

Bangladesh market snapshot

	Last closing
DSEX Index	4,068.20
% change	0.79%
DS30 Index	1,371.23
% change	0.70%
DSES Index	914.25
% change	0.80%
Turnover (BDT mn)	2,428.30
Turnover (USD mn)	28.91
% change	-7.60%
Market Capitalization (BDT bn)	3,146
Market Capitalization (USD bn)	37.45
% change	0.37%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,030.22
% change	+0.31%
Nikkei 225	23,950.90
% change	+0.14%
FTSE 100	7,642.80
% change	+0.27%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.49
GBP	110.54
INR	1.20

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
14-Jan-2020	3.25-5.50	4.99
13-Jan-2020	3.25-5.50	4.99

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.42	+0.66%
Gold Spot, USD/t oz	1,556.43	+0.01%
Cotton, USD/lb	70.09	-0.33%

Source: Bloomberg

Economy

NBR planning to review nil-tax returns provision

The National Board of Revenue is planning to review the provision related to filing income tax returns with no tax payment as its field-level offices have observed that a large number of taxpayers file such returns. Officials said that income tax wing of the NBR on Tuesday sought data related to tax returns with no tax, also known as nil returns, for the fiscal years of 2018-2019 and 2019-2020 from the field offices as part of the move. Currently, there are more than 47 lakh TIN holders in the country. More than half of the TIN holders did not file their tax returns in FY20.

<https://www.newagebd.net/article/96669/nbr-planning-to-review-nil-tax-returns-provision>

Surge in zero-tax filers

The submission of zero income tax returns by both individuals and companies has risen significantly in the current fiscal year. This has raised concern among tax officials who sense the concealment of actual income by the taxpayers. The income tax wing of the National Board of Revenue, or NBR, has initiated a move to compile the data of return filers whose income is nil.

<https://today.thefinancialexpress.com.bd/last-page/surge-in-zero-tax-filers-1579111554>

PM to assess 10 'fast-track' projects Sunday (Govt likely to add more projects to the list)

Prime Minister (PM) Sheikh Hasina is going to review the current status of 10 ongoing 'fast-track' mega projects on Sunday for streamlining their implementation, officials said on Tuesday. The PM-headed 'fast-track project monitoring committee' is likely to add 2-3 projects and programmes to the 'fast-track' list in its fifth meeting, to be held at the Prime Minister's Office (PMO) next week. The premier will sit with the project implementing authorities after three years of its last (fourth) review meeting in 2016.

<https://today.thefinancialexpress.com.bd/first-page/pm-to-assess-10-fast-track-projects-sunday-1579111234>

UAE to reconsider plan to fully open job mkt for BD workers

Emirate foreign minister Sheikh Abdullah bin Zayed Al Nahyan has assured Dhaka of considering a proposal to fully reopen its job market for Bangladeshi workers. The assurance came when Bangladesh foreign minister Dr AK Abdul Momen met him in Abu Dhabi on Tuesday, a foreign ministry spokesperson said on Wednesday. Presently, the United Arab Emirates (UAE) is hiring workers from Bangladesh in 17 categories after a long ban on recruitment of Bangladeshi workers.

<https://today.thefinancialexpress.com.bd/last-page/uae-to-reconsider-plan-to-fully-open-job-mkt-for-bd-workers-1579111825>

Banks & NBF

State banks seek to reschedule default loans under stay orders

The state-owned banks want a scope to reschedule defaulted loans of clients whose defaulter status is stayed by the High Court. Officials of the banks placed their proposal at a meeting with the Bangladesh Bank on Wednesday. The central bank officials assured them of considering their proposal after getting opinions from legal experts in this regard.

<https://tbsnews.net/economy/banking/state-banks-seek-reschedule-default-loans-under-stay-orders-36783>

Fuel & Power

More tax facilities for private power plants

The government has extended more tax facility to private power plants with the view to making their energy cheaper to purchase. The National Board of Revenue relaxed the condition of tax holiday for the private sector power generation companies except coal-based power plant last week. According to gazette notification, under the existing policy the power plants would have to go for generation within December 2019. But, the revised notification extended the condition for start of commercial generation to December 2022.

<https://www.thedailystar.net/business/news/more-tax-facilities-private-power-plants-1854730>

Telecommunication

Regulatory tangles squeeze telcos' investment

Investment of three major private mobile phone operators of the country declined in nine months of 2019 as the regulator tightened its noose around them, restricting their expansion. Besides, inter-operator disagreement over tower sharing stood in the way of new investment. Mobile companies' latest data show that Robi's investment declined the most to Tk850 crore in January-September in 2019 compared to Tk1,500 in the same period of 2018. Grameenphone's investment declined to Tk1,010 crore from Tk1,290 crore while Banglalink witnessed a decline in investment to Tk540 crore from Tk710 crore in the same period.

<https://www.dhakatribune.com/business/2020/01/16/regulatory-tangles-squeeze-telcos-investment>

Food and Allied

Rice imports so far are lowest in two decades

The country's rice import declined to a two-decade low in the current fiscal year (FY '20) thanks to persisting higher import duties and bumper local production, insiders have said. But such low imports and higher output hardly could bring cheer for the growers as paddy prices fell notably in the domestic market during this Aman harvest season, experts said. The private sector imported only 3,980 tonnes of rice during the period of July 1 to January 12 of FY '20, according to the Directorate General of Food (DGoF).

