

Bangladesh market snapshot

	Last closing
DSEX Index	5,328.76
% change	1.43%
DS30 Index	1,861.37
% change	1.81%
DSES Index	1,207.84
% change	1.58%
Turnover (BDT mn)	4,031.34
Turnover (USD mn)	47.99
% change	14.71%
Market Capitalization (BDT bn)	3,912
Market Capitalization (USD bn)	46.57
% change	1.50%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,532.05
% change	0.82%
Nikkei 225	21,051.24
% change	-0.08%
FTSE 100	7,241.60
% change	1.09%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.69
GBP	107.44
INR	1.22

Source: Bloomberg

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
27-May-2019	3.75-5.00	4.54
26-May-2019	3.75-5.00	4.55

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	69.56	-0.78%
Gold Spot, USD/t oz	1,279.88	0.04%
Cotton, USD/lb	69.32	-0.22%

Source: Bloomberg

Economy

Large, medium industrial base shrinks, shows survey

The number of the country's large and medium manufacturing industrial establishments declined significantly in 2019 despite the fact that the curve of their contribution to the gross domestic product (GDP) headed upwards. The contribution of the manufacturing sector to the GDP is estimated at nearly 20 per cent in the fiscal year 2018-19, up from nearly 15.5 per cent in the fiscal year 2012.

<http://today.thefinancialexpress.com.bd/first-page/large-medium-industrial-base-shrinks-shows-survey-1559065150>

Bank & NBFI

Banks' asset quality worsens on rising NPL ratio in SoCBs

Asset quality of the country's banking sector deteriorated in the last calendar year as the gross non-performing loan (NPL) ratio showed an upward trend throughout the year. The gross NPL ratio in the banking sector rose to 10.3 per cent in 2018 from 9.3 per cent a year back. Such classified loan ratio was 9.2 per cent in 2016.

<http://today.thefinancialexpress.com.bd/last-page/banks-asset-quality-worsens-on-rising-npl-ratio-in-socbs-1559065603>

State banks breed default loans in all sectors

Dull business in any particular sector is not to be blamed for the rise in default loans in state-run banks; rather, bad debt can be found in every sector that they financed because of their poor governance. Banks usually give loans to 11 major sectors in bulk, and the state banks' default loans are much higher than the private and foreign ones in all the sectors. But Sonali, Janata, Agrani, Rupali, Bangladesh Development Bank Ltd and BASIC Bank faced the highest default loans in shipbuilding and breaking, transport and communication, SME, and garment and textile sectors. At the end of December last year, the state banks accounted for 52 percent of the banking sector's total default loans at Tk 93,370 crore.

<https://www.thedailystar.net/business/news/state-banks-breed-default-loans-all-sectors-1750249>

Govt to inject another Tk 1,500cr

State banks can keep on expecting to be coddled despite their continued financial irregularities and irresponsible lending practices, with the government looking to inject Tk 1,500 crore in the upcoming fiscal year to help the lenders meet their capital shortfall. In the last 17 years, the government has injected a total Tk 20,584 crore of the taxpayers' money into the state-run banks -- without any tangible improvement in their governance and lending practices to show for.

<https://www.thedailystar.net/business/banking/news/govt-inject-another-tk-1500cr-1750240>

Top 3 borrowers' default could lead bank sector to capital crisis

Country's banking sector would suffer from an intense capital inadequacy if three largest borrowers in the sector fail to repay loans. The findings of the central bank was the outcome of a test conducted

on the credit concentration risk of banks to examine the effect of capital adequacy in case of default of the three largest individual or group borrowers.

<http://www.newagebd.net/article/73814/top-3-borrowers-default-could-lead-bank-sector-to-capital-crisis>

BB issues new policy for offshore banking operation

Bangladesh Bank (BB) has issued a new policy allowing banks to give fully foreign owned companies under the export processing zones (EPZs), economic zones and hi-tech parks financial services under offshore banking operation. Under the new policy, banks can provide all financial services to fully foreign owned companies under the export processing zones (EPZs), economic zones and hi-tech parks as per the eligible terms and conditions. But, in case of medium term and long term credit facilities, the existing terms and conditions will remain unchanged.

<http://www.theindependentbd.com/post/201376>

Telecom

Robi logs Tk 11.5cr profit in Q1

Robi started the year with a positive note and logged Tk 11.5 crore profit in the first quarter driven by data revenue growth. However, according to the new accounting practice of its parent Axiata Group, Robi made a loss of Tk 24.6 crore in the quarter. Axiata implemented the IFRS 16, an International Financial Reporting Standard promulgated by the International Accounting Standards Board in January. After recovering from the losses since its merger with Airtel and intense competition in the last couple of years, Robi has now turned into a profitable venture, the operator said in a statement yesterday.

<https://www.thedailystar.net/business/news/robi-logs-tk-115cr-profit-q1-1750216>

Textile

97pc RMG workers devoid of trade union rights: report

The government of Bangladesh has rejected 46 per cent of the applications filed for trade union registration in the readymade garment sector in the period of 2010-2018 and workers in the industry have been experiencing constant unfair labour practices. Almost 97 per cent of workers in the RMG sector still remained out of trade union rights as the application for registration filed by the workers to the labour department face arbitrary denials.

<http://www.newagebd.net/article/73817/97pc-rmg-workers-devoid-of-trade-union-rights-report>

Capital Market

Coppertech gets CSE nod for listing as DSE turns to FRC

The Chittagong Stock Exchange (CSE) has given its consent to listing of the Coppertech Industries, paving the way for trading in its shares on the port city bourse. The Financial Reporting Council (FRC) has also sought an opinion from the Institute of Chartered Accountants of Bangladesh (ICAB), regarding the company's audit work conducted by its member. Before availability of the ICAB opinion, the CSE approved the listing proposal of the company on May 23.

<http://today.thefinancialexpress.com.bd/last-page/coppertech-gets-cse-nod-for-listing-as-dse-turns-to-frc-1559065816>

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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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