

Bangladesh market snapshot

	Last closing
DSEX Index	4,928.87
% change	-0.36%
DS30 Index	1,678.49
% change	-0.40%
DSES Index	1,109.95
% change	-0.25%
Turnover (BDT mn)	10,677.22
Turnover (USD mn)	127.11
% change	10.60%
Market Capitalization (BDT bn)	4,039
Market Capitalization (USD bn)	48.08
% change	0.05%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,772.76
% change	-1.34%
Nikkei 225	23,395.31
% change	-0.16%
FTSE 100	5,949.94
% change	+0.12%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	99.95
GBP	110.10
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
05-Oct-2020	1.50-5.25	2.42
04-Oct-2020	1.50-5.25	2.47

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	41.96	-1.62%
Gold Spot, USD/t oz	1,881.13	+0.16%
Cotton, USD/lb	66.62	-0.36%

Source: Bloomberg

Economy

Inflation in Sept rises to 5.97pc

The point-to-point inflation further increased by 0.29 percentage points to 5.97 per cent in September from that of 5.68 per cent in August due mainly to a significant rise in prices of essential food items in the month. Food inflation rose by 0.52 percentage points to 6.50 per cent in September from that of 6.08 per cent in the previous month. Non-food inflation also slightly increased to 5.12 per cent in the month from 5.05 per cent in August.

<https://www.newagebd.net/article/118286/inflation-in-sept-rises-to-597pc>

<https://tbsnews.net/economy/food-inflation-hits-rural-areas-harder-142099>

Record rise in July, great recovery by September

The unemployment rate in Bangladesh had reached a record high to 22.39 per cent in July before coming down sharply to 4.0 per cent in September last. The unemployment rate was only 2.3 per cent just before the Covid-19 pandemic. The rate, however, dropped again to 4.0 per cent in September amid restarting of the economic activities gradually.

<https://today.thefinancialexpress.com.bd/first-page/record-rise-in-july-great-recovery-by-september-1602006164>

BB extends tenure by six months

The central bank has extended its policy supports for the businesses by another six months to help offset the adverse impact of the ongoing Covid-19 pandemic. Under the policy supports, importers are allowed to enjoy different benefits relating to advance payment, import of raw materials, chemical fertiliser and life-saving drugs until March 31, 2021 instead of September 30, 2020. Advance import payments upto US\$ 500,000 can be made without repayment guarantees or the central bank's approval as per the policy. Raw materials, agriculture implements, chemical fertiliser can be imported for a usance period of 360 days, instead of 180 days, under the supplier's/buyer's credit. The BB also allowed import of life-saving drugs upto 180 days as the usance period instead of previous 90 days.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-tenure-by-six-months-1602006379>

<https://www.thedailystar.net/business/news/bb-extends-deadline-import-payments-1973861>

ECNEC approves four projects worth Tk 16.59b

The government on Tuesday endorsed four development projects at a combined cost of Tk 16.59 billion. Out of total costs, Tk 7.40 billion will come from government's internal resources while the rest of Tk 9.19 billion from external resources as grant. The ECNEC revised the multisector project (1st revision) to address Rohingya crisis on an emergency basis increasing the cost by Tk 9.30 billion

to Tk19.88 billion to ensure facilities for forcibly-displaced Rohingyas and also for the host communities in Cox's Bazar.

<https://today.thefinancialexpress.com.bd/trade-market/ecnec-approves-four-projects-worth-tk-1659b-1601998561>

China-funded projects back on track

Almost all of the country's major development projects being funded by China are back on track following a prolonged hiatus caused by the coronavirus pandemic. Most of the Chinese nationals who had been involved in the projects have returned to Bangladesh as the government has allowed all economic activities to resume. As a result, the construction work of almost all nine projects involving \$7.1 billion and all funded by China is ongoing.

<https://www.thedailystar.net/business/news/china-funded-projects-back-track-1973869>

Bank and NBF

Bangladesh Bank expresses dissatisfaction over low loan release

The Bangladesh Bank on Tuesday expressed dissatisfaction over the poor disbursement progress of stimulus loans for low income groups, farmers and marginal or small businesses from the BB formed Tk 3,000-crore revolving refinance scheme to tackle the adverse impacts of the coronavirus outbreak. 19 out of 42 banks, which were assigned to disbursed loans from the package, were yet to disburse any money in loans for the low-income people. The 19 banks include seven state owned banks and 12 private commercial banks.

<https://www.newagebd.net/article/118288/bangladesh-bank-expresses-dissatisfaction-over-low-loan-release>

Fuel and Power

Gas output from Srikail East-01 likely in Dec

Commercial production of natural gas from the newly-discovered Srikail East-01 onshore structure is expected to start from next December. The Bangladesh Petroleum Exploration and Production Company Ltd (Bapex) discovered commercially viable gas on the site, some seven kilometres off the currently-producing Srikail well, this March. An estimated 12 million cubic feet per day (mmcf) of gas can be added to the grid once the new field initiates commercial operation in December.

<https://today.thefinancialexpress.com.bd/last-page/gas-output-from-srikail-east-01-likely-in-dec-1602007047>

Jute

Jute secures 2nd position in export trade

The country had earned around Tk 2,460 crore (\$30.75 crore) in the first quarter of the current fiscal year from jute export due to the government's different action plans while the sector secured the second in position in export, replacing the leather industry. In the first three months from July-September period, Tk 2,460 crore was earned from jute and jute goods export which is 39.26 per cent higher than the last corresponding period.

<https://www.newagebd.net/article/118293/jute-secures-2nd-position-in-export-trade>

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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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