

Bangladesh market snapshot

| | Last closing |
|--------------------------------|--------------|
| DSEX Index | 4,758.81 |
| % change | 0.58% |
| DS30 Index | 1,644.83 |
| % change | -0.17% |
| DSES Index | 1,077.63 |
| % change | -0.42% |
| Turnover (BDT mn) | 5,216.49 |
| Turnover (USD mn) | 62.10 |
| % change | 21.26% |
| Market Capitalization (BDT bn) | 3,569 |
| Market Capitalization (USD bn) | 42.49 |
| % change | 0.07% |

Source: Dhaka Stock Exchange

International market snapshot

| | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 28,051.41 |
| % change | -0.40% |
| Nikkei 225 | 23,551.88 |
| % change | 1.11% |
| FTSE 100 | 7,346.53 |
| % change | -0.94% |

Source: Bloomberg

Exchange rate

| Currency | BDT |
|----------|--------|
| USD | 84.90 |
| EUR | 93.55 |
| GBP | 109.82 |
| INR | 1.18 |

Source: Bangladesh Bank

Money market

| Date | Call Money Rate Range (%) | Weighted Average (%) |
|-------------|---------------------------|----------------------|
| 28-Nov-2019 | 2.25-5.50 | 3.93 |
| 27-Nov-2019 | 2.75-5.50 | 3.85 |

Source: Bangladesh Bank

Commodities

| | Price | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 61.27 | 1.29% |
| Gold Spot, USD/t oz | 1,459.31 | -0.32% |
| Cotton, USD/lb | 65.36 | 0.00% |

Source: Bloomberg

Economy

Economic woes grow as private sector credit growth hits fresh 9-yr low

The private sector credit growth hit a fresh nine-year low of 10.04 per cent in October this fiscal year (2019-2020), reflecting a gloomy state of the country's economy. Besides, a sharp rise in the government's borrowing from the banking system and sluggish business activities in the country were other reasons for the plunge in credit flow to the private sector. The private sector credit growth in October was the lowest since the 6.09-per cent growth in September of the fiscal year of 2010-2011. As per the Bangladesh Bank data, the amount of credit to the private sector stood at Tk 10,25,958.4 crore in October this year against Tk 9,32,345 crore in October last year.

<http://www.newagebd.net/article/92369/economic-woes-grow-as-private-sector-credit-growth-hits-fresh-9-yr-low>

Remittance soars 22.5pc in July-Nov on incentive

Remittance inflow rose by 22.54 per cent year-on-year in July-November of this fiscal year of 2019-2020 amid a sharp growth in remittance receipts in last three months due to disbursement of incentive against remittance and appreciation of the dollar against the taka. In the five months of FY20, the country received \$7.71 billion in remittance, up \$1.42 billion on \$6.29 billion in the same period of the previous fiscal year. Bangladesh Bank officials said that the inflow of remittance had witnessed a significant growth recently amid the government's move to issue 2 per cent cash incentive against the inward remittances.

<http://www.newagebd.net/article/92371/remittance-soars-225pc-in-july-nov-on-incentive>

Economic slowdown in India to impact BD, fears Muhith

Former finance minister A M A Muhith has said Bangladesh's economic growth might be impacted by the slowing down of neighbouring India's economy. "To my mind, the ongoing sluggish trend of Indian economy may impact. Bangladesh's Gross Domestic Product (GDP) projection," said Mr. Muhith, who had served more than a decade as the country's finance minister. "We should be careful about the slowdown of Indian economy. The slow GDP growth of India has impact on the regional economies."

<https://today.thefinancialexpress.com.bd/first-page/economic-slowdown-in-india-to-impact-bd-fears-muhith-1575221899>

Bank

BB forms body on reducing NPLs

The Bangladesh Bank (BB) yesterday formed a seven-member committee to device plans to implement single digit bank loan interest for manufacturing sector and ways to reduce the soaring non-performing loans (NPLs).

<https://www.dhakatribune.com/business/2019/12/01/bb-forms-body-on-reducing-npls>

Banks agree to cut industrial loan rate to single-digit soon

Top managements of the country's banks have agreed to bring down their industrial lending rate to single-digit and lessen the amount of classified loans shortly. The consensus came in a meeting of the chairmen and managing directors of both public and private sector banks with Finance Minister A H M Mustafa Kamal at his Sher-e-Bangla Nagar office in the capital on Sunday. The finance minister, flanked by Prime Minister's Private Industry and Investment Adviser Salman Fazlur Rahman and the Bangladesh Bank (BB) Governor Fazle Kabir, expressed hope that the amount of classified loans in banking sector will come down by December 31.

<https://today.thefinancialexpress.com.bd/first-page/banks-agree-to-cut-industrial-loan-rate-to-single-digit-soon-1575221951>

Pharmaceutical**Drugmakers' spending on doctors raises medicine prices**

Medicine prices are high in Bangladesh as drug-makers have to spend big to convince doctors to prescribe their products, a new study finds. Sometimes, drug manufacturers even send the full families of doctors abroad to spend holidays or to attend a big seminar, according to the study presented at the two-day BIDS Research Almanac 2019. The Bangladesh Institute of Development Studies (BIDS) organised the event to discuss the findings of different researchers at the Hotel Lakeshore in Dhaka.

<https://www.thedailystar.net/business/news/drugmakers-spending-doctors-raises-medicine-prices-1834546>

Cement**Cement sector in trouble**

The cement sector has fallen into deep trouble for a "non-adjustable" clause incorporated on a 5 percent advance income tax (AIT) and 3 percent source tax, say Bangladesh Cement Manufacturers Association (BCMA). The AIT is basically tax calculated on income but paid in advance instead of at a year's end. Cement manufacturers previously could adjust the figure later on based on the final tally of their income. They pay the AIT during import of raw materials and source tax during local sales of the product.

<https://www.thedailystar.net/business/news/cement-sector-trouble-1834522>

Stock**GBB Power to invest in GBB Tea Estate**

The board of directors of GBB Power Ltd has decided to invest in 49 per cent equity shares of "GBB Tea Estate Ltd", a newly formed company. The estimated amount of investment is Tk 150 million to Tk 200 million, according to an official disclosure on Sunday. GBB Tea Estate initially plans to purchase 150 to 200 acres of land in Omarpur Mouza, Panchagarh Sadar, Panchagarh district.

<https://today.thefinancialexpress.com.bd/stock-corporate/gbb-power-to-invest-in-gbb-tea-estate-1575217239>

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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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