

## Bangladesh market snapshot

	Last closing
DSEX Index	4,082.15
% change	-0.18%
DS30 Index	1,374.05
% change	-0.15%
DSES Index	952.14
% change	0.14%
Turnover (BDT mn)	2,893.10
Turnover (USD mn)	34.44
% change	-23.45%
Market Capitalization (BDT bn)	3,157
Market Capitalization (USD bn)	37.58
% change	-0.22%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	26,642.59
% change	+2.13%
Nikkei 225	22,912.24
% change	+1.44%
FTSE 100	6,179.75
% change	+0.06%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	96.20
GBP	106.47
INR	1.13

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
14-Jul-2020	1.00-5.50	3.31
13-Jul-2020	1.00-5.50	3.33

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.15	+0.58%
Gold Spot, USD/t oz	1,809.95	+0.03%
Cotton, USD/lb	62.70	+0.11%

Source: Bloomberg

## Economy

### Covid cripples ADP execution in FY'20

Coronavirus pandemic has impinged on the project implementation rate as the government agencies executed only 80 per cent in the just-concluded fiscal year. However, the public agencies had showed a surprising performance in June when they executed 23 per cent of the annual development programme or ADP. Until May of FY2020, the implementation rate was 57 per cent, with monthly accomplishment averaging 5.18 per cent.

<https://today.thefinancialexpress.com.bd/last-page/covid-cripples-adp-execution-in-fy20-1594749704>

<https://www.newagebd.net/article/111168/adp-execution-rate-hits-all-time-low-in-fy20>

### An expansionary monetary policy or nothing

Bangladesh has never faced such an economic fallout, meaning the central bank in a tight spot as it draws up the monetary policy statement (MPS) for fiscal 2020-21. The MPS is scheduled to be unveiled in the last week of July. Most likely, the Bangladesh Bank will take on an expansionary monetary policy stance that the other nations have already adopted. The new MPS should give all-out effort to boost the dwindling demand, which has been hit hard by the financial meltdown.

<https://www.thedailystar.net/business/news/expansionary-monetary-policy-or-nothing-1930653>

### Foreign aid crosses record \$7B amid Covid-19

The Bangladesh government has achieved record foreign aid disbursement from development partners amid the Covid-19 pandemic. Development partners disbursed \$7.2 billion throughout Fiscal Year 2019-20, compared to \$6.5 billion during FY2018-19. The disbursement growth is 11 percent, according to the preliminary report of the Economic Relations Division (ERD). In the beginning of FY2020-21, the opening pipeline of foreign assistance reached \$49.55 billion, compared to \$47.26 billion in the same period the previous year. ERD officials believe that the total disbursement could increase further in the finalised report, to be readied in the next two-three months.

<https://www.tbsnews.net/economy/foreign-aid-crosses-record-7b-amid-covid-19-106306>

### Two projects get ECNEC nod

The government has finally embarked on efforts to digitise the country's complex land management system as it approved two projects involving Tk 24.09 billion to this end on Tuesday. Of the total amount, Tk 100.68 billion would come from the government's exchequer and the remaining Tk 331.3 million from the implementing agencies' own funds. Of the eight projects, six are new projects and the two are revised schemes. The two projects are 'Capacity building of the Land Survey and Record Department for

conducting digital land survey project' involving Tk 12.12 billion, and 'Automation of the land management system project' involving Tk 11.97 billion.

<https://today.thefinancialexpress.com.bd/first-page/two-projects-get-ecnec-nod-1594749408>

### **Govt fixes Tk 8000 as min wage in plastic sector**

The government has fixed Tk 8000 as monthly minimum wage for the workers of the country's plastic sector, announcing a 56.86 per cent hike. A 5.0 per cent annual increment of the basic has also been announced, first of its kind, for the sector. The minimum monthly wage for the sector workers and employees was fixed at Tk 5,100 in 2012. A plastic factory worker from grade IV will receive Tk 8000 as minimum monthly wage. The basic payment has been fixed at Tk 5,000, up from Tk 3,500, whereas house rent at Tk 2,000 against Tk 1050.

<https://today.thefinancialexpress.com.bd/last-page/govt-fixes-tk-8000-as-min-wage-in-plastic-sector-1594749926>

### **Bank and NBFIs**

#### **Banks start releasing loans from incentives for marginalised entrepreneurs**

Banks have slowly started disbursing loans to microfinance institutions from a Tk3,000 crore refinance scheme announced by the government nearly three months ago. The scheme is intended to support farmers and marginalised enterprises in rural areas hardest hit by the Covid-19 pandemic. Only half a dozen banks have approved disbursing Tk314 crore. Of this, Tk80 crore was disbursed by two banks to three microfinance institutions (MFIs) till July 12.

<https://www.tbsnews.net/economy/banking/banks-start-releasing-loans-incentives-marginalised-entrepreneurs-106315>

#### **NBFIs 'out of step with banks'**

The Bangladesh Leasing and Finance Companies Association (BLFCA) Tuesday sought government help to bring bonds and sukuk in the market to ensure long-term sources of funds for the non-bank financial institutions (NBFIs). Financial health of four to five NBFIs in the country are not well due to their bad governance, but it has affected the entire non-bank finance market. The NBFIs leaders also said non-bank finances are facing unequal competition with banks, there should be a distinguishing line between banks and non-banks financial institutions in terms of loan terms.

<https://today.thefinancialexpress.com.bd/first-page/nbfis-out-of-step-with-banks-1594749531>

<https://www.tbsnews.net/economy/nbfis-seeking-ways-liquidity-106276>

## Engineering

### Light engineering sector to enjoy subsidies for products exported through TT

The Bangladesh Bank has allowed the light engineering product exporters to get advance subsidy against export earnings. The exporters will enjoy the facility for products exported through telegraphic transfer (TT). The new facility will be available after March 10. Earlier, the light engineering product exporters would get subsidy on exports through the letter of credits or contracts against the repatriation of export earnings.

<https://www.tbsnews.net/economy/banking/light-engineering-sector-enjoy-subsidies-products-exported-through-tt-106270>

## Capital Market

### DSE asks 15 firms to fulfill dearth of funds by Thursday

The premier bourse has asked some 15 brokerage firms to fulfill the deficiency of investors' funds, found in their consolidated customers' accounts, by tomorrow (Thursday). After fulfilling the deficiency, the brokerage firms will have to attend the Dhaka Stock Exchange (DSE) hearing. The exchange's instruction regarding the fulfillment of deficiency of investors' funds came against the backdrop of misappropriating investors' funds by a brokerage firm - Crest Securities.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-asks-15-firms-to-fulfill-dearth-of-funds-by-thursday-1594743067>

### Master Feed to go public for Tk30cr

Master Feed Agrotec wants to raise Tk30 crore from the stock market through an initial public offering for its business expansion. Manufacturing and marketing poultry, fish and cattle feeds are the main activities of the company. It is also engaged in poultry and fish farming. The company has applied to the Bangladesh Securities Exchange Commission to raise the fund by issuing three crore ordinary shares with a face value of Tk10.

<https://www.tbsnews.net/economy/stock/master-feed-go-public-tk30cr-106273>

## Stocks

### Grameenphone declares 130% interim cash dividend

Mobile operator Grameenphone Ltd has declared 130 percent interim cash dividend for the first half of year 2020. The record date for the dividend is set on August 5. It reported Tk13.30 earnings per share (EPS) in the first half of the current financial year.

<https://www.tbsnews.net/economy/stock/grameenphone-declares-130-interim-cash-dividend-106327>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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