

Bangladesh market snapshot

	Last closing
DSEX Index	5,140.00
% change	-0.75%
DS30 Index	1,817.71
% change	-0.62%
DSES Index	1,192.55
% change	-0.48%
Turnover (BDT mn)	4,567.13
Turnover (USD mn)	54.37
% change	-2.36%
Market Capitalization (BDT bn)	3,833
Market Capitalization (USD bn)	45.63
% change	-0.41%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial	25,777.90
Average % change	-0.47%
Nikkei 225	20,479.42
% change	0.11%
FTSE 100	7,108.09
% change	0.26%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	93.71
GBP	103.86
INR	1.18

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
27-Aug-2019	4.75-5.00	5.08
26-Aug-2019	4.75-5.00	5.09

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.14	-0.58%
Gold Spot, USD/t oz	1,542.25	+0.21%
Cotton, USD/lb	58.38	-0.60%

Source: Bloomberg

Economy

NBR cuts AIT on steel raw materials

The National Board of Revenue (NBR) has slashed Advance Income Tax (AIT) on import of raw materials for local steel manufacturers by Tk 300 per tonne. The reduced rate will come into force from July 1 with a retrospective effect. However, ship-braking industry will not be entitled to enjoy the reduced tax benefit. In the budget for the current fiscal year, 2019-20, the NBR's Income Tax Wing fixed the AIT at Tk 800 per tonne, which is now reduced to Tk 500 per tonne.

<http://today.thefinancialexpress.com.bd/last-page/nbr-cuts-ait-on-steel-raw-materials-1567015271>

BD to set up 12 hi-tech parks with Indian support: Palak

State Minister for Information and Communications Technology Junaid Ahmed Palak has said the government will set up 12 hi-tech parks in the country within next four years with the help of India. After completion of the parks, around 30,000 youths will be trained as skilled IT manpower.

<http://today.thefinancialexpress.com.bd/trade-market/bd-to-set-up-12-hi-tech-parks-with-indian-support-palak-1567009347>

Compound interest rate not feasible, says Kamal

Finance minister AHM Mustafa Kamal said on Wednesday the compound interest rate of bank loans is not feasible in modern times. He said the borrowers do not want to pay 14-16 per cent interest in bank loans, thus becoming defaulters. He said by calculating compound interest rate the banks overstate the size of balance sheet and raises the volume of intangible assets.

<http://today.thefinancialexpress.com.bd/last-page/compound-interest-rate-not-feasible-says-kamal-1567014996>

Govt to push Facebook for opening Dhaka office

Bangladesh will insist on Facebook opening an office in Dhaka and getting a VAT registration from the National Board of Revenue when the government meets with officials of the social media giant in September. A committee has been formed to do some homework before the meeting, which would be between September 21 and 23.

<https://www.thedailystar.net/business/news/govt-push-facebook-opening-dhaka-office-1792333>

Bank

Government borrows Tk 26,249cr from banking sector in 51 days

The government's net borrowing from the banking system in the first 51 days of the current fiscal year (2019-2020) almost touched its net borrowing from the source in the entire last fiscal year (2018-2019). In the period from July 1 to August 20 of the current fiscal year, the government's borrowing from the banking system reached Tk 26,248.52 crore against Tk 26,886 crore it borrowed in the entire last fiscal year.

<http://www.newagebd.net/article/82839/government-borrows-tk->

[26249cr-from-banking-sector-in-51-days](#)**Farm loan disbursement falls 15pc**

Agriculture credit disbursement fell 15.11 percent year-on-year to Tk 977 crore in July as flood-hit farmers from northern districts and haor areas have refrained from borrowing. In the first month of the fiscal year, eight state-run banks collectively lent Tk 415 crore in agriculture loans, down 13 percent year-on-year. Farm loan disbursement by private and foreign banks fell 28.30 percent to Tk 561 crore.

<https://www.thedailystar.net/business/news/farm-loan-disbursement-falls-15pc-1792318>

Bangladesh Bank board endorses fresh rescheduling facility for large borrowers

The board of directors of Bangladesh Bank has endorsed a policy on extending time for loan repayment for the 11 large borrowers who got loan rescheduling facility in 2015. Finance minister AHM Mustafa Kamal, however, on Wednesday after a meeting of the cabinet committee on economic affairs at the secretariat told reporters that he did not have any knowledge of awarding of fresh rescheduling facility to large borrowers.

<http://www.newagebd.net/article/82841/bangladesh-bank-board-endorses-fresh-rescheduling-facility-for-large-borrowers>

Fuel & Power**Deal on \$185m WB assistance for renewable energy today**

The World Bank (WB) will provide \$185 million to Bangladesh to add up to 310 Megawatt (MW) in renewable energy generation capacity and mobilise private sector participation to meet the growing demand for electricity in the country. The \$185 million credit also includes a \$ 26.38 million loan and a \$ 2.87 million grant from the Strategic Climate Fund (SCF) of the World Bank's Climate Investment Funds (CIFs). The credit from the World Bank's International Development Association (IDA), which provides concessional financing, has a 30-year term, including a five-year grace period, and an interest rate of 1.25 per cent with a service charge of 0.75 per cent.

<http://today.thefinancialexpress.com.bd/trade-market/deal-on-185m-wb-assistance-for-renewable-energy-today-1567009330>

Option open for importing LNG from spot market

The government yesterday gave the green light to liquefied natural gas (LNG) purchase from the global spot market as it looks to ensure an uninterrupted supply for the fast-growing economy. At present, the government purchases LNG under long-term agreements from Qatar and Oman, and given the rise in geopolitical tension in the region there are risks of supply disruptions. Now, thanks to the decision taken by the cabinet committee on purchase, the government has the option to purchase LNG from the spot market, which is a public financial market in which financial instruments or commodities are traded for immediate delivery, in the event of supply disruptions arising out of an outbreak of

war in the region.

<https://www.thedailystar.net/business/news/option-open-importing-lng-spot-market-1792309>

Telecom

BTRC moves to scrap licences of GP, Robi

The telecom regulator has started the process of scrapping the licences of the country's two biggest telecom operators -- Grameenphone and Robi, allegedly, for not paying dues to the national exchequer. The Bangladesh Telecommunication Regulatory Commission (BTRC) will serve showcause notices on the two operators to explain as to why their licences would not be revoked. The operators may be given 30 days to respond to the notices, the BTRC official said.

<http://today.thefinancialexpress.com.bd/first-page/btrc-moves-to-scrap-licences-of-gp-robi-1567014368>

Stock

Axiata-Trust Bank JV gets nod to launch MFS

A joint venture of Trust Bank and Malaysia's Axiata Group is set to roll out a new kind of mobile financial service in Bangladesh after it received a no-objection certificate from the central bank yesterday. The Kuala Lumpur-based group is the parent company of Bangladesh's second largest mobile phone operator Robi and controls 68.7 percent stake. Robi has 4.79 crore active subscribers. Axiata Digital Ltd, the digital services arm of the group, has partnered with Trust Bank Limited, a private commercial bank, to join the growing MFS sector.

<https://www.thedailystar.net/business/news/axiata-trust-bank-jv-gets-nod-launch-mfs-1792297>

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Expected absolute returns are calculated as the percentage of difference between our target price and latest close price. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Please note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

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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