

Bangladesh market snapshot

	Last closing
DSEX Index	3,966.75
% change	0.11%
DS30 Index	1,332.31
% change	0.24%
DSES Index	919.29
% change	0.16%
Turnover (BDT mn)	594.44
Turnover (USD mn)	7.08
% change	-12.22%
Market Capitalization (BDT bn)	3,105
Market Capitalization (USD bn)	36.97
% change	0.08%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,989.99
% change	-1.04%
Nikkei 225	22,882.28
% change	-1.05%
FTSE 100	6,329.13
% change	-0.10%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	96.37
GBP	108.17
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
09-Jun-2020	4.00-5.50	4.98
08-Jun-2020	4.25-5.50	5.00

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	40.70	-2.47%
Gold Spot, USD/t oz	1,733.95	-0.27%
Cotton, USD/lb	60.01	-0.51%

Source: Bloomberg

Economy

Bank debt target likely at Tk 880b

The government is likely to set its bank borrowing target at Tk 880 billion to partly finance the budget deficit for fiscal year 2020-21. The government's budgetary expenditure may rise as the implementation of different development projects, particularly in the infrastructure sector, along with increasing allocations for the health sector to prevent the spread of Covid-19 for the FY '21. The government borrowed nearly Tk 750 billion from the banks by issuing T-bills and bonds until June 08 to plug budget imbalance. The government has already exceeded its revised bank borrowing target fixed at Tk 729.51 billion. Earlier, the government had lifted its bank borrowing target by more than 54 per cent from the original goal of Tk 473.64 billion for the outgoing fiscal year.

<https://today.thefinancialexpress.com.bd/first-page/bank-debt-target-likely-at-tk-880b-1591810837>

Exports to Canada grew 15pc in 2019

Bangladesh's exports to Canada grew 14.53 per cent year-on-year to CAN\$1.97 billion last year, riding on the trade privilege extended by the North American nation. In 2018, Bangladesh's shipments to Canada was CAN\$1.72 billion, more than 92 per cent of which were apparel items. It was CAN\$1.65 billion in 2017. Canada is one of the traditional markets of Bangladesh. Bilateral trade crossed CAN\$3.2 billion, registering 36 per cent year-on-year growth.

<https://www.thedailystar.net/business/news/exports-canada-grew-15pc-2019-1912389>

Return submission may be mandatory for all TIN holders

The National Board of Revenue (NBR) is likely to make mandatory the submission of income tax returns for all taxpayers having taxpayers' identification numbers (TIN) with few exceptions from the upcoming fiscal year 2020-2021. A provision might be included in the Income Tax Ordinance-1984. The finance minister may propose the changes in the Finance Bill-2020 today. Only people who have obtained TINs for selling land and getting credit cards but don't have taxable income may only get waiver from submission of income tax returns. From the next FY, all other TIN holders might have to submit tax returns even though they have no taxable income.

<https://today.thefinancialexpress.com.bd/last-page/return-submission-may-be-mandatory-for-all-tin-holders-1591811686>

Bank and NBF

BB's April, May interest waiver policy issued

The central bank issued a policy asking banks to waive certain portions of the interest accrued on the outstanding amount of loans during April and May this year. The entire amount of interest accrued on a Tk 0.01 million loan during the period of April and May 2020 has to be waived by the bank concerned. Besides, 2.0 per

cent of the accrued interest during the period on the amount of loan, which is in the range of more than Tk 0.01 million to Tk 1.0 million shall have to be waived by the bank. On the other hand, 1.0 per cent of the accrued interest during the period under review on the amount of a loans above Tk 1.0 million shall have be to waived by the bank but the amount of such waiver in this category should not exceed Tk 1.2 million. The waived amounts of interest will be reimbursed as interest subsidy by the government, provided that the rate of interest on the loans is maximum 9.0 per cent.

<https://today.thefinancialexpress.com.bd/first-page/bbs-april-may-interest-waiver-policy-issued-1591811025>

<https://www.thedailystar.net/business/news/borrowers-get-interest-rebate-apr-may-1912381>

Fuel and Power

Govt unlikely to cut petroleum prices this year: Hamid

The government is unlikely to reduce petroleum prices this year despite the downtrend in oil prices in the international market. The country has a huge stock of oil which was purchased before the outbreak of coronavirus. To get fiscal benefits, oil must have to be consumed. State-run Bangladesh Petroleum Corporation, or BPC, had to defer nine petroleum oil cargoes over the past couple of months as the nationwide shutdown to combat the coronavirus has dented domestic demand amid insufficient storage facility.

