

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	23,247.97
% change	-2.17%
Nikkei 225	20,114.50
% change	-0.75%
FTSE 100	5,904.05
% change	-1.51%

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 (%)
10-May-2020	4.25-5.00	4.98
07-May-2020	3.75-5.00	4.95

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	29.30	+0.38%
Gold Spot, USD/t oz	1,713.52	-0.16%
Cotton, USD/lb	57.59	+0.23%

Source: Bloomberg

Economy

\$700m may come from IMF and with no strings attached

Bangladesh is set to request the International Monetary Fund (IMF) within a week to extend \$700 million in emergency financing to help the country avoid being overwhelmed by the coronavirus pandemic. The amount is about half the sum Bangladesh can seek from the IMF under the country's quota as special drawing right (SDR), a form of reserve assets that can be used by countries as additional liquidity. The tool credits member countries' accounts with new, unconditional liquidity that could be exchanged for the five currencies that underpin the SDR: the dollar, the yen, the euro, sterling and the renminbi. Bangladesh has sought SDR500 million to address the balance of payment issues, and one SDR equals \$1.36.

<https://www.thedailystar.net/business/news/700m-may-come-imf-and-no-strings-attached-1902439>

ADB Provides \$100m to bolster Covid-19 response

The Asian Development Bank (ADB) and the government on Wednesday signed \$100 million loan agreement to support the government's efforts to address the immediate public health requirements for mitigating the novel coronavirus disease (Covid-19) pandemic. This project will support the immediate procurement of equipment and supplies for testing; upgrade of medical infrastructure; and the development of system and community capacities for surveillance, prevention, and response to the pandemic in Bangladesh. The project will equip 17 medical college hospitals with isolation and critical care units. Capacity and quality of at least 19 laboratories will be upgraded with Covid-19 microbiological diagnostic facilities. At least 3,500 health sector workers, about 50% of whom are women, will be trained in modern skills and knowledge, and the recruitment of more health professionals and technical staff will be supported.

<https://www.dhakatribune.com/business/economy/2020/05/13/adb-provides-100m-to-bolster-covid-19-response>

E-com sector incurs Tk 666cr in losses amid pandemic: assoc

E-Commerce Association of Bangladesh on Wednesday claimed that the sector incurred losses of Tk 666 crore in the last one and a half months as the coronavirus pandemic halted activities of almost 90 per cent of enterprises.

<https://www.newagebd.net/article/106365/e-com-sector-incurs-tk-666cr-in-losses-amid-pandemic-assoc>

Bank and NBF

BB introduces spl repo to ease funding pressure

The central bank has introduced 360-day special repo facility to help banks and financial institutions secure funds needed to implement the economic relief packages. Both rate and auction amount of the special repurchase agreement (repo) facility will be fixed by the committee of Bangladesh Bank (BB). The body will consider the

existing policy repo rate along with the overall money market situation. The central bank has already slashed repo rate by 75 basis points to 5.25 per cent in two phases from 6.0 per cent, though the reverse repo rate remains unchanged at 4.75 per cent.

<https://today.thefinancialexpress.com.bd/first-page/bb-introduces-spl-repo-to-ease-funding-pressure-1589391709>

<https://www.thedailystar.net/business/news/bb-steps-shore-banks-financial-muscle-1902469>

Textile

Bangladesh seeks 2-year duty-free access to US for RMG

Bangladesh has sought a two-year duty-free access for its readymade garment products to the US market as the coronavirus pandemic put the major export-earning sector in trouble amid cancellations of global orders. The country also sought US support so that no export order from Bangladesh is cancelled. Bangladesh Garment Manufacturers and Exporters Association claimed that over US\$ 3 billion orders have been cancelled over the last couple of months.

<https://www.newagebd.net/article/106332/bangladesh-seeks-2-year-duty-free-access-to-us-for-rmg>

Capital Market

Prof M Khairul ends his 9-yr tenure as BSEC chief today

The ever longest period of a chairman of the Bangladesh Securities and Exchange Commission (BSEC) ends today (Thursday) on completion of his era of nine years. Professor M Khairul Hossain is the only one chairman of the securities regulator whose tenure was extended twice and his last extension drew controversies. The commission led by Mr. Khairul off and on faced criticisms for its approval to many IPO (initial public offering) proposals as the share prices of many companies went down below offer prices and even below the face value within a short span of time of listing.

<https://today.thefinancialexpress.com.bd/stock-corporate/prof-m-khairul-ends-his-9-yr-tenure-as-bsec-chief-today-1589383579>

Repeated changes in BSEC rules fail to discipline IPO market

Making frequent changes to the initial public offering rules by the Bangladesh Securities and Exchange Commission have failed to stop irregularities on the primary market in the country's capital market. Despite several attempts, the commission have failed to create a proper public offering rules that would benefit all investors, market intermediaries and companies, and arrest wrongdoings. Therefore, some companies and persons have continued taking advantage of the loopholes in the rules, creating a disaster on the IPO market. Market operators alleged that the commission had made the rules as per the suggestions made by a particular group of people without proper research and market analysis.

<https://www.newagebd.net/article/106271/repeated-changes-in-bsec-rules-fail-to-discipline-ipo-market>

Stocks**Singer approves 77pc cash dividend**

The members participated in the annual general meeting and approved 77 per cent cash dividend for the year 2019 and also increased authorised capital from Tk 1.00 billion to Tk 2.50 billion. In 2019 turnover increased by 14.2 per cent to Tk 15.5 billion. Profit after tax increased by 12 per cent to Tk 1.0 billion, with earnings per share increasing at the same rate to Tk 10.4 per share.

<https://today.thefinancialexpress.com.bd/stock-corporate/singer-approves-77pc-cash-dividend-1589383621>

GP's scrap with BTRC ate up market share

In an unusual development, Grameenphone's active customer number came down to 7.53 crore at the end of March after falling for two consecutive months, as the operator could not get approval to sell new connections for a long time. Grameenphone began the year with 7.65 crore active customers, but in February and March, the top operator lost 1.58 per cent market share, or more than 11 lakh active users. The loss of customers is a rare incident for the country's top carrier and the BTRC officials who deal with operators could not remember the last time when the number of Grameenphone users dropped for two months in a row. The operator also experienced a decline in active internet connections.

<https://www.thedailystar.net/business/news/gps-scrap-btrc-ate-market-share-1902472>

BTRC likely to refrain from raising Grameenphone tariff for SMP implementation

The Bangladesh Telecommunication Regulatory Commission is likely to refrain from slapping increased tariff on the country's leading telecom operator, Grameenphone, under its latest initiative to enforce the Significant Market Power Regulations-2018. Any of the conditions to be imposed would not go against the customers' interest, which means that the call rate of the telecom operator might remain unchanged.

<https://www.newagebd.net/article/106363/btrc-likely-to-refrain-from-raising-grameenphone-tariff-for-smp-implementation>

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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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