

Bangladesh market snapshot

	Last closing
DSEX Index	5,474.30
% change	0.09%
DS30 Index	1,918.73
% change	0.07%
DSES Index	1,244.06
% change	0.19%
Turnover (BDT mn)	5,725.05
Turnover (USD mn)	68.16
% change	9.54%
Market Capitalization (BDT bn)	4,021
Market Capitalization (USD bn)	48.00
% change	0.13%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,089.61
% change	-0.07%
Nikkei 225	21,116.89
% change	0.40%
FTSE 100	7,345.78
% change	0.31%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	95.42
GBP	107.24
INR	1.22

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
12-June-2019	4.00-5.00	4.55
11-June-2019	4.00-5.00	4.56

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	62.01	1.14%
Gold Spot, USD/t oz	1,341.70	-0.05%
Cotton, USD/lb	65.75	-1.02%

Source: Bloomberg

Economy

National savings tools

The government has targeted cutting its borrowing target from the national savings certificates (NSC) by 42 per cent in the next three fiscals aimed at reducing fiscal risk, according to official document. The government wants to reduce borrowing from Tk 450 billion of the outgoing fiscal year to Tk 260 billion by FY 2021-22. "From domestic borrowing, sale of NSC is a major source of receipts but it entails high interest cost, which is a risk for fiscal sustainability," said a medium term macroeconomic policy statement.

<http://today.thefinancialexpress.com.bd/first-page/national-savings-tools-1560616383>

Higher bank borrowing to hit pvt investment: FBCCI

The government's higher bank borrowing to finance budget deficit may impact private sector's access to funds, the country's top trade body said Saturday. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) feared this in a post-budget reaction in Dhaka. The government plans to borrow Tk 473.64 billion (net) from the banking system in the next fiscal year, according to budget document.

<http://today.thefinancialexpress.com.bd/first-page/higher-bank-borrowing-to-hit-pvt-investment-fbcci-1560616489>

New VAT law will push up living cost

The new VAT law may increase cost of many goods and services and hurt consumers, analysts said yesterday. Introduction of so many rates go against the fundamentals of the law. Since there are no rebate facilities for products and services that have less than 15 percent VAT, cost could increase by 38 percent for some products, they said.

<https://www.thedailystar.net/bangladesh-national-budget-2019-20/new-vat-law-will-push-living-cost-1757671>

Tax on reserve to hit cos' business expansion: ICAB

The imposition of 15 per cent tax on reserve and retained earnings of listed companies will reduce capital and expansion scope of the companies, said the Institute of Chartered Accountants of Bangladesh on Saturday. The ICAB made the statement in its post-budget review. Finance minister AHM Mustafa Kamal placed the national budget for the 2019-20 fiscal year before parliament on Thursday. The government has proposed 15 per cent tax on retained earnings and reserve if the figures exceed 50 per cent of the paid-up capital of a listed company. If a company has Tk 2 lakh in paid-up capital with Tk 4 lakh retained earnings and Tk 1 lakh reserve, the company must pay additional Tk 30,000 in tax. The ICAB feared that the tax imposition would reduce capital of a company and would also narrow its business expansion scope.

<http://www.newagebd.net/article/75477/tax-on-reserve-to-hit-cos-business-expansion-icab>

Telecommunication

Mobile bill goes up, AMTOB terms tax increase 'suicidal'

The cost of mobile phone uses has gone up from early Friday, following an increase of taxes on total turnover placed during the proposed national budget for 2019-20 fiscal year in the parliament, on Thursday. The mobile operators in the country have already received statutory regulatory order (SRO) from the National Board of Revenue (NRB) in this regard on Thursday, and started upgrading their systems from then on.

<https://www.dhakatribune.com/business/economy/2019/06/14/mobile-bill-goes-up-amtob-terms-tax-increase-suicidal>

IT

IT gets Tk1,930 crore boost

Allocation for the Information and Communication Technology (ICT) Division rose by 11.11% from previous year's budget to Tk1,930 crore while Posts and Telecommunications Division received Tk3,456 crore in the proposed budget for 2019-2020 fiscal, placed by Finance Minister AHM Mustafa Kamal at Jatiya Sangsad yesterday. The minister said a strong infrastructural base for ICT has already been set up at the grassroots level of the country.

<https://www.dhakatribune.com/business/economy/2019/06/14/it-gets-tk1-930-crore-boost-2>

Tobacco

Tobacco products to be costlier

The use of tobacco products, including cigarette, bidi, zarda and gul are going to be costlier from the next 2019-20 fiscal year. "Considering the health-risk and harmful effects of 92 tobacco products and to maintain compliance with global anti-smoking policy, we are committed to reduce the use of tobacco and maximize revenue collection from this sector," Finance Minister AHM Mustafa Kamal said while placing the national budget for fiscal 2019-20 at Jatiya Sangsad on Thursday. Mustafa Kamal proposed fixing the price of every 10 sticks of low segment cigarette at Taka 37 and the supplementary duty rate to 55 percent. He also proposed increasing the price of the medium segment for every 10 sticks of cigarette at Taka 63 and the supplementary duty rate to 65 percent.

<http://www.theindependentbd.com/post/203153>

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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 %
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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
Anika Mafiz	Research Associate	anika.mafiz@ucb.com.bd	+880 1701 205 006
Md Zarif Ibne Arif	Research Associate	zarif.arif@ucb.com.bd	+880 1701 205 072
Md. Nazmus Sakib	Research Associate	nazmus.sakib@ucb.com.bd	+880 1701 205 073
Anik Mahmood Ibne Anwar	Research Associate	anik.mahmood@ucb.com.bd	+880 1701 205 074
Shadman Sadique Kamal	Research Associate	shadman.kamal@ucb.com.bd	+880 1701 205 096

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	tahmid@blomberg.net rahman.tahmidur@ucb.com.bd	+880 1726 995 520

Office Premises

Head Office

6, Dilkusha C/A
1st Floor
Dhaka- 1000
Bangladesh

Corporate Office

Bulus Center (Level-2)
Plot-CWS(A)-1, Road No-34
Gulshan Avenue
Dhaka-1212
Bangladesh

DSE Extension Office

Room # 633, 9/E DSE Annex
Building (5 th Floor)
Motijheel C/A, Dhaka 1000
Bangladesh

Chattogram Office

Ayub Trade Center
1269/B SK Mujib Road (4th
Floor)
Agrabad C/A, Chattogram
Bangladesh

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