<https://today.thefinancialexpress.com.bd/last-page/rice-imports-so-far-are-lowest-in-two-decades-1579111626>

Textile

Accord passes onus to new platform RSC

Clothing makers and Accord have finally reached a consensus over the retailers' group's transitioning into the proposed Readymade Garment Sustainability Council (RSC). The consensus came along with a host of conditions such as maintaining existing transparency with full public disclosure of inspection results, remediation activities and the continuation of Accord's safety and health complaints mechanism independently and autonomously.

<https://today.thefinancialexpress.com.bd/first-page/accord-passes-onus-to-new-platform-rsc-1579111194>

Accord to finally pack bags in May

The Accord on Fire and Building Safety in Bangladesh, the platform of more than 190 mostly Europe-based retailers formed after the Rana Plaza building collapse, is finally leaving the country this May. Originally scheduled to leave at the end of its five-year tenure in May 2018, the platform wanted to stay on for three more years, which the government was opposed to. Accord took the matter to court and managed to win an extension until February 13, 2020. But it will depart for good in May.

<https://www.thedailystar.net/business/news/accord-finally-pack-bags-may-1854739>

MoFA for relaxing fumigation test of cotton imported from USA

The Ministry of Foreign Affairs (MoFA) has favoured relaxing the provision for fumigation test of imported cotton from US at the port of entry. Foreign minister Dr. A. K. Abdul Momen has requested agriculture minister Dr. Muhammad Abdur Razzaque to take necessary steps for partially amending the provision of the Plant Quarantine Rules-2018. Such provision has been hampering the import of the key natural fibre from that country, he viewed in an official letter to the agriculture minister on January 01 last.

<https://today.thefinancialexpress.com.bd/trade-market/mofa-for-relaxing-fumigation-test-of-cotton-imported-from-usa-1579112878>

Engineering

IATA urges BD to rescind 15 per cent VAT on aeronautical services

The International Air Transport Association (IATA) has urged the government of Bangladesh to support development of the aviation industry by removing the 15% Value Added Tax (VAT) on aeronautical and related services rendered by the Civil Aviation Authority of Bangladesh (CAAB) on international air transport. According to IATA's Value of Aviation Report for Bangladesh, the sector is expected to support US\$ 2.1 billion of GDP and 140,000 jobs in 2038, according to a statement issued by IATA in Singapore on Monday and received in Dhaka on Wednesday.

<https://today.thefinancialexpress.com.bd/trade-market/iata-urges-bd-to-rescind-15-per-cent-vat-on-aeronautical-services-1579112921>

Stock

BTRC mulls appointing administrators in GP

Bangladesh Telecommunication Regulatory Commission (BTRC) Wednesday said it decided to start a process to appoint competent administrators to Grameenphone after February 24 unless the mobile phone operator pays its outstanding dues of Tk 125.79 billion within the deadline, reports BSS. BTRC by now secured a required government approval to appoint the administrators for the leading operator.

<https://today.thefinancialexpress.com.bd/trade-market/btrc-mulls-appointing-administrators-in-gp-1579112904>

Telenor hopes to settle GP audit claim without int'l arbitration

Now that the February 23 deadline for the court directive to pay Tk2,000 crore audit dues to the telecom regulator looms, Telenor Group, the parent company of Grameenphone, hopes that the ongoing audit dispute can be settled without resorting to international arbitration. Telenor Asia, however, in October last year sent a notice to the President Abdul Hamid seeking arbitration for the audit dispute after the Bangladesh Telecommunication Regulatory Commission demanded Tk12,579 crore following a audit in the company in 2016. Meanwhile, the Appellate Division of the Supreme Court in November 24 last year asked GP to pay Tk2,000 crore within three months that scheduled to end on February 23.

<https://www.dhakatribune.com/business/2020/01/16/telenor-hopes-to-settle-gp-audit-claim-without-int-l-arbitration>

Queen South Textile seeks six more months for IPO implementation

Queen South Textile Mills Limited, listed on both stock exchanges, is seeking another six months for implementing its initial public offering (IPO) project. The company raised Tk15 crore from the stock market for the construction of an automatic warehouse system and modernising its factory in 2017. But it could not complete the projects on schedule.

<https://tbsnews.net/companies/queen-south-textile-seeks-six-more-months-ipo-implementation-36677>

Capital Market

Dhaka bourse rearranges DSEX, DS30 indices

The country's prime bourse, Dhaka Stock Exchange (DSE), has rearranged its key index (DSEX) and blue chip index (DS30) as part of its annual and semi-annual evaluation based on performance of the listed firms. The rearrangement will take effect on Sunday. After annual re-balancing, 21 new companies have been added to the DSEX as they qualified for eligible constituents of the broader index. On the other hand, 18 existing companies failed to retain their membership. Now, the number of firms on the index stands at 285.

<https://www.dhakatribune.com/business/stock/2020/01/16/dhaka-bourse-rearranges-dsex-ds30-indices>

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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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