

## Bangladesh market snapshot

	Last closing
DSEX Index	3,961.51
% change	0.21%
DS30 Index	1,327.99
% change	0.49%
DSES Index	918.58
% change	0.29%
Turnover (BDT mn)	700.20
Turnover (USD mn)	8.34
% change	62.94%
Market Capitalization (BDT bn)	3,102
Market Capitalization (USD bn)	36.93
% change	0.08%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	27,110.98
% change	+3.15%
Nikkei 225	23,075.73
% change	+0.93%
FTSE 100	6,484.30
% change	+2.25%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	95.89
GBP	107.61
INR	1.12

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
04-Jun-2020	4.50-5.50	5.02
03-Jun-2020	4.50-5.50	5.02

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.91	+1.44%
Gold Spot, USD/t oz	1,688.39	+0.20%
Cotton, USD/lb	60.34	-1.05%

Source: Bloomberg

## Economy

### Govt set to target \$2,326 per-capita income

The government is going to raise the country's per capita income target by \$153 to US\$2,326 in the next fiscal, despite the economic impact of the coronavirus pandemic. For fiscal year 2020, the authorities expect the per head earnings of the population to reach \$2,173, up by \$264. The per capita GNI was recorded at \$1,909 in the FY 2019.

<https://today.thefinancialexpress.com.bd/last-page/govt-set-to-target-2326-per-capita-income-1591551801>

### Pvt sector credit growth plunges to 8.82% in April

Private sector credit growth plunged to 8.82% in April as an impact of countrywide shutdown imposed on March 29 to halt the spread of coronavirus, leaving all the business and economic activities to a halt. Experts cautioned that the credit disbursement situation might deteriorate further in May as the shutdown was in place for more than two months, affecting all the economic indicators of the country.

<https://www.dhakatribune.com/business/economy/2020/06/07/pvt-sector-credit-growth-plunges-to-8-82-in-april>

### Money whitening may get full amnesty

The government may grant full amnesty to the people if they invest their untaxed money, also known as black money, as it looks to give a boost to the economy reeling from the coronavirus pandemic. revenue. For the last five years, black money-holders have been able to whiten their assets by investing in residential buildings by paying a tax of 10 per cent on the amount invested, which for regular taxpayers is between 10 and 30 per cent.

<https://www.thedailystar.net/business/news/money-whitening-may-get-full-amnesty-1910885>

### Businesses for slashing corporate tax

Business leaders have urged the government to reduce corporate tax in the upcoming budget to overcome challenges of corona-hit economy. They also emphasised on making soft conditions for small entrepreneurs to avail credit from banks.

<https://today.thefinancialexpress.com.bd/stock-corporate/businesses-for-slashing-corporate-tax-1591546518>

### CCH misses FY '20 tax collection target

The Chittagong Customs House (CCH) has failed to achieve its tax collection target in the current financial year (FY 2019-20) which will end on June 30. The CCH had set a target of collecting Tk 631.68 billion (Tk 63,168 crore) in taxes for fiscal year 2019-20 (FY '20) in last year. It's total collection of taxes from July 19, 2019 to May 20, 2020 stood at Tk 582.24 billion (Tk 58,224 crore). It is yet to collect Tk 21,224 crore within June 30, 2020, to achieve the target, which looks impossible.

<https://today.thefinancialexpress.com.bd/trade-market/cch-misses-fy-20-tax-collection-target-1591546903>

### **Bank and NBFIs**

#### **Delay in import payments put banks in more trouble**

Deferred payments against Letters of Credit (LCs) by importers have added to the stress of banks who are already in a tight corner with a two-month suspension on interest payments, thus forcing them to delay settlements with foreign banks. In the last week of April, the Bangladesh Bank instructed all banks to make import payments to the foreign banks in due time. The directive came after delay by a good number of banks in making payments against LCs, creating a negative impression on the country's banking sector abroad. The delay will increase LC confirmation charges making imports costlier. LC confirmation fees were always high in Bangladesh because of the banking sector's negative image globally.

