

Stock Market

Stocks end 13-day losing streak on bargain hunting

New Age, May 23, 2018

- Dhaka stocks on Monday ended a 13-day bear run, the longest losing spell at the Dhaka Stock Exchange, as investors went for bargain hunting, focusing mainly on undervalued scrips.
- DSEX, the key index of the DSE, gained 0.41 %, or 22.58 points, to close at 5,413.28 points on Monday after losing 423 points in the previous 13 trading sessions.
- Despite a downward move in the beginning of the day, the market began to bounce back soon as investors went for bargain hunting, market operators said.
- They said that many investors, especially the institutional ones, took 'buy the dip' policy as the market passed through its longest losing spell ever that dragged down share prices of most of the scrips.
- The lower prices prompted investors to buy shares to attain more profit, they said.
- The market dipped to 5,300 points due to the relentless fall as investors were disappointed by the lower-than-expected earnings and dividend declarations by most of the high-profile companies in recent days.
- Furthermore, the media reports that the banking sector plagued by scams, huge defaulted loans and poor governance created macroeconomic risk dampened the investors' mood, market operators said.
- The DSE's agreement signing with a Chinese consortium of Shanghai Stock Exchange and Shenzhen Stock Exchange on May 14 could not halt the market fall that also puzzled investors, they said.
- Stockbrokers said that the market might remain sluggish as the national budget announcement date was approaching.

<http://www.newagebd.net/article/41786/stocks-end-13-day-losing-streak-on-bargain-hunting>

Two banks get BSEC consent to issue BDT900cr bond

Dhaka Tribune, May 21, 2018

- The Bangladesh Securities and Exchange Commission (BSEC) has permitted two private commercial banks – Mercantile Bank and Rupali Bank Limited – to issue subordinated bonds worth a total of BDT900 crore.
- The approval came at 645th meeting of the BSEC presided over by its chairman Prof M Khairul Hossain at capital on Monday.
- As per the BSEC approval, the Mercantile Bank will issue unsecured subordinate floating rate bonds amounting to BDT300 crore.
- The purpose of the issue is to strengthen the capital base of the company. The tenure of the Mercantile Bank bonds will be seven years. Per unit price of the bonds will be BDT1 crore.
- The units will be sold to banks, financial institutions, insurance companies, corporate bodies, asset management companies, mutual funds and high net worth individuals "other than existing" shareholders of the company through private placements in cash consideration.

<https://www.dhakatribune.com/business/2018/05/21/two-banks-gets-bsec-consent-to-issue-BDT900cr-bond>

Economy

BB raises EDF loan limit for BGMEA, BTMA

The Financial Express, May 21, 2018

- Stories of Bangladesh's growth and prosperity have swayed the donor community to commit less aid
- Bangladesh Bank (BB) has raised the loan limit for the members of BGMEA and BTMA Export Development Fund (EDF) scheme.
- "It has now been decided to enhance the limit of US\$ 20 Mn to \$25 Mn for member mills of BGMEA and BTMA," said a notification by the central bank on Monday.
- BB took the move to help boost the inflow of foreign exchange in the textile market.
- "We've enhanced the limit for the members of BGMEA and BTMA to facilitate the overall export earnings in the coming months," a BB senior official told the FE.

<https://thefinancialexpress.com.bd/trade/bb-raises-edf-loan-limit-for-bgmea-btma-1526906483>

RMG exporters to get more low-cost funds

The Daily Star, May 22, 2018

- Apparel and textile exporters can now take low-cost loans of up to \$25 Mn from the Export Development Fund after the central bank yesterday increased the limit from \$20 Mn.
- Members of the Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Textile Mills Association can borrow from the fund against their letters of credit or firm export contracts, said a BB official yesterday.
- The EDF was launched with an initial amount of \$100 Mn in 2005, which was gradually increased to \$3 Bn.
- The loans are payable by the banks upon receipt of export proceeds within 180 days of the date of disbursement.
- The interest rate on loans from the fund is now LIBOR plus 2.50 %.

