

## Bangladesh market snapshot

	Last closing
DSEX Index	5,124.45
% change	0.65%
DS30 Index	1,829.49
% change	0.60%
DSES Index	1,175.30
% change	0.77%
Turnover (BDT mn)	2,717.62
Turnover (USD mn)	32.35
% change	-11.21%
Market Capitalization (BDT bn)	3,812
Market Capitalization (USD bn)	45.38
% change	0.65%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	26,860.20
% change	0.29%
Nikkei 225	21,643.53
% change	0.51%
FTSE 100	7,549.56
% change	0.25%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.50
EUR	95.13
GBP	105.77
INR	1.23

Source: Bangladesh Bank

## Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-July-2019	0.75-5.00	2.40
14-July-2019	1.00-5.00	2.62

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.55	+0.31%
Gold Spot, USD/t oz	1,404.88	-0.10%
Cotton, USD/lb	63.12	+0.10%

Source: Bloomberg

## Economy

### ECNEC okays eight projects at Tk 51.42b

The Executive Committee of the National Economic Council (ECNEC) rejected a Tk 4.52-billion cost project to procure Diesel Electric Multiple Unit (DEMU) trains, as the trains are not functioning well. The ECNEC also turned down a Tk 1.20-billion project for construction of stadiums in six selected upazilas. When the Planning Commission (PC) placed two projects - one for procuring DEMU trains to connect the Bangabandhu Hi-Tech Park in Kaliakoir, Gazipur to Dhaka, and the other for constructing six stadiums in selected upazilas - the ECNEC refused to approve those.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-eight-projects-at-tk-5142b-1563298787>

### BD gets \$6.21b foreign aid, \$9.78b pledged in FY '19

Bangladesh received foreign assistance amounting to US\$ 6.21 billion in the last fiscal year (FY), 2018-19, which was nearly \$150 million lower than that of the previous fiscal. In FY 18, the overseas development partners disbursed \$6.37 billion as concessional medium - and long-term (MLT) assistance. The government received \$5.94 billion as concessional loan and \$256 million as grant from July 2018 to June 2019. Meanwhile, commitment worth \$9.78 billion foreign assistance from different development partners, including the World Bank (WB), the Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA), was received in last FY.

<http://today.thefinancialexpress.com.bd/last-page/bd-gets-621b-foreign-aid-978b-pledged-in-fy-19-1563298915>

### Import growth 6.0pc in July-May of FY '19

Country's imports grew by nearly 6.0 per cent in the first 11 months of fiscal year (FY) 2018-19, riding on higher construction material imports. The actual import in terms of the settlement of letters of credit (LCs) rose to \$50.57 billion during the July-May period from \$47.79 billion in the same period of FY '18.

<http://today.thefinancialexpress.com.bd/last-page/import-growth-60pc-in-july-may-of-fy-19-1563299033>

### BD to earn double-digit slot in biz index by 2021

The government has set target to reach within a double-digit position in the Ease of Doing Business (EODB) index, although Bangladesh has been almost in the same position over the past few years. The country was ranked 176 in the index in 2019, 177 in 2018, and 176 in 2017, according to the World Bank (WB), which prepares the ranking for 190 nations. Bangladesh's ranking was better earlier, as it was ranked 65 in 2006, and 88 in 2007.

<http://today.thefinancialexpress.com.bd/last-page/bd-to-earn-double-digit-slot-in-biz-index-by-2021-1563299090>

### Export target to be 15pc higher: Munshi

The government is likely to set a 15 percent higher export target for

this fiscal year as it looks to hit \$60 billion in receipts by 2021. If the target is achieved Bangladesh's export will be \$46.60 billion, up from \$40.53 billion in the immediate past fiscal year that ended on June 30, according to data from the Export Promotion Bureau (EPB). To boost receipts, the government will allow rice export of two lakh tonnes by eligible businesses.

<https://www.thedailystar.net/business/news/export-target-be-15pc-higher-munshi-1772656>

### **HI-tech city -2: Samsung, Symphony, Robi among scores of foreign firms plan huge investment**

At least seven foreign and multinational renowned firms, including tech giants Samsung, Symphony and Robi, are set to make huge investment at Bangabandhu Hi-Tech City -2 on 97 acres of land at Kaliakoir in Gazipur. GR Corporation, Vibrant UK, Bangladesh-Japan IT and Unique Home are the other companies that already obtained regulatory approval from the government. Samsung and Symphony both were awarded a seven-acre plot each. It was learned that some 19 companies, including the seven global firms, were awarded final lease agreement recently to implement their projects.

<https://www.dhakatribune.com/business/2019/07/16/hi-tech-city-2-samsung-symphony-robi-among-scores-of-foreign-firms-plan-huge-investment>

### **Bank**

#### **Record loan rescheduling at Social Islami Bank**

Social Islami Bank rescheduled a record amount of loans in the first quarter of 2019 and yet failed to arrest its default loans from spiralling, in a worrying development for the bank that saw a hostile takeover from a controversial business group last year. Between the months of January and March, SIBL rescheduled Tk 2,950 crore, which is exponentially more than what it had been rescheduling in a year. For instance, it rescheduled Tk 390.31 crore in 2018, Tk 375 crore in 2017 and Tk 188.28 crore in 2016. And yet, SIBL's default loans are racing ahead: in the first three months of the year its default loans soared 11.70 percent to Tk 1,559 crore. The bank also failed to keep the required provisioning against its loans -- an indication that its financial health is wobbly. At the end of March, SIBL's provisioning shortfall was Tk 275 crore.

<https://www.thedailystar.net/business/news/record-loan-rescheduling-social-islami-bank-1772653>

### **Telecom**

#### **GP, Robi to get back bandwidth**

The telecom regulator is set to lift the partial block on the bandwidth capacity of Grameenphone and Robi after the government stepped in to give relief to the crores of internet users of the two operators. On June 4, the telecom regulator slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of dues detected in audits -- enough to slow down the internet speed and raise the call drop frequency of the two operators.

<https://www.thedailystar.net/business/news/gp-robi-get-back-bandwidth-1772662>

## **Capital Market**

### **BSEC approves public issue rules**

The stock market regulator BSEC approved on Tuesday public issue rules, raising the lock-in period for placement shares to two years from one year earlier. According to the new public issue rules, the lock-in period will be counted from the date of commencement of trading, instead of the prospectus issue date. For sponsor-directors and those holding 10 per cent or more shares, the lock-in period will three years as before, but the period will be counted from the date of commencement of trading, instead of the prospectus issue date. The lock-in period for placement shareholders and alternative investment funds will be two years.

<http://today.thefinancialexpress.com.bd/first-page/bsec-approves-public-issue-rules-1563298437>

### **Bar on mutual funds to give stock dividend**

The stockmarket regulator yesterday came up with the decision of barring the open-end and closed-end mutual funds from providing any return on unit (a form of stock dividend) to the unitholders. The asset managers provide a dividend after the yearend and it could provide cash dividend or return on unit (like stock dividend) earlier. The commission has also said the sponsors of the closed end mutual funds, which shall liquidate within a certain period, will have to hold their unit for at least one year from the fund formation date. The sponsors will have to have at least 10 percent of their primary holding until its liquidation.

<https://www.thedailystar.net/business/news/bar-mutual-funds-give-stock-dividend-1772647>

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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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