<https://today.thefinancialexpress.com.bd/last-page/govt-unlikely-to-cut-petroleum-prices-this-year-hamid-1591811768>

Power and energy ministry wants Tk30,736cr allocation, Tk8,000cr subsidy

The Ministry of Power, Energy and Mineral Resources has proposed an allocation of Tk30,736 crore and another Tk8,000 crore in subsidy for the fiscal year 2020-2021. Some 93 projects in the power sector and 24 projects in the energy sector will be there to be implemented in the forthcoming fiscal. The transmission and distribution sectors under both power and energy divisions are getting priority in this year's budget. Of the Tk30,736 crore budget that the ministry proposed, Tk27,597 crore was sought for the Power Division and Tk3,138crore for the Energy and Mineral Resources Division. The proposed allocation the Power Division includes Tk24,803.93 crore from the annual development programme (ADP), Tk1,837.96 crore from ECA (export credit agency) financing, and Tk955.84 crore from self-financing.

<https://www.tbsnews.net/economy/budget/power-and-energy-ministry-wants-t30736cr-allocation-excluding-tk8000cr-subsidy-91234>

ADB okays \$17.7m loan for SSPL

The Asian Development Bank (ADB) confirmed US\$17.7 million worth of loan for a Bangladeshi private sector company on Wednesday for setting up a 35-megawatt (mw) solar power plant. The fund will be provided to Spectra Solar Park Limited (SSPL), an independent power producer,

where some other multilateral institutions will also take part as co-financers. Once operational, the plant is expected to provide over 50 gigawatt-hours of clean electricity annually to the national grid, and avoid 33,200 tonnes of carbon dioxide emission.

<https://today.thefinancialexpress.com.bd/last-page/adb-okays-177m-loan-for-sspl-1591811819>

Real Estate

Allow black money in housing: REHAB

Real estate companies have urged the government to allow black money to be invested in the housing sector through the upcoming budget without prying into the sources as it would help the vulnerable industry survive the ongoing coronavirus pandemic. The government needs to allow it without asking any questions about where the money came from. The REHAB has already placed a budget proposal in this regard to the government in the latter part of May.

<https://www.thedailystar.net/business/news/allow-black-money-housing-rehab-1912353>

Capital Market

BSEC scraps Delta Hospital's IPO

The securities regulator on Wednesday scrapped the IPO proposal of Delta Hospital as the company is unwilling to go public with 'insufficient' share price determined at the bidding. The EIs will get back their subscription money, earlier deposited to take part in bidding, within five working days.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-scraps-delta-hospitals-ipo-1591805633>

Block transaction allowed to go below floor price

existing floor price level in the block market as part of a buyer-seller deal, bypassing the trading floor of stock exchanges. But the price cannot go beyond the regular circuit breaker-allowed deviation from the previous session's closing price. Effectively, block market prices can be at best 10 percent lower than the existing floor price, until the floor goes away. And, the emergency time facility will only be available to general shareholders. No director of a listed company will avail the opportunity.

<https://www.tbsnews.net/economy/stock/block-transaction-allowed-go-below-floor-price-91507>

Stock

Dutch-Bangla Bank's profit surges 59pc in first quarter

Dutch-Bangla Bank Ltd's profit after tax surged 59 per cent year-on-year in the first quarter (Q1) of January-March, 2020. The bank's profit after tax stood at Tk 754.86 million in January-March, 2020, against Tk 473.81 million in the same quarter in the previous year. The company's earnings per share (EPS) stood at Tk 1.51 for January-March 2020 against Tk 0.95 for January-March 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/dutch-bangla->

[banks-profit-surges-59pc-in-first-quarter-1591805593](#)

Matin Spinning's profit jumps 108% in first three quarters

Matin Spinning Mills Ltd, a sister concern of DBL Group, has reported around 108 percent growth of its net profit in the first three quarters of the 2019-20 financial year. The company reported a four percent decline in revenue to Tk310.31 crore in the first three quarters of the current fiscal year. During this period, the net profit of the company was Tk16.49 crore. Its earnings per share was Tk1.69 – which was Tk0.81 in the same period last financial year. Meanwhile, in the third quarter, January-March, of the current financial year, the total sales of the company stood at Tk100.91 crore, which is three percent higher than that of the previous year.

<https://www.tbsnews.net/economy/stock/matin-spinnings-profit-jumps-108-first-three-quarters-91186>

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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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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.