

Wall Street faces gloom

Wall Street investors face a battery of economic news and the looming bankruptcy of auto giant General Motors in the coming week, testing the nerves of investors after a strong week.

US stocks ended a volatile holiday-shortened week on an upbeat note as investors preferred a not-so-bad outlook on mixed economic and company news.

The Dow Jones Industrial Average rose 2.69 percent in the week to Friday, to 8,500.33.

The tech-dominated Nasdaq leapt 4.85 percent to 1,774.33 while the broad-market Standard & Poor's 500 index surged 3.61 percent in the week to 919.14.

The three major indices notched up their third straight month of increases with robust gains. The blue-chip Dow surged 4.1 percent for May, the Nasdaq 3.32 percent and the S&P 500 by a hefty 5.31 percent.

Despite the bullish market, analysts cautioned that bumps lurk on the road to recovery from a prolonged recession that began in December 2007.

"Maybe it is simply the shortened holiday week, but volume has fallen off," said Mike

O'Rourke, chief investment strategist at BTIG brokerage.

"In the past few sessions, the equity market has become enamored with the bond market, looking for it to lead to the big move that has yet to materialize," he said.

The market came back to business Tuesday after the Memorial Day holiday welcoming an unexpected jump in consumer confidence that left the Dow 2.37 percent higher.

Trading was choppy the rest of the week as investors kept their eyes glued to the deteriorating bond markets amid concerns about the mushrooming US government debt.

Tensions on the bond market eased and bonds ended the week mixed.

The yield on the 10-year Treasury bond rose to 3.465 percent Friday, compared with 3.448 percent a week ago, while the yield on the 30-year bond fell to 4.338 percent against 4.392 percent. Bond yields and prices move in opposite directions.

The government's slight revision of first quarter gross domestic product, showing a 5.7 percent contraction, was a backward-looking indicator investors shrugged off, preferring to see glimmers of hope in the current quarter.

Improved outlook pushes oil above \$66

Oil prices soared Friday after seven days, approaching seven-month highs on further signs of economic recovery and as the US currency plunged to a 2009 low against the euro.

New York's main futures contract, light sweet crude for delivery in July, rallied to 66.47 dollars a barrel, a level last seen in the first week of November.

It ended Friday at 66.31 dollars, 1.23 dollars higher than the close on Thursday.

Brent North Sea crude for July rose 1.13 dollars to end the week at 65.52 after touching 65.70 dollars, also a level last seen in early November.

Oil prices have climbed rapidly since the start of the week, when they were below 60 dollars, on growing optimism about a global economic recovery and a pick-up in demand.

Analysts expect prices to continue soaring amid positive economic data, including from Asian giants India and Japan.



Khandker Fazole, managing director of Dhaka Bank Ltd, poses with others during his visit to the bank's stall at a remittance fair in Sylhet recently.

Dollar sinks to 2009 low against euro

The dollar tumbled Friday to its lowest level against the euro this year with the US currency losing its appeal as a safe haven amid increasing signs of economic recovery, traders said.

At 2100 GMT, the European single currency was fetching 1.4153 dollars, compared with 1.3943 dollars in New York late Thursday.

The euro rose as high as 1.4168 dollars, its highest since December 30.

Against the Japanese currency, the dollar fell to 95.29 yen from 96.77 yen late Thursday.

Market action came after data showed the US economy contracted less than an earlier estimate, and other signs the global economy may be on the mend.

A report in Japan showed industrial output increased 5.2 percent, marking the largest increase since 1953, while India posted better-than-expected 5.8 percent quarterly economic growth.

"Economic reports from India and Japan signal the worst of the global economic recession may be ending," said Al Goldman at Wachovia Securities.

"The breakdown in the dollar was not triggered by a single piece of data or news but instead by a combination of pressures reaching their tipping point," said Kathy Lien, analyst with Global Forex Trading.

Weekly Currency Roundup

Local FX Market: The USD continued to remain steady against the BDT. There was ample liquidity in the market and market saw moderate activity. The demand for the USD was stable.

Money Market: Overnight money market was low this week with ample liquidity in the market. The call money rate settled near 2.00-2.50 percent range.

International Markets: This week the euro and the sterling rallied against the dollar, with the euro going above \$1.40 and the sterling going above \$1.60.

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Samson H Chowdhury, chairman of Mutual Trust Bank Ltd, presides over the bank's 10th annual general meeting (AGM) and 11th extraordinary general meeting (EGM) in Dhaka on Thursday. The bank declared 18 percent stock dividends for 2008.

Table with 3 columns: Company, Turnover, Closing. Lists various companies like BEXIMCO, Summit Power, and others with their respective financial data.

Table with 3 columns: Company, Price Chn. (%), Close. Lists companies like BEXIMCO, Sonargang, and others with their price changes and closing prices.

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Weekly Market Highlights

Weekly Market Highlights May 24 - 28, 2009. DSE All Share Index: 2156.6706 (+1.48%). DSE General Index: 2588.72529 (+1.40%).

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Weekly Market Leaders

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Source: Capital Market. *Loser tables are prepared on the basis of the close prior report of the traded issues. **EPS/BV of Life Insurance was calculated by special formula which is appropriate just to compare those figures among the companies under life insurance industry. These figures could not be compared with other industry's figures.