

# Wall Street slammed by worries on inflation, housing

AFP, New York

US stocks took a beating Tuesday as sentiment took a hit from worrisome inflation data and a weak earnings report from Home Depot that highlighted troubles in the housing market.

A spike in crude oil futures to a record above 129 dollars also darkened the mood on Wall Street.

The Dow Jones Industrial Average sank 199.48 points (1.53 percent) to close at 12,828.68, a day after finishing above a key level of 13,000.

The tech-heavy Nasdaq composite slumped 23.83 points (0.95 percent) to 2,492.26 and the Standard & Poor's 500 index retreated 13.23 points (0.93 percent) 1,413.40.

Ahead of the open, the government said US wholesale prices rose 0.2 percent in April while the so-called core rate of inflation excluding food and

energy increased 0.4 percent.

The producer price index (PPI) suggests higher food and energy costs are feeding into other items, with the potential to ignite higher inflation.

"The headline number may have looked good but the details are not," said Joel Naroff at Naroff Economic Advisors. "Energy will skyrocket in May and the overall index increase could be truly amazing."

Fred Dickson, market strategist at DA Davidson, said the inflation report was a negative for the market.

"Rising producer prices will either translate into higher consumer prices or squeeze corporate profits in coming months, or both, unless corporate America magically finds its way to unlock another wave of productivity gains through efficiency and job cuts," he said.

In an immediate sign of inflation pressures, the price of oil rocketed to a record

close at 129.07 dollars in New York as investors piled into a market driven higher by concerns about tight global energy supplies and strong demand.

Meanwhile a weak earnings report and downbeat comments from home improvement retailer Home Depot hurt the market.

"A 66 percent drop in first-quarter profits from Home Depot is weighing heavily on traders ... with the company citing a depressed housing market and rising gasoline prices for the decline," said Andrea Kramer at Schaeffer's Investment Research.

Home Depot shares slid 5.3 percent to 27.34 dollars on the news after reporting a sharp drop in profit in the past quarter to 356 million dollars. Rival Lowe's slipped 1.9 percent to 123.78.

Elsewhere in the retail space, Target declined 1.15 percent to 54.29 dollars after an

earnings report that was short of most estimates.

Energy firms gained on the rise in crude. ExxonMobil added 0.21 percent to 94.56 dollars and Chevron rose 0.87 percent to 103.09.

Bonds gained on the move away from equities. The yield on the 10-year Treasury bond dipped to 3.776 percent from 3.839 percent Monday while that on the 30-year bond eased to 4.532 percent against 4.575 percent. Bond yields and prices move in opposite directions.

Away from Wall Street, European stock markets closed sharply lower, with sentiment hit by a sharp spike in German wholesale inflation and a weakening in investor sentiment in Europe's biggest economy.

In London, the FTSE 100 index tumbled 2.90 percent to 6,191.60. In Paris, the CAC 40 shed 1.70 percent to 5,054.88 and in Frankfurt the Dax lost 1.49 percent to 7,118.50.



Samuda Chemical Complex Ltd recently signed an MoU with Nuberg Engineering Ltd for installation of two more hydrogen peroxide units of 35 MT/D each, using Swedish technology. Senior officials from both the sides were present at the signing ceremony.

## Latin America's economies to worsen in 2008

AFP, Sao Paulo

The economies of Latin America look likely to worsen this year, a quarterly survey released Tuesday suggested.

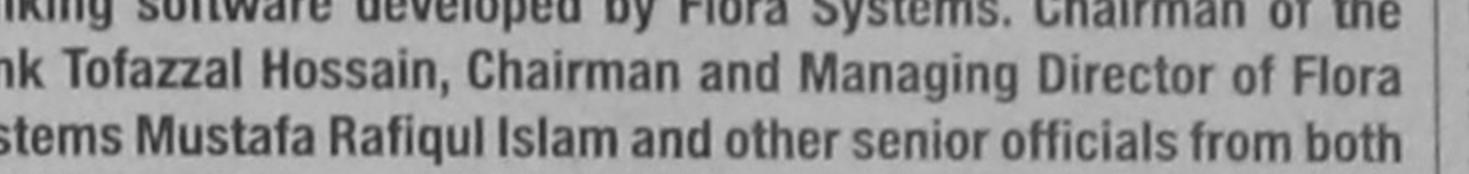
The Economic Climate Index, evaluated by the Getulio Vargas Foundation in Brazil and Germany Ifo institute, put the region in fifth place, behind the Commonwealth of Independent States (the zone largely covering the former Soviet Union), the Middle East, Asia and eastern Europe.



Chairman of EXIM Bank Md Nazrul Islam Mazumder gives away scholarship to a student at a function on the bank's Savar branch premises recently. Twenty-eight students from 13 different educational institutions of Savar region got the scholarship. Directors and managing director, among others, were present.



