

Bangladesh market snapshot

	Last closing
DSEX Index	4,682.90
% change	-0.01%
DS30 Index	1,627.75
% change	-0.23%
DSES Index	1,075.48
% change	0.31%
Turnover (BDT mn)	4,054.32
Turnover (USD mn)	48.27
% change	16.74%
Market Capitalization (BDT bn)	3,559
Market Capitalization (USD bn)	42.37
% change	0.06%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,347.36
% change	+1.11%
Nikkei 225	22,850.77
% change	-0.33%
FTSE 100	7,302.42
% change	+0.75%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.77
EUR	94.67
GBP	109.66
INR	1.20

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
30-Oct-2019	2.25-5.50	3.81
29-Oct-2019	2.50-5.50	3.86

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	61.69	+3.47%
Gold Spot, USD/t oz	1,514.34	+0.09%
Cotton, USD/lb	64.23	-0.33%

Source: Bloomberg

Economy

Oct export earnings may miss target

The country's off-docks handled a lower number of outbound containers in October. This indicates that the export earnings might have missed the target set for the month. The Chattogram-based 18 inland container depots (ICDs) handled nearly 42,000 twenty foot equivalent units (TEUs) of export containers last month, compared to 45,640 TEUs in the same month last year, said officials. "From mid-October we're receiving a poor number of outbound containers," secretary of the Bangladesh Inland Container Depots Association (BICDA) Ruhul Amin (Biplob) told the FE. "The trend has been continuing since August. We do not see any possibility of attaining export growth this year." Mr Biplob said the ICDs handled a total of 52,201 TEUs of export containers in August 2018, and 48,960 TEUs in September 2018. On the other hand, in this August and September they handled 51,568 TEUs and 48,768 TEUs of outbound containers respectively.

<http://today.thefinancialexpress.com.bd/public/first-page/oct-export-earnings-may-miss-target-1572629818>

Govt's bank borrowing may reach Tk 55b this month

The government is set to borrow a net Tk 55 billion from the country's banking system for the month of November to partly meet its budget deficit, officials said. The government may take up to Tk 144 billion as gross borrowing from the banking system in November by issuing treasury bills (T-bills) and bonds, according to the government's auction calendar, issued by the Bangladesh Bank (BB) on Thursday. The auction calendar means the schedule and the amount of T-bills and bonds to be issued through auction for raising funds from the market to meet the government budget deficit partly.

<http://today.thefinancialexpress.com.bd/public/first-page/govts-bank-borrowing-may-reach-tk-55b-this-month-1572629857>

ADB aid pledge to hit \$1.7b this year

The Asian Development Bank (ADB) will boost its aid commitment to Bangladesh this year, prodded by its growth potential while helping the country reach its next stage, its senior executive has said. In the fiscal year 2019, the country's economy expanded at a rapid pace of 8.13 per cent, labelled by the ADB as the highest in the Asia-Pacific region. The country aspires to achieve the developed country status by 2041. It is set to graduate to a middle income country by 2024. This year's aid commitment will be US\$1.7 billion, a big increase from the level in 2016 when the Asian lender committed \$690 million in loans to Bangladesh.

<http://today.thefinancialexpress.com.bd/public/first-page/adb-aid-pledge-to-hit-17b-this-year-1572542980>

Banks and NBFs

Banking sector profits as liquidity pressure eases

Despite slow credit inflow to the private sector, the banking sector

saw a moderate growth in net profit during the first nine months of this year as deposit costs fell amid easing liquidity pressure. Of the 30 commercial banks listed at the Dhaka Stock Exchange (DSE), 22 banks earned a profit this year – 15 of which saw over 10 percent growth in net profit, according to their disclosures posted on the DSE website. However, DSE data revealed that most of the Islamic banks performed poorly during this period. "Good cost management amid downward pressure on deposit rates helped banks to bag healthy profits," said Sheikh Mohammad Maroof, additional managing director of City Bank. He said banks came out of the liquidity crisis after the government moved to slow down sales of savings certificates by increasing taxes.

<https://tbsnews.net/economy/banking-sector-profits-liquidity-pressure-eases>

BB may launch in January MFS operator-bank interoperability

The Bangladesh Bank is likely to launch interoperability between the mobile financial service operators and the banks in January, 2020 with a view to making financial transactions more convenient for customers. A senior official of the central bank told New Age on Monday that once the service was launched, customers would be able to transfer money from one MFS operator's account to another MFS operator's account in real time. Besides, MFS accountholders would be able to send money to any bank account. Similarly, MFS accountholders would also get scope for receiving money from bank accounts. However, customers of Nagad, which is a mobile-based financial service operator under the Bangladesh Post Office and is yet to get approval from the BB, would not be included in the interoperability facility.

<http://www.newagebd.net/article/89572/bb-may-launch-in-january-mfs-operator-bank-interoperability>

Insurance

Reform of insurance product selling system underway

The insurance regulator is making one of its biggest changes in the existing selling system of insurance products aiming to deepen penetration of the same. The system called bancassurance is a partnership arrangement between commercial banks and life insurers. This partnership arrangement can benefit both the banks and insurers. Banks can earn additional revenue by selling insurance products while insurance companies can expand their customer base without increasing their sales force and only by paying commissions.