<https://www.tbsnews.net/economy/banking/delay-import-payments-put-banks-more-trouble-90115>

#### **Banks call for measures in budget to lessen their load**

Banks have urged the government to take a series of measures in the upcoming budget to protect the banking sector from the ongoing financial meltdown. The government should take steps to help businesses so that they can recover quickly and this will subsequently put a positive impact on the financial health of banks.

<https://www.thedailystar.net/business/news/banks-call-measures-budget-lessen-their-load-1910889>

#### **Cheer for retail investors as BB allows banks to give cash dividends to them**

Bangladesh Bank has allowed listed banks to disburse cash dividends to general shareholders, including foreign investors, for 2019, walking back from its earlier bold announcement to put such payments on hold. The central bank issued a notice yesterday asking banks to disburse the dividends before September 30 as it looks to protect the interests of the general investors. However, sponsors and directors are not allowed to take dividends.

<https://www.thedailystar.net/business/news/cheer-retail-investors-bb-allows-banks-give-cash-dividends-them-1910893>

### **Textile**

#### **Jan-April RMG exports to US rise 2.13pc**

Bangladesh's apparel exports to the United States grew by 2.13 per cent during the first four months of 2020 calendar year, compared to the same period of last year. The country fetched US\$2.07 billion from apparel exports to the US market from January to April of 2020 against \$2.03 billion earnings of the corresponding period of 2019. During January-April period of this calendar year, Bangladesh shipped 748 million square metres of apparel items, which was 728.21 million square metres in the same period of last year. The US imported textile and

apparel items worth \$2.14 billion from Bangladesh from January to April of 2020.

<https://today.thefinancialexpress.com.bd/first-page/jan-april-rmg-exports-to-us-rise-213pc-1591551566>

## Stock

### **City Bank app for transaction in distance**

In response to the ongoing pandemic and to ensure physical distancing, City Bank has introduced a mobile app for its working capital finance customers. These customers are the distributors and retailers of local and multinational conglomerates. Through this app, customers will be able to withdraw and deposit money 24/7- 365 days.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-app-for-transaction-in-distance-1591546661>

### **ACME Lab's net profit falls slightly in nine months**

The net profit of ACME Laboratories fell slightly by 1.74 per cent year-on-year in the nine months for July, 2019 to March, 2020. The country's oldest drug maker's net profit stood at Tk 354.47 million in three months for January-March, 2020 which was Tk 368.55 million in the same quarter in the previous year. The company's earnings per share (EPS) stood at Tk 1.68 for January-March 2020 against Tk 1.74 for January-March 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/acme-labs-net-profit-falls-slightly-in-nine-months-1591546695>

### **BSEC refuses AB Bank right share approval**

The Bangladesh Securities and Exchange Commission (BSEC) has refused approval for AB Bank's right share offer. The commission issued a letter to the bank on June 3 in this regard. The letter said that the Commission is not in a position to consider the bank's application for issuance of rights shares. In the letter, the Commission also claimed that the bank did not submit any updated documents about the right share issue. The BSEC also said that the bank did not even maintain any communication with the securities regulator.

<https://www.tbsnews.net/economy/stock/bsec-refuses-ab-bank-right-share-approval-90106>

### **RN Spinning to reduce paid-up share capital**

The board of directors of RN Spinning Mills has decided to reduce its paid-up share capital 7:1 that is one share to be issued to the existing shareholders against seven shares held of Tk 10 each. The company has now 392,544,834 shares that would be reduced through a proposed reverse stock split at 7:1 ratio to 56,077,833 numbers of shares. Therefore, the paid-up capital of RN Spinning will come down to Tk 560.77 million, from existing Tk 3.92 billion. The company will reduce paid-up capital to lessen its accumulated loss and enhance its capacity so that it could recommend dividends.

<https://today.thefinancialexpress.com.bd/stock-corporate/rn-spinning-to-reduce-paid-up-share-capital-1591546609>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
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. Sakib Chowdhury, CFA	Deputy Head of Research	sakib.chowdhury@ucb.com.bd	+880 1713 205 698
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

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

### Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	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

#### Extension of Main Office

NIK Tower, 55 Dilkusha C/A,  
(4th Floor), Dhaka-1000.

#### Chattogram Office

Muntasir Centre (5th Floor),  
253, Wasa Circle, Dampara  
Khulshi, Chattogram.