

## Bangladesh market snapshot

	Last closing
DSEX Index	3,989.09
% change	0.19%
DS30 Index	1,340.98
% change	0.41%
DSES Index	925.08
% change	0.16%
Turnover (BDT mn)	5,557.15
Turnover (USD mn)	66.16
% change	259.31%
Market Capitalization (BDT bn)	3,120
Market Capitalization (USD bn)	37.14
% change	0.11%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	25,734.97
% change	-0.30%
Nikkei 225	22,244.15
% change	+0.55%
FTSE 100	6,157.96
% change	-0.19%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.85
EUR	95.41
GBP	104.37
INR	1.12

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
30-Jun-2020	4.25-5.50	5.02
29-Jun-2020	3.75-5.50	5.01

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.04	+0.02%
Gold Spot, USD/t oz	1,769.67	-0.02%
Cotton, USD/lb	62.71	-0.08%

Source: Bloomberg

## Economy

### BB introduces payment guarantee for exporters

Bangladesh Bank yesterday introduced international factoring, a development that can be viewed as a mode of accelerating the country's exports and reduce exporters' risk of collecting their products' worth. This new method is a form of payment guarantee for exporters. The country's exporters currently have to undertake sales contracts without payment guarantees from foreign importers. As a result, exporters face the risk of payment defaults by importers. From now on, banks dedicatedly running foreign exchange related businesses will be allowed to let exporters ship goods on sales contracts under open account credit terms within the statutory period, if otherwise not extended, from the date of shipment.

<https://www.thedailystar.net/business/news/bb-introduces-payment-guarantee-exporters-1923837>

### Benapole port users halt import trade with India

Port users' have suspended imported Indian goods through Benapole port from Wednesday morning to protest of India refused to accept Bangladeshi exports goods. As a result, hundreds of trucks loaded with goods waiting to enter Benapole Port are stranded at the Indian port of Petrapole. Port users including C&F Agent Staff association declared to suspend import trade if Bangladeshi exports are not accepted by India.

<https://today.thefinancialexpress.com.bd/trade-market/benapole-port-users-halt-import-trade-with-india-1593627556>

### SC clears way for WASA to collect hiked water tariff

The Appellate Division of the Supreme Court on Tuesday stayed for 16 weeks a High Court order that issued injunction on a decision of Dhaka Water Supply and Sewerage Authority (WASA) to hike the price of water by 25 per cent from April 01 this year. Chamber judge of the Appellate Division Justice Md Nuruzzaman passed the order after hearing on a petition filed by Dhaka WASA seeking stay on the HC injunction order. The apex court order has cleared the way for Dhaka WASA to implement the decision of 25 per cent hike in water price that it fixed earlier.

<https://today.thefinancialexpress.com.bd/first-page/sc-clears-way-for-wasa-to-collect-hiked-water-tariff-1593541666>

## Bank and NBFIs

### H1 operating profits of a number of PCBs plunge

Operating profits of a number of private commercial banks (PCBs) dropped significantly in the first half of the current calendar year. The decline in profit is largely attributed to the fixation of single-digit interest rate from April 1 last. The Covid-19 pandemic has also partly pushed down the private lenders' bottom line, according to senior bankers. Of 41 PCBs, operating profits of 11 fell, while only two fourth generation banks managed to turn profit, according to

provisional data of January- June period.

<https://today.thefinancialexpress.com.bd/first-page/hi-operating-profits-of-a-number-of-pcbs-plunge-1593625377>

### **10 banks hold 63% of country's non-performing loans**

Only 10 banks out of 60 in the country hold 63% of all non-performing loans (NPLs) in Bangladesh, says a Bangladesh Bank (BB) report. Of the 10 banks, four were state owned commercial banks, two state owned specialized banks, three private commercial banks, and one foreign commercial bank. Among the banks, the top five held 45.8% of NPLs.

<https://www.dhakatribune.com/business/banks/2020/06/30/10-banks-hold-63-of-country-s-non-performing-loans>

### **Stimulus loan: VAT return condition scrapped**

The VAT intelligence wing on Tuesday backtracked from its move to make the return submission mandatory for bank loan applicants. The wing scrapped its previous decision so that affected businesses can avail the stimulus cash doled out by the government to help enterprises cushion the COVID-19-induced economic blow. In a letter to the Bangladesh Bank or BB, VAT audit, intelligence and investigation wing under the National Board of Revenue said the move has been cancelled to keep smooth operations of businesses and reduce the unexpected hassle that the taxpayers suffer.

<https://today.thefinancialexpress.com.bd/last-page/stimulus-loan-vat-return-condition-scrapped-1593542512>

### **NBFIs seek Tk 100b liquidity support**

Top executives of the non-bank financial institutions (NBFIs) have sought Tk 100-billion emergency support from the central bank to meet liquidity requirements amid the COVID-19 pandemic. The support was sought in a meeting with the leaders of Bangladesh Leasing and Finance Companies Association (BLFCA) held at the Bangladesh Bank (BB) headquarters in Dhaka on Tuesday.

