

Bangladesh market snapshot

	Last closing
DSEX Index	4,271.82
% change	1.36%
DS30 Index	1,442.79
% change	1.56%
DSES Index	993.14
% change	1.70%
Turnover (BDT mn)	6,723.63
Turnover (USD mn)	80.04
% change	15.74%
Market Capitalization (BDT bn)	3,288
Market Capitalization (USD bn)	39.14
% change	0.94%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,664.40
% change	+0.89%
Nikkei 225	22,505.83
% change	+1.40%
FTSE 100	6,032.85
% change	+2.29%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.88
GBP	111.02
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
03-Aug-2020	3.75-5.50	4.85
29-Jul-2020	3.25-5.50	4.96

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.83	-0.72%
Gold Spot, USD/t oz	1,976.38	-0.03%
Cotton, USD/lb	63.61	-0.39%

Source: Bloomberg

Economy

Inflow of remittances crosses \$2.50b-mark in July

The inflow of remittances crossed US\$ 2.50 billion-mark in July- before the celebration of Eid-ul-Azha- highest ever the country received in a month. Remittances from Bangladeshi nationals working abroad were estimated at \$2.60 billion in July, up by 766.87 million a month before. The amount was \$1.83 billion in June 2020. It was \$1.60 billion in July 2019. Bangladesh earlier received the highest \$1.83 billion as remittance in June 2020.

<https://thefinancialexpress.com.bd/economy/inflow-of-remittances-crosses-250b-mark-in-july-1596462548>

<https://www.newagebd.net/article/112613/monthly-remittance-hits-record-259-billion-in-july>

ADB: Bangladesh's remittances to decline by 27.8% in 2020 due to pandemic

Under the worst-case scenario of Covid-19 pandemic impact, Bangladesh's remittances could fall by 27.8% in 2020, as job losses mounted and employers trimmed payrolls, says Asian Development Bank (ADB). During the global financial crisis in 2009, which resulted in a 2.7% decline in overall remittance inflows to Asia and the Pacific, Bangladesh's remittances received by households declined on average by 19.3%. Under the worst-case scenario, Covid-19 impact on remittances ranges from a 5.2% decline from baseline remittances in 2018 for the least affected economy to almost a 30% decline for the most-affected, research findings showed. Among developing Asian economies, the five worst affected countries are Nepal, where remittances could fall by 28.7%, Tajikistan 27.9%, Bangladesh 27.8%, Pakistan 26.8% and the Kyrgyz Republic 25.2% in 2020.

<https://www.dhakatribune.com/business/economy/2020/08/03/adb-bangladesh-s-remittances-to-decline-by-27-8-in-2020-due-to-pandemic>

Govt borrowed 121% of revised target from savings tools in FY20

Between July and June of the last fiscal year 2019-20, the net sale of savings certificates stood at Tk14,428 which was 121 percent of its revised target. Even though the government revised its target to borrow from savings instrument to Tk11,924 crore for the year. According to the Department of National Savings, the net sale of savings certificates stood at Tk3,417 crore in June this year. The government lowered its borrowing target from the savings instrument to meet the budget deficit in the last fiscal year as it received a low response from the sector. A low target has also been set for the FY2020-21. In FY2019-20, the government had to cut the target to Tk11,924 crore in the revised budget for savings tools. The total target from non-banking sources was reduced to Tk14,924 crore.

<https://tbsnews.net/economy/banking/govt-borrowed-121-revised-target-savings-tools-fy20-114982>

Stock

Union Capital downgraded to "Z" category

Union Capital Limited has been placed in "Z" category from the existing "B" category with effect from today (Tuesday) as the company has recommended 'no' dividend for the year ended on December 31, 2019. The company has also reported the Consolidated EPS of Tk. 6.13 in the negative, consolidated NAV per Share of Tk. 7.21 and Consolidated NOCFPS of negative Tk. 4.93 for the year ended on December 31, 2019 as against Tk. 0.54 (restated), Tk. 13.34 (restated) and Tk. 1.25 (restated) respectively for the same period of the previous year.

<https://thefinancialexpress.com.bd/stock/union-capital-downgraded-to-z-category-1596430671>

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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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