

Bangladesh market snapshot

	Last closing
DSEX Index	4,533.06
% change	-0.27%
DS30 Index	1,544.13
% change	0.25%
DSES Index	1,063.91
% change	0.53%
Turnover (BDT mn)	10,480.87
Turnover (USD mn)	124.77
% change	-7.14%
Market Capitalization (BDT bn)	3,454
Market Capitalization (USD bn)	41.12
% change	0.08%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,686.91
% change	-0.38%
Nikkei 225	22,789.15
% change	+0.17%
FTSE 100	6,154.34
% change	+1.71%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	100.16
GBP	110.90
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
09-Aug-2020	3.50-5.25	4.68
06-Aug-2020	3.50-5.25	4.73

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.70	+0.45%
Gold Spot, USD/t oz	1,889.82	-1.15%
Cotton, USD/lb	63.26	-0.36%

Source: Bloomberg

Economy

Decent GDP growth amid extraordinary circumstances

In the end, the final data from state-run Bangladesh Bureau of Statistics (BBS) shows the economy grew at a respectable 5.2 per cent last fiscal year, when large swathes of the global economy plunged into recession for the outbreak of coronavirus from Wuhan, China. All the broader sectors- agriculture, industry and service-expanded, albeit at a slower pace. This, however, is the lowest GDP growth rate in 11 years.

<https://www.thedailystar.net/business/news/decent-gdp-growth-amid-extraordinary-circumstances-1943677>

<https://www.newagebd.net/article/113239/gdp-growth-52pc-in-fy20-bbs>

Per capita income rises to \$2,064

Bangladesh's per capita income (GNI) went up by US\$ 155 to US\$ 2,064 in the final quarter (April-June) of the last fiscal year, despite severe adverse impact of Covid-19 pandemic on the country's economic activities during the period. The country's total GDP stood at \$300.11 billion in the last fiscal year (FY 2019-20). However, the per head earnings of the population at current price was lower than the preliminary target of \$ 2,173 estimated before the COVID-19 pandemic. In the FY2019, the per capita GNI (Gross National Income) was recorded at \$ 1,909 and in FY2018, it was \$ 1,751.

<https://today.thefinancialexpress.com.bd/first-page/per-capita-income-rises-to-2064-1597165630>

NBR's tax receipt falls Tk 7,044cr short of target in July

The National Board of Revenue began the new fiscal year 2020-2021 with a shortfall in revenue collection in July, the first month of the year, by Tk 7,044 crore of the collection target set for the month. Tax officials managed to collect Tk 12,335 crore in July against the collection target of Tk 19,379 crore. Revenue collection declined by 22.07 per cent in July this fiscal year from that of July FY19 when collection was Tk 15,828 crore with 15.43 per cent growth over the same month of the previous FY18. All three wings-VAT, customs and income tax- missed their respective targets as the fallout of the coronavirus outbreak continues as economy is yet to get momentum although economic activities have resumed since the beginning of the month.

<https://www.newagebd.net/article/113240/nbrs-tax-receipt-falls-tk-7044cr-short-of-target-in-july>

Bank and NBF

Banks seek Tk 18 million as interest subsidy

The banks which have disbursed working capital to industrial and service sector units under the government's Covid-19 recovery package have sought over Tk 18 million as interest subsidy in the April-June quarter. They have provided the loans under the Tk 300 billion incentive package which was announced by the government

on April 5 to provide working capital at an interest rate of 9.0 per cent. Of the 9.0 per cent interest, the borrowers will pay 4.5 per cent and the government will provide 4.5 per cent as a subsidy to the banks which are disbursing the loans. Nine public and private banks have recently submitted documents relating to loan disbursement to the central bank seeking the interest subsidy.

<https://today.thefinancialexpress.com.bd/first-page/banks-seek-tk-18-million-as-interest-subsidy-1597165831>

Loan disbursement thru agent banking close to nil in April

Loan disbursement through agent banking in April came down close to nil as banks found disbursement of loans through the agent banking channel at the rate of 9 per cent insufficient to realise even the operating cost, including the cost of fund. In April this year, the government enforced the 9 per cent ceiling on the lending rate. Loan disbursement through the agent banking wing of the banks was very poor even before imposition of the lending rate ceiling. The 9 per cent ceiling has now brought disbursement of loans through the channel almost to a halt. The banks disbursed just Tk 0.3 crore in loans in April through their agent banking wings against their disbursement of Tk 57.5 crore in March, the immediate preceding month of the lending rate enforcement.

<https://www.newagebd.net/article/113241/loan-disbursement-thru-agent-banking-close-to-nil-in-april>

Pharmaceuticals

Chinese firm to invest \$300m to set up plasma fractionation plant

China-based Oryx Biotech's announcement to invest \$300 million to set up a plasma fractionation plant in Bangladesh. The company yesterday inked the tripartite agreement with Summit Technopolis, a company of Summit Group, and the Bangladesh Hi-Tech Park Authority (BHTPA) for the country's first biotech investment at a programme at the ICT Division in Dhaka. Oryx will set up the plasma fractionation plant on 25 acres of land and building provided by Summit Technopolis to produce plasma derivatives, also known as life-saving therapeutics and other related products. It is expected that about 2,000 high-valued science graduates will be employed to produce therapeutics such as albumin, immunoglobulin and coagulation factor VIII.