<http://today.thefinancialexpress.com.bd/public/first-page/reform-of-insurance-product-selling-system-underway-1572542890>

Telecommunication

GP gets time to inform SC how much it can pay now

The Supreme Court yesterday gave two more weeks to Grameenphone to inform it how much money the operator can pay to the Bangladesh Telecommunication Regulatory Commission (BTRC) now out of Tk 12,580 crore claimed by the regulator. The development came after lawyers of the country's largest mobile phone operator sought two months from the

apex court to comply with the order following consultation with its investors. The next hearing will take place on November 14. In their prayer, the lawyers informed the SC that it has already paid more than Tk 2,000 crore to the National Board of Revenue (NBR) in the areas a BTRC audit is claiming money from the operator. Talks are also going on with the government to settle the matter out of court. Of the BTRC's total claim, Tk 4,086 crore is related with the NBR.

<https://www.thedailystar.net/business/news/gp-gets-time-inform-sc-how-much-it-can-pay-now-1821661>

Capital Market

BGIC seeks BSEC nod to change asset manager of two MFs

Bangladesh General Insurance Company (BGIC), the trustee of both DBH 1st Mutual Fund and the Green Delta Mutual Fund, has sought approval from the securities regulator to change the asset manager of these two funds. The BGIC sent a letter to the Bangladesh Securities and Exchange Commission (BSEC) on Thursday asking for its approval. LR Global Bangladesh is the asset manager of the funds. The trustee also asked the asset manager not to invest in any non-listed securities without its permission. On Monday, over 70 per cent unit holders of both the mutual funds have placed a proposal to the trustee for changing the asset manager.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bgic-seeks-bsec-nod-to-change-asset-manager-of-two-mfs-1572539963>

State venture capital company on the anvil

The government is creating a venture capital firm to nurture start-up entrepreneurs as the country is still at a nascent stage of tech-based business innovation. The Bangladesh Start-up Company with Tk 1.0 billion in paid-up capital and Tk 5.0 billion in authorised capital as per the Companies Act 1994 is now awaiting vetting of the law ministry. The authorities are now looking into the legal framework of the company to make sure venture fund investments do not land in a few sectors only and that the funds are distributed equitably among the genuine entrepreneurs.

<http://today.thefinancialexpress.com.bd/public/first-page/state-venture-capital-company-on-the-anvil-1572712451>

Regulator pushes broker to pay IPO money

The stock market regulator yesterday asked Shah Mohammad Sagir & Co, a broker, to pay off investors' money -- if necessary by selling its licence. The Bangladesh Securities and Exchange Commission (BSEC) took the decision in a commission meeting. Over 40 investors have complained to the regulator that the brokerage firm is not repaying the money they deposited during initial public offerings. In response the stock market regulator suspended the share transaction activities of the broker and ordered the Dhaka Stock Exchange to run an investigation. Accordingly, the DSE ran an investigation and found the complaint to be true.

<https://www.thedailystar.net/business/news/regulator-pushes-broker->

[pay-ipo-money-1821658](#)

Stocks

Next Accessories to go public

Next Accessories Limited has decided to raise fund through IPO under fixed- price method. In this regard, an issue management agreement was signed between Next Accessories Limited and Roots Investment Limited on Wednesday. Next Accessories Limited exports its products to some top global brands such as H.M, DECATHLON, VARNER, M &S, TOMMY HILFIGER, CALVIN KLEIN, Etam. The company has a unique distinction of being "Sole" exporter of accessories to a group of reputed global buyers. The company's productions are conducted in a LEED-certified green building.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/next-accessories-to-go-public-1572621784>

Netherlands stakeholder sells out Dutch Bangla Bank shares

The Netherlands Development Finance Company has sold out all stakes in Dutch Bangla Bank Ltd after a joint stint of more than two decades. The Dutch stakeholder sold 47 lakh shares of the bank at the block market, according to a Dhaka Stock Exchange disclosure posted on its website on Thursday. The block market is a platform of a stock exchange where a large number of stocks are traded in a single transaction at a negotiated price. The transaction price may not match the traded price on a public market. The share settlement will be carried out following the approval of the Bangladesh Bank. Horizon Associate Ltd, a little known company, bought the shares for Tk32 crore at Tk68.60 per share. In July this year, Abdus Salam and Abedur Rashid Khan, two sponsor directors, transferred their total holdings of 5.59 crore shares in the name of Horizon Associate.

<https://tbsnews.net/economy/netherlands-stakeholder-sells-out-dutch-bangla-bank-shares>

Pubali Bank's Tk 750cr bond gets nod

The stock market regulator has approved a proposal of Pubali Bank for raising Tk 750 crore by issuing non-convertible floating rate subordinated bonds. The tenure of the bond would be seven years. The proceeds will be used to strengthen the bank's tier-2 capital base. The offer price will be Tk 7.5 crore per unit.

<https://www.thedailystar.net/business/news/pubali-banks-tk-750cr-bond-gets-nod-1822267>

BSEC approves United Finance's Tk 100cr bond

The Bangladesh Securities and Exchange Commission has given a go-ahead to United Finance's proposal to raise Tk 100 crore by issuing non-convertible zero coupon bonds with a tenure of four years. The proceeds will be spent on SME and infrastructure projects. The offer price will be Tk 25 lakh per unit.

<https://www.thedailystar.net/business/news/bsec-approves-united-finances-tk-100cr-bond-1822270>

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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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