

Bangladesh market snapshot

| | Last closing |
|--------------------------------|--------------|
| DSEX Index | 4,936.37 |
| % change | -0.26% |
| DS30 Index | 1,758.51 |
| % change | -0.07% |
| DSES Index | 1,136.32 |
| % change | -0.34% |
| Turnover (BDT mn) | 3,460.35 |
| Turnover (USD mn) | 41.19 |
| % change | 13.72% |
| Market Capitalization (BDT bn) | 3,730 |
| Market Capitalization (USD bn) | 44.41 |
| % change | -0.19% |

Source: Dhaka Stock Exchange

International market snapshot

| | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 26,573.04 |
| % change | -1.28% |
| Nikkei 225 | 21,778.61 |
| % change | -0.49% |
| FTSE 100 | 7,209.79 |
| % change | -2.05% |

Source: Bloomberg

Exchange rate

| Currency | BDT |
|----------|--------|
| USD | 84.50 |
| EUR | 92.39 |
| GBP | 103.98 |
| INR | 1.19 |

Source: Bangladesh Bank

Money Market

| Date | Call Money Rate Range | Weighted Average (%) |
|-------------|-----------------------|----------------------|
| 30-Oct-2019 | 4.25-5.50 | 5.02 |
| 30-Sep-2019 | 4.25-5.50 | 5.02 |

Source: Bangladesh Bank

Commodities

| | Price | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 57.71 | +0.03% |
| Gold Spot, USD/t oz | 1,498.84 | -0.04% |
| Cotton, USD/lb | 61.61 | +0.46% |

Source: Bloomberg

Economy

Tk 1,530cr cash subsidy for remitters

The finance ministry has released Tk 1,530 crore in cash subsidies for remitters for the first two quarters of the current fiscal year as part of a government move to encourage remittance through official channels. It has instructed the Controller General of Accounts (CGA) to release Tk 765 crore for the July-September quarter and the same amount for the October-December quarter in favour of the central bank. In June this year, Finance Minister introduced a 2 percent cash subsidy for remitters to encourage them to send money home through legal channels and mitigate the burden of increased expenses in sending their hard-earned money to their beneficiaries back home.

<https://www.thedailystar.net/business/news/tk-1530cr-cash-subsidy-remitters-1808596>

BB sets 9.0pc interest for onion import

The Bangladesh Bank (BB) has directed all scheduled banks to finance onion import with 9.0 per cent interest aimed at preventing the upward trend of the onion price in the country. The onion price in the local market is upward due to rise in the price in international market. So, there is crisis of onion at the consumer level. In this circumstance, BB asked banks to finance in importing of onion with 9.0 per cent interest for ensuring enough supply of onion in the local market and preventing the upward trend of price.

<https://thefinancialexpress.com.bd/trade/bb-sets-90pc-interest-for-onion-import-1570023144>

Govt curtails projects' grant threshold

The government has curtailed the grant threshold in foreign financing development projects from 35% to 25% to ensure smooth inflow of disbursement against external borrowing. The Economic Relations Division (ERD) sent the proposal as per the decision of the standing committee on non-concessional loan. Grant element threshold in projects submitted for external borrowing were curtailed to avoid slow disbursement.

<https://www.dhakatribune.com/business/2019/10/03/govt-curtails-projects-grant-threshold>

Bank & NBFI

Govt redefines hard term external loans

The government has decided to consider foreign loans as hard-term ones if the grant element is less than 25 percent, down from the 35 percent it currently takes into account, in a reflection of the country's growing economic power. The revision, which saw a cut of the upper ceiling by 10 percentage points, came at the behest of World Bank and other development and bilateral lenders.

<https://www.thedailystar.net/business/banking/news/govt-redefines-hard-term-external-loans-1808632>

BB reshuffles three SoCBs' observers

The central bank has reshuffled its observers in three state-owned commercial banks (SoCBs) to further strengthen its monitoring on the banks for improving their financial health. The replacing of observers in the banks has been made through separate letters, issued by the BB's Department of Offsite Supervision (DOS).

<http://today.thefinancialexpress.com.bd/first-page/bb-reshuffles-three-socbs-observers-1570039005>

Telecom

All TV channels on board Bangabandhu satellite

All 34 local television channels are now using the feed of the Bangabandhu-1 satellite on a commercial basis -- a development that will save the country huge sums of foreign currency. Each TV channel will pay \$2,817 each month for per Megahertz (MHz) of spectrum to Bangladesh Communication Satellite Company Ltd (BCSCL), the parent company of the country's first satellite. Under the channels' previous arrangement with Hong Kong-based Star Alliance, they were paying \$4,000 to \$5,000. Before this, Akash, direct-to-home (DTH) service venture of Beximco Communications, took five transponders and from that deal BCSCL gets \$90,000 every month.

<https://www.thedailystar.net/business/news/all-tv-channels-board-bangabandhu-satellite-1808647>

Fuel & Power

Payra Power Plant set to go into production from Dec

A 1,320-megawatt (MW) coal-based Payra Thermal Power Plant set up on 12 acres of land in Kalapara upazila in Patua-khali is likely to start production from next December. If everything goes according to the plan, 660 MW of electricity from the power plant will be added to the national grid from December this year. Chinese and Bangladeshi workers are working round the clock to make the power plant fully operational by June 2020.

<http://www.theindependentbd.com/post/217959>

Lobby on to supply LNG as prices slip

Global liquefied natural gas suppliers are lobbying with Bangladesh to ink deals to secure a persistently 'higher' price of the fuel for a long time. The LNG suppliers, who have already signed initial deals and memorandums of understanding with state-run Petrobangla, are at the forefront. Indonesia's Pertamina, Malaysia's Petronas, Brunei's Brunei LNG, and Switzerland's AOT Energy AG are among the global LNG suppliers that have already inked MoUs or letters of intent with Petrobangla and awaiting final sales and purchase agreements.

<http://today.thefinancialexpress.com.bd/first-page/lobby-on-to-supply-lng-as-prices-slip-1570038755>

Capital market

BSEC now clarifies cash bonus issue

The securities regulator has clarified its earlier notification regarding the

recommendation and distribution of cash dividend. Being compliant with securities rules, listed companies will be able to recommend and distribute cash dividend from the earnings retained in the year of declaring dividend despite having accumulated losses. Earlier on May 23, the securities watchdog issued a notification regarding the declaration of bonus shares. According to the notification, no listed company shall declare bonus shares without justified reasons, including BMRE (balancing, modernising, rehabilitation and expansion) or any of its components.

<http://today.thefinancialexpress.com.bd/first-page/bsec-now-clarifies-cash-bonus-issue-1570039051>

Foreign investors at DSE withdraw funds for record seventh month

The foreign investors at Dhaka Stock Exchange withdrew record Tk 680 crore in last seven months (March-September) from the country's premier bourse due mainly to lack of confidence of investors in the market, widespread anomalies at the market and instability at the country's financial sector. The amount withdrawn in last seven months broke the previous record of withdrawal in 2009 when the foreigners had pulled Tk 440 crore out of the market in six consecutive months (January-June). In 2010, the overseas investors withdrew Tk 676.58 crore from the market, the highest pull-out in a year. The net foreign investment dipped to Tk 60.35 crore negative in September after Tk 102.53 crore negative in August.

<http://www.newagebd.net/article/86419/foreign-investors-at-dse-withdraw-funds-for-record-seventh-month>

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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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