

Bangladesh market snapshot

	Last closing
DSEX Index	4,862.22
% change	-0.35%
DS30 Index	1,696.41
% change	-0.18%
DSES Index	1,131.38
% change	-0.13%
Turnover (BDT mn)	7,774.27
Turnover (USD mn)	92.55
% change	-33.37%
Market Capitalization (BDT bn)	3,688
Market Capitalization (USD bn)	43.90
% change	-0.28%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,645.66
% change	+0.76%
Nikkei 225	23,208.55
% change	+0.30%
FTSE 100	5,862.05
% change	-1.70%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	101.25
GBP	113.44
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
01-Sep-2020	3.25-5.25	4.27
31-Aug-2020	3.25-5.25	4.49

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	45.95	+0.81%
Gold Spot, USD/t oz	1,964.04	-0.31%
Cotton, USD/lb	65.90	+0.76%

Source: Bloomberg

Economy

Forex reserves cross \$39b for first time

Foreign exchange reserves have crossed \$39 billion for the first time. The reserves recorded at \$39.4 billion on Tuesday are equivalent to about 10 months of import payments with \$4 billion a month. An increase in inward remittances and exports topped with \$300 million from the Japan International Cooperation Agency boosted the reserves to a new high.

<https://today.thefinancialexpress.com.bd/last-page/forex-reserves-cross-39b-for-first-time-1598979189>

<https://www.newagebd.net/article/115080/reserve-hits-39b-as-remittance-posts-36pc-growth-in-aug>

August sees rise in food inflation

The point-to-point inflation rate went up marginally to 5.68 per cent in August from 5.53 per cent in the previous month. The inflation rate was 5.49 per cent in the same month last year. The point-to-point food inflation increased to 6.08 per cent last month, up by 0.38 percentage points from 5.70 per cent in July. In contrast, the non-food inflation fell to 5.05 per cent during the month under review from 5.28 per cent in the previous month.

<https://today.thefinancialexpress.com.bd/last-page/august-sees-rise-in-food-inflation-1598979283>

<https://www.thedailystar.net/business/news/inflation-ticks-august-1954489>

Remittance keeps rising despite pandemic headwinds

Migrant workers who toil abroad have once again beat forecasts, sending home 36 per cent higher remittance in August, in a respite for their families as well as the ailing economy amid the coronavirus pandemic. Last month, they remitted \$1.96 billion against \$1.44 billion in the same month a year ago. This was the second straight month in the current fiscal year that they sent a higher amount of remittance. The inflow of remittance grew 50 per cent year-on-year to \$4.56 billion in the July-August period.

<https://www.thedailystar.net/business/news/remittance-keeps-rising-despite-pandemic-headwinds-1954477>

Trade deficit narrows to \$86m as exports rebound

The country's trade deficit narrowed by 91.89 per cent or \$975 million in July, the first month of the current fiscal year 2020-2021, as exports soared and imports dropped amid stagnation in local investment. On the other hand, the country's exports have already gained some momentum in July after three months of stagnation due to the coronavirus outbreak and the subsequent imposition of the countrywide shutdown for around two months. As a result, the country's current account balance posted a \$1.97-billion surplus in July of FY21 against \$108 million in deficit in the same month last year. The country's merchandise trade deficit dropped to \$86 million in July of FY21 from \$1.06 billion in the same month of the previous

fiscal year.

<https://www.newagebd.net/article/115079/trade-deficit-narrows-to-86m-as-exports-rebound>

ECNEC nod for two new, four revised projects

The Executive Committee of the National Economic Council (ECNEC) on Tuesday approved the revision of costs of four ongoing projects, a couple of them had revised their cost once earlier. It also endorsed two new projects on the day. The total cost of the revised projects and new ones stood at Tk. 66.29 billion. Tk 20.71 billion of the aggregate cost of the projects will come from the government's internal resources while the remaining Tk 45.94 billion from the external sources as the project aid.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-nod-for-two-new-four-revised-projects-1598979228>

Bank and NBFI

2 more banks get agent banking license

Two more banks, Prime Bank and NRB Global Bank, have received agent banking licenses from the central bank in the April-June quarter amid moves by the banks to mobilize funds at lower cost and to expand their wings at minimal expenses. With the two new agent banks, the total number of banks with agent banking licenses has risen to 28 at the end of June this year from 26 at the end of March this year.