NCC Bank Ltd and Flora Systems Ltd have recently entered into an agreement under which the bank will use 'Flora Bank' core online banking software developed by Flora Systems. Chairman of the bank Tofazzal Hossain, Chairman and Managing Director of Flora Systems Mustafa Rafiqul Islam and other senior officials from both the sides were present.



FLORA SYSTEMS

NCC Bank Ltd and Flora Systems Ltd have recently entered into an agreement under which the bank will use 'Flora Bank' core online banking software developed by Flora Systems. Chairman of the bank Tofazzal Hossain, Chairman and Managing Director of Flora Systems Mustafa Rafiqul Islam and other senior officials from both the sides were present.

**Currency**

Following is Wednesday's (May 21, 2008) forex trading statement by Standard Chartered Bank

		Major currency exchange rates		Exchange rate of some currencies	
		BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	68.90	67.90			
Euro	109.48	104.86			
Pound	137.17	132.02			
Australian dollar	67.50	63.77			
Japanese yen	0.69	0.65			
Swiss franc	67.81	63.79			
Canadian dollar	70.94	67.72			
Hong Kong dollar	8.85	8.69			
Singapore dollar	51.76	49.55			
UAE dirham	18.91	18.34	1 M	68.15	69.14
Saudini	18.52	17.95	2 M	68.40	69.48
Danish kroner	15.27	13.56	3 M	68.67	69.84
Kuwait dinar	255.54	249.99	6 M	69.50	70.95

**USD forward rate against BDT**

	Buy	Sell
Singapore dollar	51.76	49.55
UAE dirham	18.91	18.34
Saudini	18.52	17.95
Danish kroner	15.27	13.56
Kuwait dinar	255.54	249.99

**Local Market FX:** Local inter-bank FX market was active on Wednesday. The market was stable with steady demand of dollar and the BDT remained almost unchanged against the USD.

**Money Market:** Money market was active on Wednesday. The call money market tightened a little and most deals ranged between 9.00 and 14.00 percent compared to 8.00-10.00 percent on the previous working day.

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by ITC Family, Dhaka.

STOCK

TRADED ISSUES May 21, 2008

## Turnover Leaders

Company	Turnover
(Vol.)	(M.Tk.) (%) T BigLot
AB Bank*-A	71,587 258.2 6.91 200
UCBL*-Z	55,313 242.70 6.21 200
AMIS First*-A	54.02 58.00 5.84 50,000
Keya Cosmico Ltd*-A	1,671,290 139.90 5.98 10,000
Grameen M F One*-A	784,500 119.50 3.06 5,000
Union Capital Ltd*-N	797,500 104.97 2.98 7,000
Brac Bank*-A	62,405 97.70 2.90 900
Apex Tantry Ltd*-A	69,065 86.10 2.10 10,000

**Market Highlights**

May 21, 2008

Company	Price Chn. (%)	Close	Avg.	Turnover
DSE All Share Index	2599.02476 (-) 0.23%	2588.90	2480.30	12,893
DSE General Index	3057.33361 (+) 0.09%	3057.33	3056.20	2,022
DSE - 20 Index	2447.29577 (-) 0.96%	2447.29	2447.29	11,161
CSE All Share Index	8659.04050 (+) 0.53%	8659.04	8659.04	9,654
CSE - 30 Index	7653.21610 (-) 0.05%	7653.21	7653.21	3,501
CSE Selected Index	5551.33100 (+) 0.36%	5551.33	5551.33	1,014

**Capital Gainers**

Company	Price Chn. (%)	Close	Avg.	Turnover
Rekitt Benckiser*-A	16.43	13.05	48.30	12,893
Meghna Group Mlk-Z	15.83	11.90	21.60	2,022
Merchandise Insurance*-A	15.46	16.37	21.53	1,753
Key & Cue (BD)*-A	15.03	16.45	37.75	4,775
Sonar Bangla Insu*-B	13.93	15.31	14.25	3,501
Mona Food Ind.-Z	18.52	18.52	24.00	0.002
Central Insurance*-A	17.50	17.50	39.50	0.016
Gaphihata Aqua*-Z	16.67	16.11	21.00	0.010
German Banga Food-Z	16.67	16.46	2.80	0.088
Prim Insurance*-Z	16.26	19.12	26.25	0.1514

**Capital Losers**

Company	Price Chn. (%)	Close	Avg.	Turnover
Islamic Finance*-A	-10.01	-2.65	36.25	23,154
BD Finance*-N	-9.18	1.89	31.75	7,052
Flora Dying*-Z	-9.05	-9.09	30.00	0.0012
Sakfo Spinning-B	-9.06	-9.03	72.75	0.0328
Sonali Paper-Z	-8.70	-8.70	6.30	0.0006
Alpha Pharma*-A	-8.65	1.50	30.45	1,000
Market Cap (Taka)	7,729,290,054	7,729,290,054	7,729,290,054	7,729,290,054