

## Bangladesh market snapshot

	Last closing
DSEX Index	4,894.31
% change	-0.46%
DS30 Index	1,739.49
% change	-0.47%
DSES Index	1,131.37
% change	-0.24%
Turnover (BDT mn)	3,019.91
Turnover (USD mn)	35.95
% change	-1.70%
Market Capitalization (BDT bn)	3,692
Market Capitalization (USD bn)	43.96
% change	-0.52%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	26,573.72
% change	1.42%
Nikkei 225	21,375.25
% change	-0.16%
FTSE 100	7,160.73
% change	0.07%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.65
EUR	92.95
GBP	104.42
INR	1.20

Source: Bangladesh Bank

## Money Market

Date	Call Money Rate Range	Weighted Average (%)
6-Oct-2019	4.25-5.50	5.01
3-Oct-2019	4.25-5.50	5.01

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	58.01	-0.39%
Gold Spot, USD/t oz	1,505.67	+0.01%
Cotton, USD/lb	61.20	-0.20%

Source: Bloomberg

## Economy

### Govt risks losing sizeable revenue

The absence of a definition of inputs in the VAT law has put at risk the target of revenue mobilisation from manufacturing companies. Under the VAT law, manufacturers are entitled to get refund or adjust the VAT they pay at the time of purchasing or procuring inputs. In the VAT law-1991 there were specific definitions of the inputs eligible for VAT refund. However, the new VAT and Supplementary Duty Act 2012, implemented from July 1 last, has no definition of inputs.

<http://today.thefinancialexpress.com.bd/first-page/govt-risks-losing-sizeable-revenue-1570557019>

### BD to seek better terms for Chinese financing

Bangladesh will seek relaxation of the terms and conditions of Chinese financing and a revision of the list of China-funded projects at the first meeting of the 'Bangladesh-China Working Group on Investment Cooperation'. China and Bangladesh have recently formed this working group in a bid to promote socio-economic development of both the countries. The first meeting of the working group will be held in Dhaka this year.

<http://today.thefinancialexpress.com.bd/last-page/bd-to-see-better-terms-for-chinese-financing-1570557377>

### Exports to Asian countries almost double in 7 years

Bangladesh's exports to the Asian markets registered nearly 93% growth in seven years, due mainly to competitive prices, government's export handouts and market diversification drives of exporters. While the export expansion is better than many Asian economies, lack of product diversification and bilateral trade agreement is thwarting the expected growth. Receipts from merchandise export to Asian countries increased by 20.52% to \$4.95 billion in the last fiscal year. The earnings in 2011-12 FY was to the tune of \$2.57 billion.

<https://www.dhakatribune.com/business/2019/10/08/exports-to-asian-countries-almost-double-in-7-years>

## Bank & NBFI

### Loan recovery slows in Q2

Banks' loan recovery momentum slowed down in the second quarter of 2019 as many defaulters showed unwillingness to pay back loans to enjoy the central bank's relaxed rescheduling facility. Between the months of April and June, Tk 5,454.25 crore was recovered, down 7.22 percent year-on-year. The feeble recovery widened the volume of default loans further, creating an extra pressure on the ailing banking sector, said analysts.

<https://www.thedailystar.net/business/banking/news/loan-recovery-slows-q2-1811266>

### Interest rate spread drops to 4pt

The overall weighted average interest rate spread in the country's

banking sector has come down to 4 percentage points amid a deposit rate rise triggered by liquidity crisis in the sector. The weighted average interest rate is the difference between the weighted average lending rate and the weighted average deposit rate of banks. Although the overall spread in the banking sector dropped, 30 banks still have the spread above the Bangladesh Bank-set limit of 4 percentage points. However, the spread in 36 banks was above 4 percentage points in March last year when the Bangladesh Bank reduced it by 1 percentage points from 5 percentage points as part of the government's move to bring down the lending and deposit rates to 9 per cent and 6 per cent respectively.

<http://www.newagebd.net/article/87039/interest-rate-spread-drops-to-4pt>

### **BB sounds tough as July-Aug farm credit drops**

Farm credit disbursement dropped by nearly 6.0 per cent in the first two months of the current fiscal year (FY) in the wake of flood as well as seasonal effect. Disbursement of agriculture loans came down to Tk 19.70 billion (1,970 crore) in the July-August period of FY '20 from Tk 20.90 billion in the same period of the previous fiscal, according to the Bangladesh Bank's (BB) latest statistics.

<http://today.thefinancialexpress.com.bd/last-page/bb-sounds-tough-as-july-aug-farm-credit-drops-1570557497>

### **Telecom**

#### **Neutral panel to evaluate BTRC's audit findings**

The government has proposed forming a committee comprising neutral and subject-related experts to evaluate the audit findings of Grameenphone and Robi that have led to fiercely contested claims of Tk 13,446 crore. The development comes after a meeting on Thursday involving Finance Minister AHM Mustafa Kamal, Telecom Minister Mustafa Jabbar, BTRC Chairman Md Jahurul Haque, NBR Chairman Md Mosharraf Hossain Bhuiyan on the premises of the Planning Commission. The meeting has decided on five points and formation of a committee is one of them. The committee would have members approved by the two operators and the Bangladesh Telecommunication Regulatory Commission.

<https://www.thedailystar.net/business/news/neutral-panel-evaluate-btrcs-audit-findings-1810864>

### **Tannery**

#### **LWG to be invited early next year for Savar tannery estate audit**

Bangladesh plans to invite Leather Working Group (LWG), a global rights body, early next year to examine the Savar Tannery Industrial Estate (STIE) to attain the standard certificate, as the remaining development works are expected to be finished by the end of this year. To attain the LWG certificate, a decision of conducting a 'mock audit' was taken at a review meeting on the implementation of the central effluent treatment plant (CETP) and overall works of STIE at the conference room of STIE on Tuesday.

<http://today.thefinancialexpress.com.bd/trade-market/lwg-to-be-invited->

[early-next-year-for-savar-tannery-estate-audit-1570550290](#)

#### Stock

##### **BRAC Bank earns JPMorgan Chase recognition**

Renowned American bank, JPMorgan Chase, has recognized BRAC Bank Limited for consistency and reliability in automated payment processing. The international recognition came for achieving the best-in-class Straight Through Processing (STP) payments in both MT202 and MT103 categories for the second consecutive years. STP is the automated process of payments without manual intervention that increases processing speed, minimizes routing errors, lowers operation and transaction costs while resulting in efficient, rapid payment execution and credit to the bank and the customers it serves.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-earns-jpmorgan-chase-recognition-1570549263>

##### **BSEC body suggests freezing shares of Z-category cos' directors**

A Bangladesh Securities and Exchange Commission committee has proposed freezing shares of sponsor-directors of the companies that have remained for years in the 'Z' category, which groups low-profile companies. A company must reconstitute its board if it remains in the 'Z' category for more than one year as per a BSEC notification issued in 2002, but the exiting companies in the category are yet to implement the BSEC order. The stock market regulator on April 12 this year formed the three-member committee headed by its director Mansur Rahman to assess the BSEC notification for the 'Z' category companies.

<http://www.newagebd.net/article/87041/bsec-body-suggests-freezing-shares-of-z-category-cos-directors>

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<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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