

## Bangladesh market snapshot

	Last closing
DSEX Index	4,331.96
% change	-1.55%
DS30 Index	1,451.90
% change	-1.92%
DSES Index	983.14
% change	-1.24%
Turnover (BDT mn)	3,758.17
Turnover (USD mn)	44.74
% change	28.50%
Market Capitalization (BDT bn)	3,337
Market Capitalization (USD bn)	39.73
% change	-1.16%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial	28,703.38
Average % change	+0.24%
Nikkei 225	23,512.52
% change	+1.33%
FTSE 100	7,575.34
% change	-0.62%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.90
EUR	94.76
GBP	111.12
INR	1.18

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range	Weighted Average (%)
05-Jan-2020	3.00-5.50	4.57
02-Jan-2020	3.00-5.50	4.80

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	68.06	-1.23%
Gold Spot, USD/t oz	1,559.21	-0.42%
Cotton, USD/lb	70.10	+0.09%

Source: Bloomberg

## Economy

### PM expects banks to implement single digit rate from April

Prime Minister Sheikh Hasina expressed on Monday the hope that the banks would implement the single digit interest rate from April for the sake of the speedy industrialisation and investment, reports BSS.

<https://today.thefinancialexpress.com.bd/first-page/pm-expects-banks-to-implement-single-digit-rate-from-april-1578333232>

### NBR seeks land ministry opinion on imposing VAT on mutation fees

The National Board of Revenue has requested the land ministry to make recommendations on the applicability of value-added tax on fees for land mutation and other related services. The land ministry will make their recommendations after holding consultations with the relevant ministries, divisions and other government agencies on the issue. The revenue board took the decision at a recent inter-ministerial meeting on the applicability of VAT on the fees.

[www.newagebd.net/article/95823/nbr-seeks-land-ministry-opinion-on-imposing-vat-on-mutation-feeshs](http://www.newagebd.net/article/95823/nbr-seeks-land-ministry-opinion-on-imposing-vat-on-mutation-feeshs)

### Padma Bridge rail project hits snag

Implementation of the US\$2.6-billion cost Padma Bridge Rail Link project will be delayed by 13 months due to serious dispute between the Chinese contractor concerned and the project implementing authority. The China Railway Group Limited (CREC), contractor of the much-hyped project, in a recent letter to the Economic Relations Division (ERD), pointed out seven issues, centring which the dispute emerged. These include fund crisis, slow review, incomplete land acquisition, and disagreement over safety issues.

<https://today.thefinancialexpress.com.bd/last-page/padma-bridge-rail-project-hits-snag-1578333518>

### Oil jumps to \$70, gold hits six-year high on fear of US-Iran war

Oil prices surged, gold hit a more than six-year high and most equities tumbled Monday after the US assassination last week of a top Iranian general fanned fears of a major conflict in the Middle East.

<https://today.thefinancialexpress.com.bd/first-page/oil-jumps-to-70-gold-hits-six-year-high-on-fear-of-us-iran-war-1578333192>

## Banks and NBFIs

### Dozen banks face capital shortfall

Seven state-run banks have failed to meet the minimum capital requirement, meaning they need further taxpayer-funded recapitalisation to stay afloat. The latest data from the Bangladesh Bank showed 12 banks, including the seven state lenders, faced a capital shortfall of Tk 17,653 crore as of September last year. The lenders are Sonali, BASIC, Rupali, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, Community Bank Bangladesh, ICB Islamic Bank, AB Bank, and National Bank of Pakistan.

<https://www.thedailystar.net/business/news/dozen-banks-face-capital-shortfall-1850614>

#### **Risk weighted asset of 34 banks increased**

The total risk weighted asset of 34 banks has increased in the July-September quarter compared to the previous quarter. The overall Capital to Risk (Weighted) Assets Ratio (CRAR) in the country's banking sector dropped by 11.65 percent as of September 30 last year from 11.74 percent in June. The CRAR increased by 11.41 percent in March last year from 10.5 percent in December 2018. The Bangladesh Bank has been pressing the banks to maintain CRAR at 12.5 percent as a part of the implementation of Basel III in the banking sector.

<https://www.tbsnews.net/economy/risk-weighted-asset-34-banks-increased>

#### **Govt starts working on bank commission**

The government has finally started working on forming a bank reform commission to review the sector's health and take necessary remedial measures, finance ministry officials said. Finance Minister AHM Mustafa Kamal has already talked to some former bankers, bureaucrats and economists, whom a ministry official believes are probable chairman and member candidates of the commission. According to the official, the commission is likely to be formed by this month if the members are finalised.