<https://www.thedailystar.net/business/rmg-exporters-get-more-low-cost-funds-1579846>

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.

<https://thefinancialexpress.com.bd/economy/nonprofits-trim-operations-facing-funding-headwinds-1526875997>

International

Dollar holds near four-month highs, oil near multi-year top

Reuters, May 22, 2018

- The dollar hovered near four-month highs on Tuesday on renewed optimism about global growth as the United States and China agreed to drop their tariff threats, while oil stayed at multi-year peaks over potential sanctions in Venezuela.
- Beijing and Washington both claimed victory on Monday as the world's two largest economies stepped back from the brink of a global trade war and agreed to hold further talks to boost U.S. exports to China.
- While the apparent truce over their trade disagreements bolstered sentiment on Wall Street, it failed to excite stock markets in Asia.
- Japan's Nikkei was barely changed while Australian shares fell 0.7 % with energy shares the only bright spot on the index. Liquidity remains relatively thin due to holidays in South Korea and Hong Kong.
- MSCI's broadest index of Asia-Pacific shares outside Japan added 0.1 %.

<https://www.reuters.com/article/us-global-markets/dollar-holds-near-four-month-highs-oil-near-multi-year-top-idUSKCN1IN054>

The Lucky 56: Xiaomi IPO to Make Dozens of Workers Mnaires

Bloomberg, May 19, 2018

- After Steven Yang left his coveted job at Google, he asked his mother whether he should take venture-capital money to fund his business idea.
- If his online consumer-electronics enterprise was a risky bet, she told him, go with the venture capitalists. But if building the business into something great was his destiny, he instead should use her money from a pharmaceutical career in China.
- So Yang combined his Google money with his mom's, and with less than \$1 Mn in seed capital he moved from California to Shenzhen, a hub in southern China for technology companies. Seven years later, Anker Innovations Technology Co. sells products ranging from smartphone chargers to portable power banks on Amazon.com. And it's getting even bigger after recently reaching a deal to put products in almost 4,000 Walmart Inc. and 900 Best Buy Co. stores in the U.S.
- Recent trades on China's over-the-counter New Third Board market valued Anker at about \$1.1 Bn. Yang, 36, and his wife have a combined stake of about 54 %, according to a Bloomberg analysis of the company's first-quarter report for 2018.
- Anker offers chargers that are alternatives to those from companies like Samsung Electronics Co. or Apple Inc. and come with proprietary PowerIQ technology, which detects each phone's maximum wattage to help minimize charging times.

<https://www.bloomberg.com/news/articles/2018-05-20/amazon-helps-shenzhen-ex-googler-turn-mom-s-money-into-a-Bn>

Oil prices edge up on Venezuela, Iran supply worries

Bloomberg, May 21, 2018

- Oil prices rose on Tuesday on concerns that Venezuela's crude output could drop further following a disputed presidential election and potential U.S. sanctions on the OPEC-member.
- The United States also toughened its stance on Iran and made a list of sweeping demands, which could further curb the country's crude oil exports and boost oil prices.
- Brent crude futures LCOc1 were at \$79.39 per barrel at 0226 GMT, up 17 cents, or 0.2 %, from their last close. Brent broke through \$80 for the first time since November 2014 last week.
- U.S. West Texas Intermediate (WTI) crude futures were at \$72.47 a barrel, up 23 cents, or 0.3 %.
- "(Oil inventory) is tight and the U.S. will probably tighten sanctions on Venezuela which will make the Venezuela situation worse and which means we can expect continued falling Venezuelan production," said Tony Nunan, oil risk manager at Mitsubishi Corp in Tokyo.

<https://www.reuters.com/article/us-global-oil/oil-prices-edge-up-on-venezuela-iran-supply-worries-idUSKCN1IN04E>

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