

Bangladesh market snapshot

	Last closing
DSEX Index	5,402.97
% change	0.47%
DS30 Index	1,889.04
% change	0.66%
DSES Index	1,220.08
% change	0.48%
Turnover (BDT mn)	3,046.70
Turnover (USD mn)	36.27
% change	-28.31%
Market Capitalization (BDT bn)	3,967
Market Capitalization (USD bn)	47.23
% change	0.65%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,983.94
% change	1.02%
Nikkei 225	20,884.71
% change	0.53%
FTSE 100	7,331.94
% change	0.99%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	95.78
GBP	107.64
INR	1.22

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
03-June-2019	4.00-5.00	4.59
30-May-2019	4.25-5.00	4.59

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.57	+0.44%
Gold Spot, USD/t oz	1,329.60	-0.84%
Cotton, USD/lb	65.74	+0.35%

Source: Bloomberg

Economy

Bank borrowing to grow as revenue shortfall weighs in

The government's bank borrowing is set to rise further in June as the execution of the Annual Development Programme (ADP) gained momentum, but revenue target fell short of target. The authorities have targeted net bank borrowing at nearly Tk 99 billion for June 2019 to finance the budget deficit. According to the calendar, the government may take up to Tk 228 billion as gross borrowing from the banking system this month by issuing treasury bills (T-bills) and bonds.

<http://today.thefinancialexpress.com.bd/first-page/bank-borrowing-to-grow-as-revenue-shortfall-weighs-in-1560097539>

Now advance tax at import, commercial stages likely

Advance tax (AT) is likely to be imposed at commercial and import stages under the new value-added tax (VAT) law aiming to ensure proper revenue collection from potential sectors. The new AT would replace the existing advance trade VAT (ATV) that is currently imposed at a rate of 5.0% only at the import stage. The AT rate might be set below 5.0 per cent.

<http://today.thefinancialexpress.com.bd/last-page/now-advance-tax-at-import-commercial-stages-likely-1560097059>

Scope likely for whitening black money again

The government may once again offer scope for whitening black money through investment in industries to boost private investment, say finance ministry officials. Black money holders will not face any questions about the sources of their income if they invest in industries by paying a tax of only 10 percent on the amount.

<https://www.thedailystar.net/frontpage/news/amnesty-likely-again-black-money-1754767>

Gold import cost to drop under baggage rules

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<https://www.thedailystar.net/business/export/news/gold-import-cost-drop-under-baggage-rules-1754851>

Seven VAT slabs regime to go, 15% rate for imported, luxury items

The current seven rates of value added tax (VAT) will no longer exist from the next fiscal year, as the government is likely to introduce five slabs of VAT, with the new VAT law taking effect in the upcoming budget. The new rates will be 15%, 10%, 7.5%, 5% and 2% while the current rates are 2%, 3%, 4.5%, 5%, 7%, 10% and 15%. The highest 15% is likely to be applicable to imported and luxury items.

<https://www.dhakatribune.com/business/regulations/2019/06/09/seven-vat-slabs-regime-to-go-15-rate-for-imported-luxury-items>

NBR finalises IPR enforcement rules bringing export items under its purview

National Board of Revenue has finalised the draft Intellectual Property Rights Enforcement Rules-2019 inducting export goods under its purview following recommendations of stakeholders. Under the rules framed to prevent import and export of counterfeit goods, customs officials will be able to confiscate products or halt release of imported and export goods for violation of intellectual property rights. IPR wing of NBR in November initially drafted the rules bringing only imported goods under its purview, officials said.

<http://www.newagebd.net/article/74796/nbr-finalises-ipr-enforcement-rules-brining-export-items-under-its-purview>

Bank & NBFI**Banks' ADR rises further in 2018: BB report**

Advance-to-deposit ratio (ADR) in the country's banking sector increased by 1.7% in the year of 2018 due to a slowdown in deposit growth and a surge in defaulted loans. The ADR in the banking industry increased to 77.6% at the end of December last year from 75.9% at the end of December, 2017. The ADR was 71.9% in December, 2016 when the deposit growth in the banks was 10.6%.

<http://www.newagebd.net/article/74795/banks-adr-rises-further-in-2018-bb-report>

Telecom**WiMax on its last legs**

Once a much-hyped breakthrough for internet communication, WiMax is now on its last legs in Bangladesh after two out of the three operators that deployed the wireless broadband technology turned off their switches. Augere Wireless Broadband Bangladesh's Qubee brand and Bangladesh Internet Exchange Limited's (BIEL) Ollo shut up shop a few months ago, while another player Banglalion is languishing with only a few thousand active customers. In middle of 2013, when 3G was rolled out in Bangladesh, active WiMax customer number was more than five lakh and now it has come down to less than 60,000 as of April.

<https://www.thedailystar.net/business/telecom/news/wimax-its-last-legs-1754857>

Capital Market**BSEC seeks opinion on public issue rules**

The securities regulator has sought public opinion on the draft amendment to the public issue rules. The Bangladesh Securities and Exchange Commission (BSEC) will receive public opinion till June 17. After getting the public opinion, the securities regulator will give its final approval to the amendment of the rules.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-seeks-opinion-on-public-issue-rules-1560094883>

Tax receipts from DSE dip 76pc in May

The government's revenue earnings from the Dhaka Stock Exchange

(DSE) plunged 76% month-on-month in May this year on the back of falling trade volume and value. The government collected revenue worth Tk 101 million in May which was Tk 433 million in April, 2019, slumping by 76%.

<http://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-dip-76pc-in-may-1560095036>

Stock

GP, Robi set to begin agent banking with Bank Asia

Bank Asia is set to begin agent banking service in partnership with the top two mobile phone operators, Grameenphone and Robi, once the bank gets approval from the Bangladesh Bank. In March, both operators, which together control more than 75% of the market share of mobile phone subscribers, received permission from the Bangladesh Telecommunication Regulatory Commission (BTRC) to this effect.

<http://www.theindependentbd.com/post/202717>

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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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