

Bangladesh market snapshot

	Last closing
DSEX Index	4,545.15
% change	4.13%
DS30 Index	1,540.34
% change	4.37%
DSES Index	1,058.31
% change	4.67%
Turnover (BDT mn)	11,286.47
Turnover (USD mn)	134.36
% change	34.92%
Market Capitalization (BDT bn)	3,451
Market Capitalization (USD bn)	41.09
% change	3.43%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,433.48
% change	+0.17%
Nikkei 225	22,329.94
% change	-0.39%
FTSE 100	6,032.18
% change	+0.09%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.88
EUR	100.07
GBP	110.81
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
06-Aug-2020	3.50-5.25	4.73
05-Aug-2020	3.50-5.50	4.73

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.77	+0.83%
Gold Spot, USD/t oz	2,028.05	-0.37%
Cotton, USD/lb	62.85	+0.79%

Source: Bloomberg

Bank and NBFIs

BB relaxes loan restructuring policy for NBFIs

The central bank has relaxed its loan restructuring policy for non-banking financial institutions (NBFIs) to help the businesses overcome the adverse impact of the Covid-19 pandemic. Under the relaxations, the NBFIs are allowed to extend the tenure of term loans and leases by a maximum of 50 per cent of the remaining time to maturity, instead of existing 25 per cent. NBFIs are also empowered to extend such tenure of restructuring loans and leases without prior approval from the central bank.

<https://today.thefinancialexpress.com.bd/first-page/bb-relaxes-loan-restructuring-policy-for-nbfis-1596992287>

BB asks banks to tap NRB deposits

The central bank has asked banks to introduce deposit products for non-resident Bangladeshis to encourage them to save their hard-earned money in Bangladesh. The products will be in the form of savings for more than a year on a monthly or quarterly deposit basis. Besides, the deposit accounts will be credited in the local currency -Bangladesh Taka (BDT)- after conversion from the foreign exchange. NRBs will not face financial difficulties upon return to Bangladesh if they open such accounts.

<https://today.thefinancialexpress.com.bd/trade-market/bb-asks-banks-to-tap-nrb-deposits-1596987906>

Slow pace in low-income groups' stimulus loan disbursement

Disbursement of the Tk3,000 crore stimulus fund for low-income groups has been progressing at a snail's pace even though three and a half months have elapsed after the package was launched. The fund recipients include farmers, small traders, and cottage, micro and small entrepreneurs. Of the total amount, banks disbursed Tk266 crore to some non-governmental organisations (NGOs) till August 6 from the package's launch on April 20. NRB Commercial Bank disbursed Tk76 crore, Brac Bank Tk60 crore, Mutual Trust Bank Tk60 crore, City Bank Tk60 crore and United Commercial Bank disbursed Tk10 crore.

<https://www.tbsnews.net/economy/slow-pace-low-income-groups-stimulus-loan-disbursement-117385>

Textile

Cotton imports tipped to return to pre-pandemic levels by year-end

Cotton imports witnessed a slump for the first time in over a decade last fiscal year due to a fall in demand from local mills amid a stunning drop in apparel work orders for the global coronavirus pandemic. In fiscal 2019-20, Bangladesh imported 7.1 million bales of cotton, down 13.4 per cent from a year earlier. Almost all of Bangladesh's domestic demand for cotton is met through imports as local growers can only supply less than 3 per cent of the country's annual demand. However, the previous inventory of such materials has emptied significantly due to the return of demand from garment

manufacturers.

<https://www.thedailystar.net/business/news/cotton-imports-tipped-return-pre-pandemic-levels-year-end-1942545>

Capital Market

Delay worries depositors as liquidation of People's Leasing stalls

As of December 2019, the People's Leasing received Tk2,036 crore in deposits, about 37 percent of which came from individual depositors. During the same time, the institution's total outstanding loans were Tk1,131crore, over 66 percent of which were defaulted loans. A special audit report on People's Leasing was submitted to the High Court on March 10 this year to complete the liquidation process. However, the court could not hold any more hearings on the issue following the submission of the report as all the court activities were halted by the pandemic. The depositors are owed around Tk2,000 crore while different individuals and organisations owe Tk1,812 crore to People's Leasing.

<https://www.tbsnews.net/economy/delay-worries-depositors-liquidation-peoples-leasing-stalls-117049>

Stock

SS Steel investment under BSEC's scanner

SS Steel has now come under the scanner of the stock market regulator for its decision to invest around Tk160 crore to acquire 99 percent of Saleh Steel Industries' stakes. On Sunday, the Bangladesh Securities and Exchange Commission (BSEC), in a letter, asked the listed company to provide information about Saleh Steel Industries Limited. It also sought a copy of Saleh Steel Industries' feasibility report prepared by an independent third party. The BSEC asked SS Steel to provide the details of all its directors – including independent ones – who were present at the board meeting, along with the meeting minutes. The stock market regulator also wanted to know about the share money deposits from its directors. Moreover, the company did not fully disclose the value of each share of Saleh Steel Industries Limited.

<https://www.tbsnews.net/economy/stock/ss-steel-investment-under-bsecs-scanner-117322>

Two more life insurers declare dividend

The board of directors of two more life insurers have recommended cash dividend for the year ended on December 31, 2019. The companies are National Life Insurance Company and Sandhani Life Insurance Company. The board of directors of National Life Insurance has recommended 28 per cent cash dividend for the year ended on December 31, 2019. The board of directors of Sandhani Life Insurance has recommended 12 per cent cash dividend for the year ended on December 31, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/two-more-life-insurers-declare-dividend-1596986657>

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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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