

Bangladesh market snapshot

	Last closing
DSEX Index	4,734.59
% change	-0.51%
DS30 Index	1,629.05
% change	-0.96%
DSES Index	1,067.75
% change	-0.92%
Turnover (BDT mn)	4,824.78
Turnover (USD mn)	57.44
% change	-7.51%
Market Capitalization (BDT bn)	3,558
Market Capitalization (USD bn)	42.36
% change	-0.32%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,783.04
% change	-0.96%
Nikkei 225	23,328.27
% change	-0.86%
FTSE 100	7,285.94
% change	-0.23%

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 (%)
01-Dec-2019	2.50-5.50	4.33
28-Nov-2019	2.25-5.50	3.93

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil),	61.08	0.26%
Gold Spot, USD/t oz	1,461.50	-0.06%
Cotton, USD/lb	64.72	-0.12%

Source: Bloomberg

Economy

Govt almost exhausts bank borrowing target in five months

The government is set to make a net borrowing of more than Tk 45 billion from the country's banking system in December to partly meet its budget deficit, officials said. The government's gross borrowing may reach up to Tk 215 billion from the banking system in December. It is expected to issue treasury bills (T-bills) and bonds, according to the auction calendar, issued by the Bangladesh Bank (BB) recently. The amount is the highest during the first half of this fiscal. The auction calendar includes the schedule and amount of T-bills and bonds, to be issued through auction for raising funds from the market to partly meet the government's budget deficit.

<https://today.thefinancialexpress.com.bd/first-page/govt-almost-exhausts-bank-borrowing-target-in-five-months-1575308575>

Govt's Aggressive Bank Borrowing: Private sector may face credit crunch

The government is going to exceed its annual limit for bank borrowing within the first half of this fiscal year due to poor revenue collection, and this could give a credit crunch for the private sector to deal with. As of November 21, it borrowed 90 percent (Tk 42,607 crore) of its annual limit set in the budget. In contrast, Tk 26,446 crore was borrowed from the banking sector in the entire 2018-2019 fiscal, according to Bangladesh Bank data.

<https://www.thedailystar.net/frontpage/news/govts-aggressive-bank-borrowing-finding-money-will-be-hard-private-sector-1834981>

China offers \$2.13b fresh loans for two projects

China will sign agreements by next June to provide \$2.13 billion in loans for two more projects, including one on the construction of the Dhaka-Ashulia elevated expressway. This was finalised at the maiden meeting of a Bangladesh-China joint working group at the auditorium of the National Economic Council yesterday, said a finance ministry official. The joint working group was formed to probe slow progress of 27 projects involving around \$20 billion that China had agreed to provide during its President Xi Jinping's Dhaka visit in October 2016.

<https://www.thedailystar.net/business/news/china-offers-213b-fresh-loans-two-projects-1835029>

Bangladesh Bank hikes MFS cash-in limit for remittance receivers

The Bangladesh Bank on Monday raised the cash-in limit of mobile financial service (MFS) for inward remittances. Remittance up to Tk 1.25 lakh, including 2 per cent incentive, brought through the banking channel now can be deposited to a MFS account, said a BB circular issued on the day. Customers are normally allowed to feed money into MFS account highest Tk 30,000 in five times a day, while the limits are Tk 2 lakh and 25 times a month.

<http://www.newagebd.net/article/92466/bangladesh-bank-hikes-mfs-cash-in-limit-for-remittance-receivers>

Bank

Moody's projects grim picture of banking sector

The asset quality of the country's banks will deteriorate further in coming days unless poor governance and loan recovery status improve. Moody's Investors Service, a leading international credit rating agency, made the projection in its report released on November 29 from Singapore. Moody's report also said persistent weakness in asset quality – a result of poor corporate governance, as well as weak laws and regulations – drove its 'negative outlook for the Bangladesh banking system'. It criticised the country's banking regulator as it observed regulatory forbearance resulted in further understatement of asset risks and hampers loan recovery.

<http://www.newagebd.net/article/92509/moodys-projects-grim-picture-of-banking-sector>

Pharmaceutical

Pharma cos 'spend 29.36pc of turnover on marketing'

Pharmaceutical companies spend 29.36 per cent of their annual turnover on marketing, according to a latest study. Marketing cost has also been identified as one of the top five pricing determinants (PDs). The survey listed the value of imported raw materials -- 29.33 per cent of price -- as top PD followed by government policy, product quality, domestic market competition and marketing cost. Another study findings revealed that compliance standards taken in readymade garment (RMG) factories after Rana Plaza building collapse have had a positive impact on workers' perception on feeling safer at workplace.

<https://today.thefinancialexpress.com.bd/trade-market/pharma-cos-spend-2936pc-of-turnover-on-marketing-1575304402>

Stock

Norfund will have voting right at MTB

Mutual Trust Bank (MTB) now has no bar to execute the share purchase deal with Norfund, a Norwegian investment fund, as the central bank has waived a section regarding the shareholders' voting rights. Earlier, in September, 2018 the MTB approved a proposal to sell 10 per cent or above 63.70 million fresh shares to the Norfund for strengthening the capital adequacy and corporate governance. Later, on April 30, the Bangladesh Securities and Exchange Commission (BSEC) allowed the bank to increase its paid-up capital by selling shares to the Norfund.

<https://today.thefinancialexpress.com.bd/stock-corporate/norfund-will-have-voting-right-at-mtb-1575307471>

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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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