<https://www.newagebd.net/article/115082/2-more-banks-get-agent-banking-licence>

Textile

RMG exports back on track after 7 months

Readymade garment exports have bounced back on a positive trend in August with about 45 percent year-on-year growth. The sector registered such a positive growth after having experienced a negative trend for seven consecutive months. The last time the sector witnessed a positive growth – 1.26 percent – was in December 2019, following a four-month downtrend. Between August 1 and 30 this year, Bangladesh's apparel shipments amounted to \$3,238.75 million, up from \$2,239.29 million during the corresponding period in 2019.

<https://tbsnews.net/economy/rmg/rmg-exports-back-track-after-7-months-127105>

Telecommunication

edotco deploys Bangladesh's first hybrid solar-wind tower in Hatiya

Integrated telecom infrastructure services company edotco Bangladesh has built a 75-metre hybrid solar-wind tower in Hatiya, a remote cyclone-prone island located to the north of the Bay of Bengal, where no commercial power connection is available. The tower consists of an in-built green hybrid energy solution with a capacity to produce 42 kilowatts per day from 12-kilowatt solar panels and 6 kilowatt per day from 4-kilowatt wind turbines mounted on the tower to ensure round-the-clock power supply, keeping the telecom system operating throughout the

year. The renewable energy solution not only helps decrease operating expenses by reducing diesel consumption and maintenance costs, but also reduces carbon emissions by up to 80 per cent.

<https://www.thedailystar.net/business/news/edotco-deploys-bangladeshs-first-hybrid-solar-wind-tower-hatiya-1954465>

Real Estate

Provision not applicable to real estate owners

The people having undisclosed land or building or apartments will not have to make separate declaration to the taxmen. What they will need to do is pay tax in accordance with the prescribed rates. The opportunity to legalise money by paying 10 per cent flat rate of tax will not be applicable in the case of undisclosed apartments or buildings or land. The income tax wing under the National Board of Revenue (NBR) clarified the issues in a circular issued on Tuesday. As per the circular, investors will not be entitled for the opportunity to invest their undisclosed funds in share market just by keeping the money in the BO accounts. They have to invest in securities to avail the opportunity and legalise their money.

<https://today.thefinancialexpress.com.bd/first-page/provision-not-applicable-to-real-estate-owners-1598979548>

Capital Market

Faster settlement of junk shares from Wednesday

The Z category stock settlement cycle will be T plus three instead of T plus nine from Wednesday. This means, after buying a Z category stock on Sunday one can sell it on Wednesday. Earlier, the BSEC took major steps to bring the underperforming listed companies back to the track. To improve the companies' overall condition, the regulator will restructure the board of directors of listed companies which have been in the Z category for two or more consecutive years. These companies will get 45 days to restructure their boards. And each Z category company must hold its shareholders' AGM within the next six months.

<https://tbsnews.net/economy/stock/faster-settlement-junk-shares-wednesday-127054>

BSEC ask Omera, Baraka to submit revised IPO applications

The securities regulator has asked Omera Petroleum Limited and Baraka Patenga Power Limited to submit their revised initial public offering (IPO) applications, as their submitted financial statements were found to have been inflated. The non-listed profitable firms are keen to raise Tk443 crore through the book building method. Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) has cancelled the IPO proposals of three companies due to inconsistencies in their financial statements.

<https://www.dhakatribune.com/business/stock/2020/09/01/bsec-ask-omera-baraka-to-submit-revised-ipo-applications>

Stocks

Genex Infosys to provide IPTV and online streaming platform

Genex Infosys Ltd, a listed company, has approved a strategic business agreement with RedDot Digital Ltd to launch a service called "Binge". The RedDot Digital, a subsidiary of Robi Axiata is the country's second-largest mobile operator. Binge is Bangladesh's first Google-certified online video-streaming service along with an android device that offers endless entertainment which has developed by Genex Infosys. Under the strategic business agreement, the company will provide combining Internet Protocol Television (IPTV) and online streaming platform for customers to purchase service for their digital entertainment.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-iptv-and-online-streaming-platform-1598972041>

City Bank introduces China UnionPay card

City Bank, the largest issuer and acquirer of credit cards in the market, has introduced China UnionPay debit cards. This makes it the first bank in country which issues cards of all four major international payment brands. City Bank issued China UnionPay debit cards will be able accepted at over 30,000 City Bank POS at various merchants around the country and at over 300 City ATMs and all NPSB connected ATM networks of other banks.

<https://www.dhakatribune.com/business/banks/2020/09/01/city-bank-introduces-china-unionpay-card>

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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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