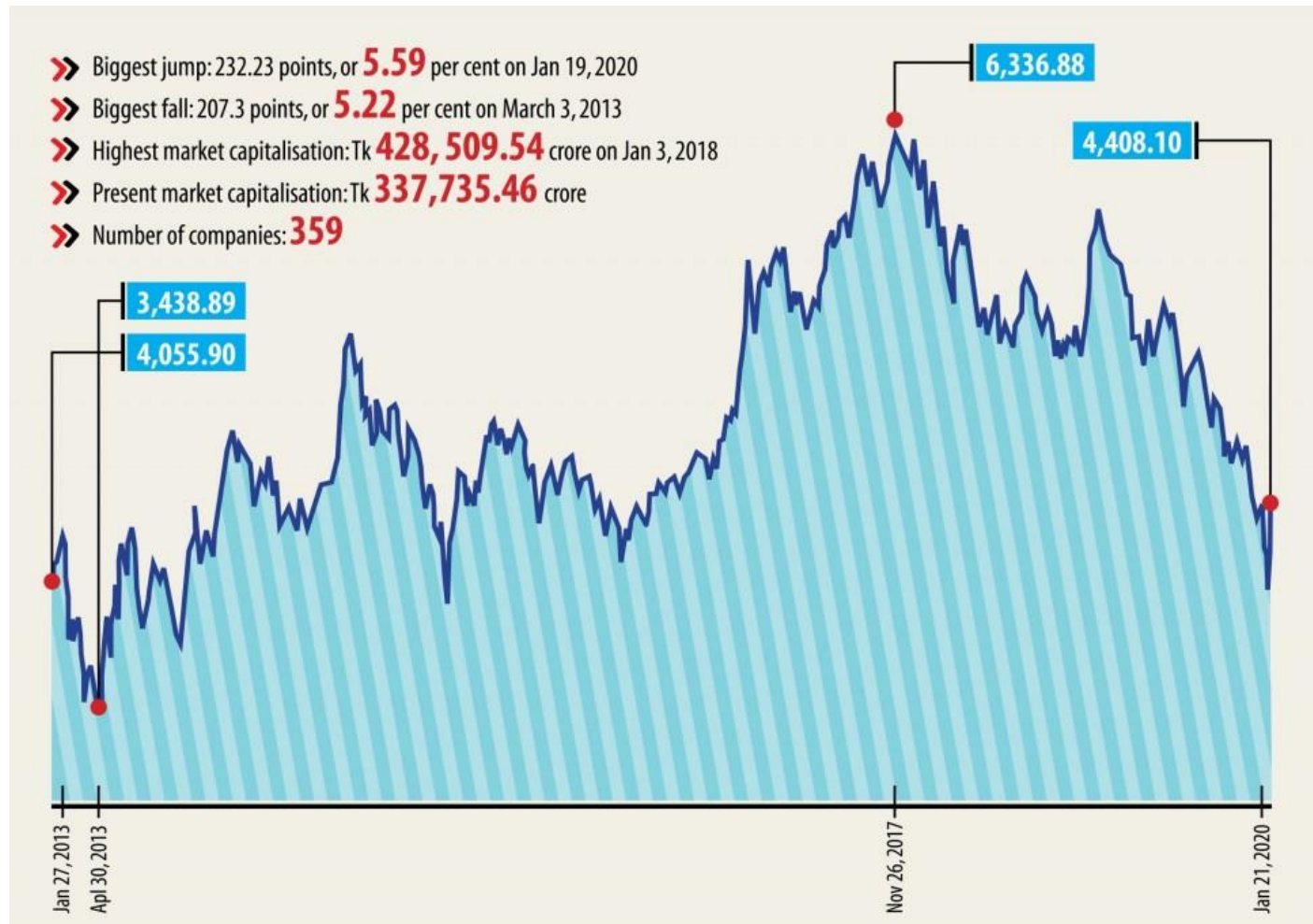


- Iqbal completed his graduation and post-graduation in economics from the Chittagong University.

<https://www.newagebd.net/article/97326/iqbal-becomes-bank-asia-dmd>

Bird's eye view of DSEX

The Daily Star, January 22, 2019



<https://www.thedailystar.net/business/news/birds-eye-view-dsex-1857319>

Economy and Industry

SoEs asked to deposit 50pc funds in pvt banks at 6pc interest

Newage, January 22, 2019

- The Financial Institutions Division has set the interest rates of deposits by the state-owned enterprises in the private and public commercial banks and non-bank financial institutions amid demand by the bankers for the funds for implementing much-vaunted single-digit lending rate from the revised deadline of April 1.

- It set the rate at the highest 6 per cent for depositing maximum 50 per cent of their funds by the state agencies in the private banks, according to a circular issued by the FID on Sunday. The division set the interest at 5.5 per cent for depositing funds by the state agencies in the public commercial banks.
- Money meant for endowment, pension and provident fund will not come under the purview of the directive. The circular said that the FID set the interest rates to implement the single-digit lending rate that the government policymakers had been trying to implement since 2018.
- But most of the private commercial banks failed to implement the decision and cited a number of reasons including non-implementation of the FID's previous directive issued in April, 2018 on depositing 50 per cent of state agencies' fund in private banks.
- Ali Reza Iftekhar, chairman of the Association of Banks, Bangladesh Limited (ABB), said they welcomed the government decision on setting the interest rates. The previous directive did not mention anything about the rates, he said.
- Iftekhar said they were not concerned about the proposed bill aimed at allowing the government to use the 'surplus funds' of different government agencies for 'public welfare'. He pointed out that the finance minister assured them of depositing the funds they would mobilise from the state agencies quickly in the banking channel.
- Earlier, the government fulfilled at least five demands made by the private banks against the decision that they would implement single-digit lending rates.

<https://www.newagebd.net/article/97213/soes-asked-to-deposit-50pc-funds-in-pvt-banks-at-6pc-interest>

International

IMF cuts global growth projection

The Financial Express, January 21, 2019

- The International Monetary Fund (IMF) cut global growth projections on Monday, citing negative surprises in a few emerging markets, notably in India, and increased social unrest. However, the IMF also said the global growth may be bottoming out, reports Xinhua.
- Global economic growth is now projected to rise from an estimated 2.9 per cent in 2019 to 3.3 per cent in 2020 and 3.4 per cent in 2021 -- a downward revision of 0.1 percentage point for 2019 and 2020, and 0.2 percentage point for 2021, compared to those published in the IMF's October "World Economic Outlook".
- "Trade policy uncertainty, geopolitical tensions and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity -- especially manufacturing and trade -- in the second half of 2019," the IMF said.
- Intensifying social unrest in several countries posed new challenges, as did weather-related disasters -- from hurricanes in the Caribbean to drought and bushfires in Australia, floods in eastern Africa and drought in southern Africa, according to the IMF.
- "Despite these headwinds, some indications emerged toward year-end that global growth may be bottoming out," the IMF said.

<https://thefinancialexpress.com.bd/economy/global/imf-cuts-global-growth-projection-1579593380>

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