<https://www.thedailystar.net/business/news/chinese-firm-invest-300m-set-plasma-fractionation-plant-1943661>

Textile

Buying houses in tiff with BGMEA

Two trade associations involved in garment business are wrangling over the authority of buying houses. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is pressing the government to register 1,500 buying houses with the Department of Textile. But the Bangladesh Garment Buying House Association (BGBHA) opposed the apparel lobby's push. To continue buying houses' operation in the country, the government on April 01 last year made it mandatory to get

registration of such trading houses with the DoT and a relevant trade body's certification to apply for the registration.

<https://today.thefinancialexpress.com.bd/first-page/buying-houses-in-tiff-with-bgmea-1597166006>

Telecommunication

Banglalink's data revenue grows by 30.3% in Q2 of 2020

Banglalink, the third largest mobile operator in Bangladesh, has witnessed a sharp rise in data uses in the second quarter of 2020 amid the coronavirus pandemic. Data revenue of the telecom operator posted a 30.3% growth to Tk2.9 billion as it continued monetizing its investments in 4G capacity and focusing on selected digital services. Despite having a sharp rise in data uses, the mobile operator's total revenue in Q2 of 2020 fell by 3.9% to Tk11.1 billion year on year. Its enhanced 4G network was a significant enabler of the 79.2% increase in data usage to 2,240 megabyte (MB) recorded in the quarter, supported by accelerated 4G penetration which resulted in 3.3% growth in data customers to 21.8 million.

<https://www.dhakatribune.com/business/2020/08/10/banglalink-s-data-revenue-grows-by-30-3-in-q2-of-2020>

Tannery

So far 3.0m pieces of rawhide stored in warehouses

More than 3.0 million pieces of salted rawhide of both cattle and goats have been stored in different warehouses across the country. Of them, over 2.4 million pieces are from cattle and 0.62 million pieces from goats. Only 2,980 pieces are from buffaloes. Dhaka division tops the list with storage of such rawhide totalling 1.19 million pieces. Hundreds of thousands of rawhide pieces have been stockpiled in different madrashas, orphanages and houses across the country. The number of such pieces may stand at over 0.1 million.

<https://today.thefinancialexpress.com.bd/last-page/so-far-30m-pieces-of-rawhide-stored-in-warehouses-1597166334>

Ceramic

Ceramic industry breathes easier as sales start picking up

Bangladesh's ceramic industry has enjoyed some relief from the coronavirus fallout in the past two months as domestic sales are showing signs of some recovery following the collapse in demand caused by the nationwide shutdown. Exports dropped by around 60 per cent after the coronavirus outbreak was labelled a pandemic by the World Health Organisation in March as the demand for ceramic products declined in the global market. The industry could fetch just \$27.97 million from the export of ceramic products in fiscal 2019-20, down 59.45 per cent from the previous year.

<https://www.thedailystar.net/business/news/ceramic-industry-breathes-easier-sales-start-picking-1943633>

Capital Market

Associated Oxygen's IPO subscription begins Sep10

The subscription of Associated Oxygen Limited's initial public offering (IPO) begins on September 10, aiming to raise Tk15 crore from the capital market under fixed price method. Associated Oxygen Limited is a leading producer and supplier of Industrial gases both in liquid and gaseous forms, with a well-established business relationship with its clients over the last three decades. The IPO subscription will remain open for both resident and non-resident Bangladeshis until September 16. As per the BSEC approval- under the fixed price method- Associated Oxygen Limited will offload 15 million ordinary shares for Tk10 each. Net proceeds from the IPO will mainly be used for procurement and installation of machinery for the company's existing factory unit and partial repayment of bank loans.

<https://www.dhakatribune.com/business/stock/2020/08/10/associated-oxygen-s-ipo-subscription-begins-sep10>

Stock

BSCCL seeks 14 months to issue shares to govt

Bangladesh Submarine Cables Company has sought 14 months time from the Financial Reporting Council to issue shares against share money deposits of the government to comply with a recent FRC directive. It has also sought guidelines on setting the issue price of shares to be issued against share money deposits. The BSCCL sent a letter to the FRC on August 6 regarding the issue.

<https://www.newagebd.net/article/113244/bsccl-seeks-14-months-to-issue-shares-to-govt>

ML Dyeing delays IPO fund use

ML Dyeing Limited, listed on both stock exchanges, has failed to import machinery using its initial public offering (IPO) funds in scheduled time. Company officials claimed that due to Covid-19 pandemic, they did not use this fund. But the company did not apply to the securities regulator for its time extension. The company's IPO utilisation period expired on March 22 this year. It raised Tk20 crore from the stock market to acquire machinery and equipment to extend its business in 2018. But it could not complete the project on time.

<https://www.tbsnews.net/economy/stock/ml-dyeing-delays-ipo-fund-use-118201>

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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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