

Bangladesh market snapshot

	Last closing
DSEX Index	4,307.15
% change	0.19%
DS30 Index	1,452.42
% change	-0.17%
DSES Index	997.43
% change	-0.23%
Turnover (BDT mn)	7,183.44
Turnover (USD mn)	85.52
% change	6.16%
Market Capitalization (BDT bn)	3,319
Market Capitalization (USD bn)	39.51
% change	0.20%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,201.52
% change	+1.39%
Nikkei 225	22,440.69
% change	-0.33%
FTSE 100	6,104.72
% change	+1.14%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.85
EUR	100.16
GBP	110.85
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
04-Aug-2020	3.25-5.50	4.75
03-Aug-2020	3.00-5.50	4.72

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	45.19	+0.04%
Gold Spot, USD/t oz	2,041.16	+0.15%
Cotton, USD/lb	64.38	-0.12%

Source: Bloomberg

Economy

Industrial imports drop in FY20 on dismal pvt sector

The country's import payments for capital machinery and industrial raw materials, two major components of the private sector dynamism, dropped by 8.51 per cent and by 9.42 per cent respectively in the last fiscal year of 2019-2020. Payments against imports of capital machinery, a major component of economic expansion and a reflection of businesses enthusiasm of investments, dropped by \$402.81 million year-on-year in FY20. In FY20, the country's payments for capital machinery imports dropped to \$4.33 billion from \$4.74 billion in FY19. The import of industrial raw materials dropped by \$1.84 billion year-on-year in the last fiscal year.

<https://www.newagebd.net/article/112749/industrial-imports-drop-in-fy20-on-dismal-pvt-sector>

Japan offers \$330m to BD in budgetary support

Japan will provide \$330 million to Bangladesh as an official development assistance (ODA) loan in budgetary support. This financial assistance is provided with very favourable terms. The interest rate of the loan is 0.01 per cent. The repayment period is 11 years after the grace period of four years. The loan will be co-financed with the Manila-based Asian Development Bank in a bid to ensure rapid and effective utilisation of the loan.

<https://today.thefinancialexpress.com.bd/first-page/japan-offers-330m-to-bd-in-budgetary-support-1596647337>

Container delivery at Chattogram port drops 73%

Even though the Chattogram port was hundred percent operational during the Eid-ul-Adha holidays, the delivery of cargo containers from the port decreased by about 73 percent in this period, resulting in an accumulation of containers in the yard. After July 29, the number of containers in the port yard increased alongside a drop in the container delivery. The port delivered 3,877 containers on July 30, 2,624 on July 31 and 302 on August 1. No container was delivered on August 2. Besides, 605 containers were delivered on August 3 and 1,069 containers on August 4. The port usually delivers 4,500-5,000 containers every day.

<https://tbsnews.net/economy/trade/container-delivery-chattogram-port-drops-73-115765>

Bank and NBFIs

Listed banks to pay 77% more cash dividends this year

In spite of a historic low private sector credit growth, mounting nonperforming loans and a tighter credit disbursement environment, the listed banks together have delivered a moderate growth in the bottom line for 2019. This has been possible largely because of the central bank that gave a hand to the banks in the form of relaxed provisioning, deferred recognition of nonperforming loans and the year-end loan rescheduling facilities approved for

large borrowers. More good news for the shareholders of the publicly-traded Bangladeshi banks is that they together are going to disburse 77% more cash dividends for 2019, compared to that of a year ago.

<https://tbsnews.net/economy/banking/listed-banks-pay-77-more-cash-dividends-year-115759>

57% listed banks saw fall in earnings per share in H1

As many as 17 out of 30 publicly traded banks registered negative growth in their Earnings Per Share (EPS) in the first half (January-June) of 2020, compared to the same period last year. Out of the 30 listed banks, 12 or 40% registered higher EPS, while 17 or 57% banks registered negative growth in the January-June period compared to the same period of previous year. Most of the listed banks' earnings declined because of the latest government decision to fix interest rate on lending at 9% and 6% for deposits, effective from April 1. On the other hand, the ongoing Covid-19 pandemic affected the bank's profits.

<https://www.dhakatribune.com/business/stock/2020/08/05/57-listed-banks-saw-fall-in-earnings-per-share-in-h1>

Textile

BD emerges as 3rd largest apparel supplier to US

Bangladesh has emerged as the third largest sourcing country for the US -based apparel and fashion companies in 2020, advancing from the last year's sixth position despite the Covid-19 pandemic. Bangladesh was the fifth sourcing hotspot in 2016 and 2018 while seventh in 2017. Bangladesh's position has improved mainly because of the 'most competitive price' it offers and exports similar products over the years.

<https://today.thefinancialexpress.com.bd/last-page/bd-emerges-as-3rd-largest-apparel-supplier-to-us-1596646428>

Telecommunication

Banglalink country's fastest network in H1: Ookla

Ookla, a global internet testing and analysis provider, recognised Banglalink as the fastest mobile network in the country for the first half of year 2020. Ookla gave the recognition based on user-initiated results generated by Ookla's Speedtest application. Banglalink's speed score was 15.09 in the January-June period this year.

<https://www.newagebd.net/article/112753/banglalink-countrys-fastest-network-in-h1-ookla>

BTCL starts replacing old numbers under Gulshan today

Bangladesh Telecommunications Company Ltd (BTCL) will replace all telephone numbers under Gulshan Telephone Exchange with 11-digit new numbers in phases from today (Thursday). For replacing the old numbers, the BTCL has divided whole Bangladesh into five zones. The new 11-digit numbers will be listed on the BTCL website.

<https://today.thefinancialexpress.com.bd/trade-market/btcl-starts-replacing-old-numbers-under-gulshan-today-1596642916>

Capital Market

BSEC rejects BD Paints IPO over flaws

The Bangladesh Securities and Exchange Commission has scrapped the initial public offering of BD Paints as the stock market regulator detected several flaws in the company's financial statements. The commission found a number of inconsistencies in the financial documents of the company. The company overstated profits and showed excess receivables in the financial statements. The company also showed higher sales, and lower inventory turnover ratio and return on equity to paint a rosy picture in the financial statements.

<https://www.newagebd.net/article/112752/bsec-rejects-bd-paints-ipo-over-flaws>

Stock

Eastern Bank announces 15% cash dividend

Eastern Bank Limited (EBL) has announced a 15 percent cash dividend for the year ended on 31 December 2019. The dividend declared by EBL is one of the highest among similar-sized commercial banks– in terms of paid-up capital – of the country.

<https://tbsnews.net/economy/stock/eastern-bank-announces-15-cash-dividend-115717>

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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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