

Stock Market

Dhaka stocks drop for 4th day as BB's MPS declaration nears

New Age, July 30, 2018

- Dhaka stocks dropped on Sunday, stretching the losing streak to the fourth consecutive session with a decreased turnover, as investors remained watchful ahead of the announcement of new monetary policy statement by Bangladesh Bank. The central bank will announce the MPS for the first half (July-December) of the current fiscal year (2018-19) tomorrow. DSEX, the key index of Dhaka Stock Exchange, lost 0.47 %, or 25.10 points, to close at 5,280.07 points on Sunday. The core index lost 68 points in last four trading sessions.
- The market began with choppy trading with a few ups and downs and slid sharply in late hours as investors sold off shares keeping an eye on the central bank's monetary policy announcement. Besides, banks were continuously disclosing mixed performances for the second quarter (April-June) period. The City Bank and Social Islami Bank declared profit growth while Jamuna Bank and Prime Bank declared profit fall for Q2 on Sunday. The share prices of non-bank financial institutions continued to slump and the sector lost 1.3 % on Sunday as a number of NBFIs declared poor earnings for the April-June period.
- Turnover on the DSE plunged to BDT 577.34 crore on Sunday compared with that of BDT 855.62 crore in the previous trading session. Of the 337 companies and mutual funds traded, 197 declined, 103 advanced and 36 remained unchanged. DS30, the blue-chip index of the DSE, also lost 0.62 %, or 11.74 points, to close at 1,878.76 points. Shariah index DSES dipped 0.88 %, or 11.08 points, to finish at 1,248.69 points. BBS Cables led the turnover chart with its shares worth BDT 21.46 crore changing hands. IFAD Autos, Fortune Shoes, KDS Accessories, Square Pharmaceuticals, Saiham Textile Mills, Simtex Industries,

<http://www.newagebd.net/article/38321/stocks-end-flat-as-investors-assess-govt-benefits-to-banks>

Bank stocks dive 28.5pc in 7 months

The Daily Star, July 30, 2018

- The heavyweight banking sector saw a huge decline in its share price and market capitalisation this year due to investors' lack of confidence in banks. As of yesterday, banks' share price declined 28.5 % and market capitalisation BDT 20,730 crore in 2018, according to data from IDLC Securities. The slump caused the banking sector to concede its pole position to telecom. As of yesterday, telecom's market capitalisation stands at BDT 54,090 crore and the banking sector's BDT 53,050 crore. The telecom sector also saw its market capitalisation shrink this year but not to the extent of the banking sector.
- Private sector credit growth stood at 17.60 % in May, down from 17.65 % a month earlier, according to the central bank. It was 18.49 % in February. Of the 30 listed banks, earnings per share of 18 declined and two incurred losses in the first quarter, showed data from Prime Finance Asset Management Company. The non-performing loans of the banking sector are ballooning, which affected the confidence of investors, market insiders said. Banks' default loans surged 19.51 % to BDT 74,303 crore in 2017, according to the Bangladesh Bank.
- IDLC Securities data showed the share prices of most sectors declined since January this year, but the financial sector was hit particularly hard. Non-bank financial institutions too shed 21.5 %. During the period, jute lost 22.8 %, telecommunication 15.5 %, cement 13.4 %, services and real estate 13.2 %, non-life insurance 12.6 %, foods and allied 6.6 %, pharmaceuticals 6.1 % and life insurance 4.1 %.

<https://www.thedailystar.net/business/bank-stocks-dive-285pc-7-months-1613272>

Economy

BB to declare MPS tomorrow, major changes unlikely

New Age, July 30, 2018

- Bangladesh Bank is set to announce tomorrow monetary policy for the first half (July-December) of the fiscal year of 2018-2019 with a view to helping the government achieve budgetary growth targets and keeping inflation under control. Keeping inflation under control would be very tough in the first half of the fiscal year ahead of the national polls, expected to be held by the end of 2018, as money flow would increase significantly in the period, central bank officials said on Sunday.
- The overall government borrowing from the banks was slightly negative in FY 2017-18 against the 8.3-% growth target set by the BB. BB officials said that the central bank was likely to keep credit growth target for the July-December period of FY19 unchanged. The monetary policy statement for the period, however, would also focus on supporting government's projection to attain 7.8 % gross domestic product growth in FY19, they said. In the monetary policy for the second half of FY18, the BB projected to keep the private sector credit growth target within 16.8 %.
- The rate of the US dollar against Bangladeshi taka has remained high at around BDT 83.75 due to increased demand for the greenbacks that widened trade deficit creating pressure on the central bank to keep inflation within the target, they said. Country's trade deficit soared by 84 % to USD17.2 bn in the July-May period of the just concluded fiscal year (2017-2018) as import payments surged past USD50 bn in the 11 months.

<http://www.newagebd.net/article/47220/bb-to-declare-mps-tomorrow-major-changes-unlikely>

Weak bond market creating pressure for banking sector

New Age, July 30, 2018

- Weak bond market is intensifying pressure on the country's banking sector, experts said on Thursday. At a roundtable discussion, they also said that banks could not collect funds from any other sources, except deposits of clients, due to weak bond market, which also made the corporate sector completely dependent on the banking sector for funds. The Bangladesh Institute of Bank Management arranged the roundtable titled 'development of bond market in Bangladesh' at its office in Dhaka.
- At the programme, BIBM director (research, development and consultancy) Prashanta Kumar Banerjee presented a research paper on the issue. A six-member team of the BIBM and Bangladesh Bank conducted the research. He said that lots of new securities like zero coupon bond and fixed coupon bond would have to be introduced in the bond market in the country to make it popular among investors. BB banking reform adviser SK Sur Chowdhury said that development of bond market became imperative for the country as both investors and authority would be benefited from the bond market. The bond market in the country still remains at a very primary stage, he said, adding that BB, Bangladesh Securities and Exchange Commission and National Board of Revenue would have to work together to expand and popularise the market. He also said that bank officials would also have to work carefully on the issue.

<http://www.newagebd.net/article/47023/weak-bond-market-creating-pressure-for-banking-sector>

International

Apple and Amazon lead the pack to USD1tr market value

The Daily Star, July 30, 2018

- For a long time, Apple appeared to be flying solo to a USD1 trillion market value, but Amazon is right at its heels -- and experts have no fears of a tech bubble. Apple, at USD939 bn, remains the highest-valued private company on the global markets -- and could well cross the USD1 trillion finish line after it releases its quarterly results Tuesday. But Amazon is right behind: on Friday, its market cap reached USD917 bn, before finishing at USD882 bn, thanks to quarterly figures well received by investors.
- Google's parent company Alphabet (USD886 bn) and Microsoft (USD827 bn) are also on track, while Facebook (USD505 bn) is out of the race, having shed USD119 bn in value after results released Thursday. The biggest traditional economic players -- bnaire Warren Buffet's holding company Berkshire-Hathaway (USD492 bn) and bank JPMorgan Chase (USD395 bn) -- have been relegated to mere spectators.
- State oil company PetroChina briefly broke the USD1 trillion barrier in 2007 during its initial public offering, but has since dropped back down. According to TD Ameritrade's mid-year review, online commerce giant Amazon's stock was the most popular buy in the first half of 2018, with Apple the second most popular sell.

<https://www.thedailystar.net/business/apple-and-amazon-lead-the-pack-1tr-market-value-1613080>

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