<https://www.thedailystar.net/business/news/govt-starts-working-bank-commission-1850611>

#### **After reserves, hackers now target export proceeds**

The central bank has asked all banks to remain cautious about fraudulent emails, seeking transfer of export payment from foreign buyers. In case of export under the TT method, it has been noticed that foreign buyers were asked to divert payment to different accounts through using false emails with the names of exporters or companies that exported, the notice said. On November 19, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) also asked its member factories to remain vigilant of such fraudulent activities by hackers, the association people said. Three readymade garment makers informed the BGEMA about such incidents in recent months as a few attempts were made to transfer export payments from western buyers by hacking emails of garment exporters.

<https://today.thefinancialexpress.com.bd/first-page/after-reserves-hackers-now-target-export-proceeds-1578333143>

#### **Telecommunication**

##### **BTRC's third attempt to audit Banglalink**

Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday called for expression of interest (EoI) to conduct financial and technical audits of Banglalink, its third attempt to do so. The audits on Banglalink, the third largest mobile carrier, would be run from its inception in 1996 until December 2019, according to the offer uploaded

on the BTRC's website. The regulator in a recent meeting also decided to run audits on Airtel, which has already merged with Robi.

<https://www.thedailystar.net/business/news/btrcs-third-attempt-audit-banqlalink-1850620>

### Fuel & Power

#### No offshore survey this exploration season

The much-hyped offshore survey to discover new hydrocarbon reserve in the country's territorial water in the Bay of Bengal is set to miss the current exploration season due to delay in project approval. State-owned Petrobangla has not yet got the 'go-ahead' to ink a final deal with TGS-Schlumberger which won the bid for carrying out non-exclusive multi-client seismic survey in offshore Bangladesh, a senior Petrobangla official told the FE on Monday. If the approval is not given soon, he said, surveying offshore in the current offshore exploration season will not be possible. The offshore exploration season usually spans from October to March, he added.

<https://today.thefinancialexpress.com.bd/last-page/no-offshore-survey-this-exploration-season-1578333616>

#### Govt to buy idle electricity from solar irrigation pumps

The Sustainable and Renewable Energy Development Authority (Sreda) has finalised a draft policy guideline for purchasing idle electricity from solar power plants now being used for running irrigation pumps, reports UNB. SREDA officials said the organisation, responsible for preparing policy matters related to renewable energy, recently finalised the guidelines accommodating opinions and experiences of different stakeholders. It is now preparing to place the guideline to the Power Division for approval.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-buy-idle-electricity-from-solar-irrigation-pumps-1578332253>

#### IFC, SREDA sign deal to spur solar power generation

IFC, a member of the World Bank Group, has signed an agreement with the Sustainable and Renewable Energy Development Authority (SREDA) of Bangladesh to support a solar power plant of 35-50 megawatt capacity in Kushtia district. The pilot project, which will be developed through competitive bidding under a public-private partnership model, is aimed at demonstrating a viable model for a solar power plant in Bangladesh, drawing in the private sector, said a press release on Monday.

<https://www.newagebd.net/article/95826/ifc-sreda-sign-deal-to-spur-solar-power-generation>

### Textile

#### DIFE asks apparel trade bodies to punish more units

The government has instructed the apparel-sector trade bodies to stop issuing utilisation declaration (UD) certificates to more 189 'non-compliant' factories due to poor progress in their remediation work, officials said. The Department of Inspection for Factories and Establishments (DIFE) took the move after the RMG factories concerned

failed to make required progress in the remediation work despite repeated reminders, they added. Of the units, 143 are registered with the BGMEA and 46 with the BKMEA.

<https://today.thefinancialexpress.com.bd/first-page/dife-asks-apparel-trade-bodies-to-punish-more-units-1578332919>

## **Food & Allied**

### **Tea production rises to 95m kg in 2019**

According to the officials of the BTB, the tea gardens of the country produced around 89.65 million kilogram (KG) of tea from January to November in the last calendar year. The country's total tea production is estimated to be around 95 million KG from January to December in 2019. Whereas, the country produced 82.13 million KG tea from January to December in 2018. The annual production has increased by 13.77 million KG till November in the just-ended year. According to the BTB, tea January-November (2019) tea production was around 89.65 million KG while production in the last 12 months (Jan-Dec, 2029) will be more than 95 million KG.

<https://today.thefinancialexpress.com.bd/trade-market/tea-production-rises-to-95m-kg-in-2019-1578332294>

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Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
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Underweight	12 Months	Less than -5 %

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