

Bangladesh market snapshot

	Last closing
DSEX Index	5,160.37
% change	-0.24%
DS30 Index	1,826.69
% change	-0.55%
DSES Index	1,189.69
% change	-0.36%
Turnover (BDT mn)	4,774.00
Turnover (USD mn)	56.83
% change	2.91%
Market Capitalization (BDT bn)	3,846
Market Capitalization (USD bn)	46.00
% change	-0.51%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,717.74
% change	-2.90%
Nikkei 225	20,299.69
% change	-2.03%
FTSE 100	7,223.85
% change	-2.47%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	93.89
GBP	102.73
INR	1.21

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
04-Aug-2019	4.25-5.00	4.55
01-Aug-2019	3.50-5.00	4.48

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.19	+0.64%
Gold Spot, USD/t oz	1,464.37	+0.05%
Cotton, USD/lb	58.44	-0.07%

Source: Bloomberg

Economy

Forex reserves dip slightly

Bangladesh's foreign exchange reserves dipped slightly to US \$32.13 billion as of end of July, Bangladesh Bank (BB) data showed, reports Xinhua. According to the central bank, the country's foreign exchange reserves stood at \$32,127.24 million in July, 2019, compared with \$32,536.86 million in the previous month. For a growing economy like Bangladesh, forex reserves equivalent to six months' import bills are considered adequate.

<http://today.thefinancialexpress.com.bd/trade-market/forex-reserves-dip-slightly-1565022653>

10 new products to get export subsidy

The government is going to extend subsidies on the export of 10 new products with a view to boost export earnings to \$50 billion by 2021 to achieve higher growth and generate employment. Moreover, garment export to the US, Europe and Canada will for the first time get 1 percent of the earnings as subsidy, for which the government has allocated Tk 2,825 crore. Garment export already gets subsidies in four categories ranging from 2 to 4 percent.

<https://www.thedailystar.net/business/news/10-new-products-get-export-subsidy-1782325>

Record debt repayment last fiscal year

Bangladesh made a record in external debt repayment last fiscal year, in yet another indication of the growing stature of the economy. In fiscal 2018-19 the government paid off \$1.57 billion to external lenders, up 12.23 percent year-on-year, according to data from Economic Relations Division (ERD) and Bangladesh Bank. Of the amount, \$1.18 billion was principal and \$387 million interest. "Foreign loan repayment is not a burden for Bangladesh at this moment," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

<https://www.thedailystar.net/business/news/record-debt-repayment-last-fiscal-year-1782304>

Remittance rises by 21pc in July

Inflow of remittance rose by 21.2 per cent year-on-year in July as expatriates sent home more money before Eid-ul-Azha, one of the biggest festivals of the Muslims. Bangladesh Bank data released on Monday showed that the country received \$1.6 billion in remittance in July, the first month of financial year 2019-20, against \$1.32 billion in the same month of last year. BB officials said that the country received higher amount of remittance in July as expatriates sent higher amount of money for their family before the Eid-ul-Azha, which would be celebrated on August 12.

<http://www.newagebd.net/article/80799/remittance-rises-by-21pc-in-july>

NBFI

BB steps in to ease non-bank lenders' liquidity problem

The central bank has allowed non-banking financial institutions (NBFIs) to borrow the maximum 40 per cent of their equities from the inter-bank call money market. The current limit is 30 per cent. The revised limit for borrowing from the call money market of the NBFIs will come into effect from September 01, 2019, according to a notification issued by the Bangladesh Bank (BB) on Monday.

<http://today.thefinancialexpress.com.bd/first-page/bb-steps-in-to-ease-non-bank-lenders-liquidity-problem-1565026453>

Capital Market

Foreign investors retreating from DSE

Net overseas investment in the Dhaka bourse has been in the negative for the last five months as foreign investors are put off by lack of coordination among regulators. The amount hit Tk 164.67 crore in the negative in July, when foreign investors purchased shares worth Tk 309.36 crore and sold Tk 474.03 crore, according to data from the Dhaka Stock Exchange (DSE). For instance, in February the telecom regulator declared Grameenphone a Significant Market Power (SMP), which will squeeze the mobile operator's business prospects.

<https://www.thedailystar.net/business/news/foreign-investors-retreating-dse-1782319>

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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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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
Md. Nazmus Sakib	Research Associate	nazmus.sakib@ucb.com.bd	+880 1701 205 073
Anik Mahmood Ibne Anwar	Research Associate	anik.mahmood@ucb.com.bd	+880 1701 205 074
Shadman Sadique Kamal	Research Associate	shadman.kamal@ucb.com.bd	+880 1701 205 096

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	tahmid@blomberg.net rahman.tahmidur@ucb.com.bd	+880 1726 995 520

Office Premises

Head Office

6, Dilkusha C/A
1st Floor
Dhaka- 1000
Bangladesh

Corporate Office

Bulus Center (Level-2)
Plot-CWS(A)-1, Road No-34
Gulshan Avenue
Dhaka-1212
Bangladesh

DSE Extension Office

Room # 633, 9/E DSE Annex
Building (5 th Floor)
Motijheel C/A, Dhaka 1000
Bangladesh

Chattogram Office

Ayub Trade Center
1269/B SK Mujib Road (4th
Floor)
Agrabad C/A, Chattogram
Bangladesh

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