

Bangladesh market snapshot

	Last closing
DSEX Index	4,008.29
% change	0.80%
DS30 Index	1,330.83
% change	0.53%
DSES Index	920.69
% change	0.37%
Turnover (BDT mn)	3,481.39
Turnover (USD mn)	41.45
% change	149.49%
Market Capitalization (BDT bn)	3,122
Market Capitalization (USD bn)	37.17
% change	0.46%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	24,221.99
% change	-0.45%
Nikkei 225	20,336.13
% change	0.27%
FTSE 100	5,939.73
% change	+0.06%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	91.71
GBP	104.87
INR	1.12

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
05-May-2020	3.50-5.00	4.96
04-May-2020	3.50-5.00	4.96

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	29.70	+0.24%
Gold Spot, USD/t oz	1,701.15	+0.19%
Cotton, USD/lb	56.16	-0.83%

Source: Bloomberg

Economy

Big taxpayers targeted to beat shortfall

The National Board of Revenue, or NBR, will step up its focus on large taxpayers until June of the current fiscal year after it has found VAT collection slipped by nearly 40 per cent last month. The board has decided to depend on top revenue generating sectors such as tobacco, telecom, bank, mobile financial services, internet, pharmaceuticals and some other sectors to achieve the VAT collection target. VAT collection fell by 39 per cent to Tk 36.48 billion in April, down from Tk 60.15 billion in March and officials attribute the slump to the government-enforced shutdowns.

<https://today.thefinancialexpress.com.bd/first-page/big-taxpayers-targeted-to-beat-shortfall-1589219411>

Govt, ADB sign \$500m loan deal

The Asian Development Bank (ADB) and the government of Bangladesh signed a loan agreement involving US\$500 million, aiming to help Bangladesh's efforts to mitigate socio-economic impact of the prevailing COVID-19 pandemic. The assistance package is expected to benefit over 15 million poor and vulnerable people in Bangladesh. At least 2.0 million poor families across the country will be given about \$23 each, while about 1.0 million poor and vulnerable families will receive food support of 20 kilogrammes per month during the pandemic emergency period. Affected industries and sectors, and micro, small, and medium-sized enterprises will also be eligible for loans with subsidised interest.

<https://today.thefinancialexpress.com.bd/last-page/govt-adb-sign-500m-loan-deal-1589219691>

Health spending to remain unchanged in next ADP!

The allocation for health sector in the development budget is unlikely to see any notable boost in the fiscal year 2020-21, undermining the importance of plugging the holes that have come to light during the ongoing coronavirus pandemic. The weak project implementation capacity has prevented the government from scaling up investments in the healthcare sector.

<https://today.thefinancialexpress.com.bd/first-page/health-spending-to-remain-unchanged-in-next-adp-1589219359>

Bank and NBF

BB makes banks' dividend payments conditional

The central bank on Monday suspended the payment of cash dividends by the banks until September 30 this year. Even the banks, which have already declared their dividends for 2019, will have to revise it if it clashes with the new step. The banks are allowed to declare 30 per cent dividends, including a maximum of 15 per cent cash dividend, for 2019 if the banks are able to maintain 12.5 per cent capital-to-risk weighted-asset ratio, or CRAR. Also, the lenders will have to set aside 2.5 per cent capital conservation buffer, in line with the Basel-III framework without

availing any regulatory restraint for maintaining the required provision against their loans. The buffer is designed to ensure that banks build up capital cushion during normal times, which can be drawn down in case banks incur losses during stressed situation.

<https://today.thefinancialexpress.com.bd/first-page/bb-makes-banks-dividend-payments-conditional-1589219180>

<https://www.thedailystar.net/business/news/bb-finally-orders-banks-suspend-dividends-prime-the-pump-1901821>

Telecommunication

Robi accuses GP of exploiting pandemic for business growth

Mobile phone operator Robi has accused the leading company, Grameenphone, of taking advantage of the Covid-19 situation and implementing marketing strategies in the guise of corporate social responsibility (CSR) efforts. The Robi chief also vowed to counter Grameenphone's move with similar packages for customers of his company. According to the Bangladesh Telecommunication Regulatory Commission data, of the total 16.61 crore mobile phone subscribers in the country, Grameenphone has 46 percent customers, Robi 30 percent, Banglalink 21 percent, and state-owned Teletalk three percent. Grameenphone on Friday announced several initiatives aiming to deal with the Covid-19 crisis worth Tk100 crore, including free minutes for one crore inactive users of April. It also announced to provide 30GB of internet data for only Tk1 for medical professionals.

<https://tbsnews.net/bangladesh/telecom/robi-accuses-gp-exploiting-pandemic-business-growth-79993>

Capital Market

Bangladesh's bourse is the only one in the world in recess

Bangladesh is the only country in the world where stock trading has remained closed because of the coronavirus pandemic. Until this week, Bangladesh, Sri Lanka and Jordan were the three countries where stock markets had been shut. Sri Lanka started the trading yesterday and witnessed a huge sale pressure. The Colombo stock market's index of the most liquid shares, S&P SL 20, plunged more than 10 per cent on the first day of the trading since March 20. Jordan, where trading had been suspended since March 16, also experienced the same when it reopened on Sunday. The Amman Stock Exchange's ASE Index dropped more than 15 per cent.

<https://www.thedailystar.net/business/news/bangladeshs-bourse-the-only-one-the-world-recess-1901800>

Resumption of trading during lockdown depends on BSEC, says DSE

The Bangladesh Securities and Exchange Commission (BSEC) is unable to deliver its decision required to resume the trading on the bourses as the regulatory body cannot hold its commission meeting due to quorum crisis. Some BSEC officials said the commission meeting is a must to take the decision to resume the trading on the bourses presently remained closed due to lockdown. The commission meeting is also required to

implement the government's decision, if any, delivered to resume the trading.

<https://today.thefinancialexpress.com.bd/stock-corporate/resumption-of-trading-during-lockdown-depends-on-bsec-says-dse-1589211329>

Stocks

IPDC approves 15% dividends during online AGM

Shareholders of IPDC Finance Ltd, a leading non-bank financial institution (NBFI), have approved 10 percent cash and 5 percent stock dividends for the year 2019. The NBFI, listed in both stock exchanges of the country, has had a 25 percent growth in net profit for 2019, standing at Tk56.2 crore, while its earnings per share stood at Tk1.82. Over a tough year for the industry, IPDC's loan book has grown by 14 percent to over Tk5,000 crore, while customer deposits witnessed a 51 percent growth to cross Tk3,550 crore.

<https://www.tbsnews.net/economy/stock/ipdc-approves-15-dividends-during-online-agm-80173>

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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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