

Bangladesh market snapshot

	Last closing
DSEX Index	5,273.93
% change	-0.04%
DS30 Index	1,846.48
% change	-0.26%
DSES Index	1,219.02
% change	-0.11%
Turnover (BDT mn)	3,581.62
Turnover (USD mn)	42.64
% change	-4.80%
Market Capitalization (BDT bn)	3,883
Market Capitalization (USD bn)	46.22
% change	-0.08%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,942.37
% change	0.44%
Nikkei 225	21,344.92
% change	-0.27%
FTSE 100	7,203.29
% change	-0.57%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.45
EUR	94.79
GBP	109.64
INR	1.21

Source: Bloomberg

Money Market

Date	Call Money Rate Range	Weighted Average (%)
08-May-2019	3.25-5.00	4.51
07-May-2019	3.25-5.00	4.53

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	70.76	0.77%
Gold Spot, USD/t oz	1,286.00	0.15%
Cotton, USD/lb	68.45	-0.18%

Source: Bloomberg

Economy

Liquidity crunch intensifying

Liquidity crunch in the banking sector is deepening due to slow growth of deposits and a lethargic recovery of loans. The majority of the banks are now offering 11-12 percent interest rate to attract deposits and yet they are floundering. The ongoing implementation of mega infrastructural projects is also fuelling the cash shortage as lenders have been providing import financing to materialise those by way of purchasing the dollar from the central bank. A total of \$2.14 billion was purchased by banks between July 1 last year and May 2 this year.

<https://www.thedailystar.net/business/news/liquidity-crunch-intensifying-1742770>

NBR to allow private ICDs in Dhaka

National Board of Revenue has, in principle, decided to allow setting up private inland container depot under Dhaka Customs House to ease congestion at air cargo village at Hazrat Shahjalal International Airport. NBR has asked Dhaka Customs House to frame a policy on licencing, conditions and other relevant issues of private ICDs, also known as off-dock or air freight station.

<http://www.newagebd.net/article/72237/nbr-to-allow-private-icds-in-dhaka>

Bank

BB asks four SoCBs to focus on SME lending

The central bank has asked the four state-owned commercial banks (SoCBs) to focus on SME (small and medium enterprise) lending, particularly in the manufacturing sector, along with large loans to minimise risks.

<http://today.thefinancialexpress.com.bd/first-page/bb-asks-four-socbs-to-focus-on-sme-lending-1557681633>

Tk 5.3b farm loans lie unrecovered

A hefty Tk 5.3 billion of six state-owned banks remains stuck against 160,225 cases filed to recover from farm loan borrowers. For almost three decades from January 1991 to March 2019, a total of 11,694 borrowers could not be traced even after warrants of certificate cases were issued. Hence, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Agrani Bank, Janata Bank, Sonali Bank and Rupali Bank have failed to recover Tk 402 million in farm credit from them. According to official data, some 1,019 cases were settled to recover only Tk 43 million last March. But to make things worse, 202 fresh cases involving Tk 16.5 million were filed at the same time.

<http://today.thefinancialexpress.com.bd/trade-market/tk-53b-farm-loans-lie-unrecovered-1557683591>

Extend liquidity support to private banks

The central bank yesterday asked four state-run commercial banks to extend liquidity support to cash-strapped private banks. The state

banks, which have a strong liquidity base, have also been asked not to charge high interest rate on the funds to be given to the private lenders.

<https://www.thedailystar.net/business/news/extend-liquidity-support-private-banks-1742761>

Stock

DSE to unearth reasons for ACI subsidiary's loss

The country's premier bourse has asked its chief regulatory officer (CRO) to submit a report by probing into the reasons of chronic loss of Swapno, a subsidiary of ACI Limited. The concerned committee of the Dhaka Stock Exchange (DSE) took the decision on Sunday as the ACI's explanation regarding continuous loss incurred by its subsidiary was 'not acceptable' to them. After getting the company's reply, the DSE committee took the decision of preparing a complete report by its committee on the company's financials.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-to-unearth-reasons-for-aci-subsidiarys-loss-1557683023>

Islamic Finance to issue bond worth Tk 3.0b

The board of directors of Islamic Finance & Investment has approved to issue IFIL Mudaraba non-convertible fully redeemable subordinated bond of Tk 3.0 billion, said an official disclosure on Sunday. The company will issue the bond only for raising fund subject to the approval of the regulatory authorities - Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC), the disclosure said.

<http://today.thefinancialexpress.com.bd/stock-corporate/islamic-finance-to-issue-bond-worth-tk-30b-1557683155>

GP faces fresh restrictions

The telecom regulator has decided to increase the floor price of Grameenphone's call rate by 5 paisa to Tk 0.50 a minute from June as part of the restrictions of being declared a significant market power (SMP) player. Currently, the minimum call rate is Tk 0.45 a minute and after adding the value-added tax and other duties it goes up to Tk 0.54 to any operator. But for Grameenphone it will be about Tk 0.61 a minute. However, the hike in minimum call rate is unlikely to impact the existing Grameenphone users as the operator is already charging much higher than the floor price.

<https://www.thedailystar.net/business/telecom/news/gp-faces-fresh-restrictions-1742767>

Capital Market

Two cos to raise capital through SME Platform

Two small cap companies namely Krishibid Seed and Annex Suites have taken initiatives to raise capital through SME Platform of the country's premier bourse. As part of the process of raising capital, both the companies have signed agreement with their issue manager-- MTB Capital. As per the agreement, Krishibid Seed, a private limited company of Krishibid Group, will raise a capital worth Tk 150 million offloading 15 million ordinary shares at an offer price of Tk 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/two-cos-to-raise-capital-through-sme-platform-1557683049>

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Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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