<https://today.thefinancialexpress.com.bd/last-page/nbfis-seek-tk-100b-liquidity-support-1593542570>

### **Textile**

#### **RMG exports drop 19pc in FY'20**

The country's readymade garment (RMG) exports declined by 18.84 per cent to US\$ 27.70 billion in the just concluded fiscal year (FY 2019-20). The sector had fetched \$ 34.13 billion in the FY 2018-19. In the month of June 2020, the earning stood at \$ 1.99 billion, showing an 8.56 per cent decline over that of the corresponding month of last calendar year. The RMG fetched \$1.23 billion and \$374.67 million from RMG export in the months of April and May respectively in the just concluded fiscal year.

<https://today.thefinancialexpress.com.bd/last-page/rmg-exports-drop-19pc-in-fy20-1593625664>

<https://www.thedailystar.net/business/news/rmg-export-earning-plummets-1845pc-fy-2019-20-1923913>

**Telecommunication****First SMP restrictions come into effect after nine years**

Yesterday was the first time a restriction will come into effect on Grameenphone since the Bangladesh Telecommunication Regulatory Commission (BTRC) started working on Significant Market Power (SMP) guidelines nine years back to enhance competition and bring balance to the market. The BTRC has recently issued three directives under the SMP guidelines, two of which came into effect yesterday and the remaining one from July 16.

<https://www.thedailystar.net/business/news/first-smp-restrictions-come-effect-after-nine-years-1923349>

**Capital Market****BSEC seeks banks' reports on spl funds**

The securities regulator has sought information from all listed and four non-listed banks regarding their formation of special funds worth Tk 2.0 billion each as announced earlier to support the capital market. Besides, the banks which have already formed the fund have been requested to provide their investment status in the capital market.

<https://today.thefinancialexpress.com.bd/last-page/bsec-seeks-banks-reports-on-spl-funds-1593542766>

**Stocks****IFC to invest another \$20m in Omera Petroleum**

IFC, a member of the World Bank Group, signed on Tuesday a loan agreement of \$20 million with Omera Petroleum Limited (OMERA) to enhance its increasing support to OMERA meet its funding requirements to face challenges caused by the COVID-19 pandemic. IFC's loan to OMERA is its second investment through its COVID-19 fast-track financing support package. The funding will help OMERA-an existing client of IFC and Bangladesh's largest LPG operator in terms of investments, storage and filling capacity, overcome challenges resulting from ongoing limited access to foreign currency.

<https://today.thefinancialexpress.com.bd/stock-corporate/ifc-to-invest-another-20m-in-omera-petroleum-1593533528>

**British American Tobacco's cigarette sales jump by 32%**

The multinational cigarette company- British American Tobacco Bangladesh Company Limited- has posted a 32 percent jump in its cigarette sticks sales in the first quarter of the current financial year. During that period, the company sold 1,671.2 crore sticks across the country, which was 1,263.1 crore at the same time in the previous year. In the first quarter's unaudited financial statement, the company reported cigarette sales of Tk8,631.89 crore, which increased by 33 percent from the same period of the previous year. The company's net profit increased by 47 percent compared to that in the first quarter of the previous year and stood at Tk303.68 crore. Its earnings per share were Tk16.87.

<https://www.tbsnews.net/economy/stock/british-american-tobaccos->

[cigarette-sales-jump-32-100678](#)

### **Minhaj named MD of new Unilever entity in BD**

Unilever announced Wednesday that KSM Minhaj, currently Customer Development Director of Unilever Bangladesh Limited, has been appointed the Managing Director of the newly acquired company. Unilever successfully completed acquiring 81.98 per cent shares of GlaxoSmithKline Bangladesh Limited (GSKBD) from Set first and has proposed to rename the company as Unilever Consumer Care Limited subject to necessary approvals. KSM Minhaj's new role as Managing Director will be in effect from July 01, 2020.

<https://today.thefinancialexpress.com.bd/trade-market/minhaj-named-md-of-new-unilever-entity-in-bd-1593627637>

<https://www.thedailystar.net/business/news/unilever-announces-md-its-new-entity-bangladesh-1923853>

### **6 listed state-run cos not issuing shares worth Tk 6,652cr to govt**

Six listed state-owned companies are yet to issue shares against Tk 6,652 crore share money deposits of the government, depriving the government from the ownership and dividend income. The share money deposit (money paid in exchange for shares) of the government in Powergrid Co Bangladesh was Tk 5,071 crore, in Bangladesh Submarine Cables Company Tk 166 crore, in Titas Gas Transmission Co Tk 151.21 crore, in Meghna Petroleum Tk 4.95 crore, in Rupali Bank Tk 680 crore and in Dhaka Electric Supply Co Tk 579.41 crore as per financial year June 30, 2019.

<https://www.newagebd.net/article/109976/6-listed-state-run-cos-not-issuing-shares-worth-tk-6652cr-to-govt>

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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.

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

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