

Bangladesh market snapshot

	Last closing
DSEX Index	5,377.75
% change	0.44%
DS30 Index	1,876.60
% change	0.45%
DSES Index	1,214.26
% change	0.17%
Turnover (BDT mn)	4,250.07
Turnover (USD mn)	50.60
% change	27.64%
Market Capitalization (BDT bn)	3,942
Market Capitalization (USD bn)	46.92
% change	0.57%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,126.41
% change	-0.87%
Nikkei 225	20,942.53
% change	-0.29%
FTSE 100	7,207.71
% change	0.31%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.39
GBP	106.76
INR	1.21

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
30-May-2019	4.25-5.00	4.59
29-May-2019	3.75-5.00	4.55

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.29	+2.63%
Gold Spot, USD/t oz	1,340.86	+0.41%
Cotton, USD/lb	65.51	-1.74%

Source: Bloomberg

Economy

WB keeps Bangladesh's GDP growth unchanged at 7.5%

World Bank (WB) keeps Bangladesh's growth rate for the outgoing fiscal year unchanged at 7.3% with strong infrastructure spending, private investment and domestic consumption. However, the government estimated 8.13% GDP growth for the fiscal year 2018-19 to end on June 30. In the last fiscal year, Bangladesh attained 7.86% growth. The global lender made the estimation in its flagship report titled "Global Economic Prospects: Heightened Tensions, Subdued Investment" released Tuesday, which also projected that the global economy would slowdown in the outgoing year.

<https://www.dhakatribune.com/business/economy/2019/06/08/wb-keeps-bangladesh-s-gdp-growth-unchanged-at-7-5>

Cash incentive inadequate

The government's proposal to increase cash incentive by one percentage point for exporters is insufficient to jumpstart shipments from many sectors, said leaders of different trade bodies. "It is absolutely inadequate considering the current situation of the garment sector," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), yesterday. At present, garment shipments to new markets -- which are destinations other than the US, the EU and Canada -- and the use of local yarn yield 4 percent cash incentives.

<https://www.thedailystar.net/business/export/news/cash-incentive-inadequate-1754389>

Five VAT rates on cards

The government is likely to whittle down value-added tax rates to five from existing seven as it is getting ready to implement the new VAT law from the next fiscal year, seven years after its enactment. This means, the government will move away from a uniform 15 percent VAT rate envisaged in the VAT and Supplementary Duty Act 2012. The five rates are 2 percent, 5 percent, 7.5 percent, 10 percent and 15 percent.

<https://www.thedailystar.net/business/news/five-vat-rates-cards-1754401>

Initial delay dogs ADP

Planning ministry has identified major impediments that slow down the execution of projects under the Annual Development Programme (ADP). The Implementation, Monitoring and Evaluation Division (IMED) under the ministry, in an intensive review, has detected the delay in starting project work, non-availability of project director, no feasibility studies prior to the launching of projects as major roadblocks.

<http://today.thefinancialexpress.com.bd/first-page/initial-delay-dogs-adp-1560010199>

Bank

Sluggish deposit growth poses stability risks: BB

The continued slowdown in deposit growth can go on to raise concerns of stability of the banking sector, said a Bangladesh Bank report -- in a pressing call to the government to cut down the interest rate on national savings certificates. Deposit growth in the banking sector has been tumbling in the last four years: in 2018 it stood at 9.80 percent, down from 10.60 percent a year earlier and 13.30 percent from four years earlier.

<https://www.thedailystar.net/business/banking/news/sluggish-deposit-growth-poses-stability-risks-bb-1754398>

Fuel & Power

Solar power sales to grid growing fast

The sale of solar power from consumers' end to the national grid under the Net Metering System (NMS) is growing fast as its volume has already reached 8.213 MW across the country, reports UNB. According to official statistics, now all the six government distribution utilities are purchasing solar power from 359 consumers in May which was 179 in February last.

<http://today.thefinancialexpress.com.bd/trade-market/solar-power-sales-to-grid-growing-fast-1560006133>

Stock

EBL getting ready to fund big projects

At a time when most lenders are battling liquidity crisis, rising default loans and poor governance, Eastern Bank Limited (EBL) is sitting pretty by all accounts. Its net profit last year stood at Tk 308 crore, up 28.10 percent year-on-year. It paid 30 percent dividend, including 10 percent bonus shares, to its shareholders, and yet retained earnings to consolidate its capital base. Its default loans account for only 2.35 percent of the outstanding loans, which is below the industry average of 10.30 percent.

<https://www.thedailystar.net/business/news/eb1-getting-ready-fund-big-projects-1754410>

GPH Ispat sees steady growth in net profit, turnover in last three FYs

GPH Ispat, one of the country's leading steel manufacturing companies, displayed a steady growth in net profit and turnover in last three fiscal years (FYs) through better utilisation of production capacity. The company reported its net profit of above Tk 643.58 million for the year ended on June 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/gph-isp1t-sees-steady-growth-in-net-profit-turnover-in-last-three-fys-1560007351>

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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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