

Bangladesh market snapshot

	Last closing
DSEX Index	4,299.11
% change	0.64%
DS30 Index	1,454.89
% change	0.84%
DSES Index	999.71
% change	0.66%
Turnover (BDT mn)	6,766.58
Turnover (USD mn)	80.55
% change	0.64%
Market Capitalization (BDT bn)	3,312
Market Capitalization (USD bn)	39.43
% change	0.74%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,828.47
% change	+0.62%
Nikkei 225	22,431.14
% change	-0.63%
FTSE 100	6,036.00
% change	+0.05%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.78
GBP	110.91
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
03-Aug-2020	3.00-5.50	4.72
30-Jul-2020	3.75-5.50	4.85

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.49	+0.14%
Gold Spot, USD/t oz	2,015.02	-0.21%
Cotton, USD/lb	64.04	+0.05%

Source: Bloomberg

Economy

Silver lining on export front

The reverse trend witnessed in the country's export earnings in the month of June also continued in July and entered the positive territory. The earnings grew by 0.59 per cent to US\$3.91 billion in July after a continuous fall in shipments in previous months amid the coronavirus outbreak. Exports fetched \$3.88 billion in the month of July last year. The earnings were also 13.39 per cent higher than the strategic target set for the month.

<https://today.thefinancialexpress.com.bd/first-page/silver-lining-on-export-front-1596561785>

<https://www.newagebd.net/article/112653/bangladesh-export-earnings-rebound-to-record-391b-in-july>

China's Yabang Group to invest \$300m in Bangabandhu industrial city

Bangladesh Economic Zones Authority (BEZA) on Tuesday inked a land lease agreement with Jiangsu Yabang Dyestuff, China, a concern of the Yabang Investment Holdings Group Co Limited, at BEZA office in the city for 100 acres developed land. The ongoing global trade situation is favourable for Bangladesh and that is why the Chinese businesses are keen to invest in the country. The investment of Yabang Group will help Bangladesh diversify its export basket as well as ensure technology transfer.

<https://www.dhakatribune.com/business/2020/08/04/beza-yabang-group-ink-land-lease-agreement>

Bank and NBFIs

Deposit in NBFIs shrinks 5.33pc in 2019 amid clients' distrust

Deposit in non-bank financial institutions dropped by 5.33 per cent or Tk 2,428 crore in the year 2019 due to fund withdrawal pressure amid growing public distrust of the entities. As per the Bangladesh Bank's latest report, total deposits in the NBFIs dropped to Tk 43,121 crore at the end of December 2019 from Tk 45,549 crore at the end of the previous year. Although deposit growth in the banking sector has slowed down in recent months, the growth rate remained around 11 per cent even during the coronavirus pandemic when the country's economic activities remained almost suspended. The fall in deposits in the NBFIs was quite unusual considering the deterioration in public perception regarding the entities after a series of scams and irregularities surfaced. A number of companies have completely collapsed while a few others have been suffering badly.

<https://www.newagebd.net/article/112654/deposit-in-nbfis-shrinks-533pc-in-2019-amid-clients-distrust>

Textile

Policy directives to help weather RMG odds

The government has issued a host of policy directives aimed at easing the business process involved in apparel exports in

particular. The move is designed to help the industry cope with possible challenges that the sector might face in the days to come.

<https://today.thefinancialexpress.com.bd/first-page/policy-directives-to-help-weather-rmq-odds-1596562018>

Fuel and Power

BD to start importing spot LNG from next month

Bangladesh will initiate importing LNG, or liquefied natural gas, from the spot market from next month to reap the benefits of low price of fossil fuel in the international market. Selected 14 global firms will be urged to supply one 138,000 cubic metres lean LNG cargo from the spot market in September. Purchasing LNG from the spot market will help diversify LNG sourcing as well.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-start-importing-spot-lng-from-next-month-1596561355>

Tannery

Seasonal traders in ruins

The government's recent decision on exporting rawhides has little impact over domestic sourcing as skins of sacrificial animals are selling lower than the official rate. The situation forced seasonal traders to incur substantial losses and many went back home with gloomy faces. Protesting the poor rate, traders in some places were reported to have thrown the valuable raw materials of the leather goods into the river and roads like previous years.

<https://today.thefinancialexpress.com.bd/first-page/seasonal-traders-in-ruins-1596562160>

Stock

BB asks City Bank to explain job cut fear among employees

The Bangladesh Bank has issued a show cause letter to City Bank asking it to explain concerns among its employees regarding job termination amid the coronavirus crisis with a view to reducing operating costs. The central bank on July 30 issued a letter to the bank following a number of complaints received from City Bank employees. In the complaints received by the BB, City Bank officials informed the central bank that they feared of being termination as part of the bank's move to reduce operating costs. Instigated by the complaints, the BB in its letter said that a number of employees, unwilling to disclose their identities, had informed it that they were in fear of termination. BB governor Fazle Kabir had recently instructed the banks to encourage their employees for the sake of implementing the government announced stimulus packages. At this stage, the complete opposite of what the BB governor had instructed is taking place if fear of termination is found to be evident among the City Bank employees.

<https://www.newagebd.net/article/112656/bb-asks-city-bank-to-explain-job-cut-fear-among-employees>

City Bank joins growing list of lenders issuing international debit card

City Bank has introduced a dual currency debit card, joining a growing list of lenders that are offering the facility to lure in the progressively global-minded customers in the country that are averse to using credit cards. The lender will issue the CityMaxx cards to its savings and current account holders, who can enjoy cashback on international transactions, a first for the country. The card must be endorsed on the customer's passport as the foreign transactions would come from his/her \$12,000 annual foreign currency quota. Earlier on June 16, the Bangladesh Bank issued the guideline for banks to give out international debit cards. So far, Brac, AB, Eastern, IFIC, HSBC, Standard Chartered offer international debit cards.

<https://www.thedailystar.net/business/news/city-bank-joins-growing-list-lenders-issuing-international-debit-card-1939973>

SS Steel to acquire Saleh Steel

SS Steel, a newly listed company, plans to acquire Saleh Steel Industries with the view to staking a larger claim on the Tk 55,000 crore-industry, in yet another indication of the impending recovery of the Bangladesh economy from the fallout of the global coronavirus pandemic. The 19-year-old steelmaker will invest a total Tk 158.75 crore in Saleh Steel. Of the sum, Tk 24.75 crore would be equity investment for its 99 percent stake. Another Tk 134 crore would be invested for the smooth operation of the company.

<https://www.thedailystar.net/business/news/ss-steel-acquire-saleh-steel-1939889>

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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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