

Bangladesh market snapshot

	Last closing
DSEX Index	4,859.49
% change	3.32%
DS30 Index	1,639.90
% change	2.86%
DSES Index	1,109.88
% change	1.97%
Turnover (BDT mn)	13,513.32
Turnover (USD mn)	160.87
% change	11.89%
Market Capitalization (BDT bn)	3,635
Market Capitalization (USD bn)	43.28
% change	2.37%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,931.02
% change	+0.12%
Nikkei 225	23,145.28
% change	-0.62%
FTSE 100	6,090.04
% change	-1.55%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.83
EUR	100.61
GBP	111.18
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
13-Aug-2020	3.50-5.25	4.74
12-Aug-2020	3.50-5.25	4.71

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	45.09	+0.65%
Gold Spot, USD/t oz	1,941.24	-0.20%
Cotton, USD/lb	63.30	+0.72%

Source: Bloomberg

Economy

Fiscal 2019-20's GDP figure stretches credulity

The Centre for Policy Dialogue (CPD) raised questions over the economic growth figure of 5.24 per cent estimated by the Bangladesh Bureau of Statistics (BBS) in the just-concluded fiscal year. The obvious repercussions of the pandemic on the economy were not adequately reflected in the provisional GDP growth estimate, released by the statistical agency last week, said the independent think-tank. Questions arise regarding the accuracy as all the major indicators, except for remittance, had been in the negative. Economic growth figures are used as a tool to gain leverage in politics.

<https://www.thedailystar.net/business/news/fiscal-2019-20s-gdp-figure-stretches-credulity-1946285>

Bank and NBFIs

Loan write-offs touch down to a three-year low

Loans written off by banks plummeted to a three-year low in the first quarter of 2020 as lenders' capacity to keep 100 per cent provisioning against their delinquent assets has decreased because of the fall in profit. Between January and March, loans amounting to Tk 33.5 crore were written off, down 96.5 per cent from a quarter earlier and 94 per cent from a year earlier, according to data from the central bank. This is the lowest write-off amount since the first quarter of 2017 when banks removed Tk 24.74 crore from their balance sheets. The downward trend of the write-off loans is not a good indicator for the financial sector as it gives lenders the leeway to not set aside funds against the defaulted loans.

<https://www.thedailystar.net/business/news/loan-write-offs-touch-down-three-year-low-1946281>

BB to ask banks, NBFIs to pace up

The central bank is set to ask the banks and non-banking financial institutions (NBFIs) for faster implementation of the stimulus packages particularly the one for the CMSMEs to speed up recovery of the pandemic-hit economy. The instruction will be given at an online meeting with the top executives of 16 banks and four NBFIs scheduled to be held today (Monday), with Bangladesh Bank (BB) Governor Fazle Kabir in the chair. The banks and NBFIs, which have loan disbursement targets of Tk 500 million and more, have been selected to participate the review meeting. The BB's latest move came against the backdrop of slower progress in loan disbursement under the financial package for the CMSMEs sector until July 30. The banks and NBFIs disbursed only Tk 15 billion of the stimulus package by then. The disbursed amount is just 7.50 per cent of the total Tk 200 billion financial support for the sector.

<https://today.thefinancialexpress.com.bd/first-page/bb-to-ask-banks-nbfis-to-pace-up-1597599522>

Fuel and Power**RPGCL invites bids by today to supply LNG from spot mkt**

Bangladesh has invited the previously short-listed companies to submit their bids by today (Monday) to supply one cargo of liquefied natural gas, or LNG, from the spot market. Rupantarita Prakritik Gas Company Ltd, or RPGCL, invited all the 14 short-listed firms on Wednesday to quote prices of one spot LNG cargo having a capacity of around 138,000 cubic metres. It would be the first LNG cargo to be supplied from the spot market within late September to early October this year to reap the benefit of low price of fossil fuel in the international market.

<https://today.thefinancialexpress.com.bd/last-page/rpgcl-invites-bids-by-today-to-supply-lng-from-spot-mkt-1597599828>

Textile**RMG exporters hope for a rebound**

Garment exporters are not worried over falling behind their peers in Vietnam in overseas sales. They hope exports will rebound by December, buoyed by demand in the Western world ahead of Christmas. They also dream of having an 'opportunity' to have a bigger market share in the United States, as China, which dominates the US market, is having a 'trade war' with it.

<https://today.thefinancialexpress.com.bd/last-page/rmg-exporters-hope-for-a-rebound-1597600186>

Telecommunication**BTRC fails to set tariff for NTTNs in five years**

The Bangladesh Telecommunication Regulatory Commission has failed to reach a consensus with the nationwide telecommunication transmission network operators even after five years of its initiative to formulate an integrated tariff for the operators. The commission has now finally decided to appoint an international consultant to get an integrated tariff plan for the NTTN operators and the proposal is waiting for approval from the telecommunications ministry. The NTTN operators have failed to take fibre connectivity and set the point of presence at the union level due to their financial inabilities. One of the newly licensed NTTN operators has yet to lay even a metre of fibre connectivity. Instead of setting a tariff price, ensuring free market economic activities along with containing the monopolistic behaviour of the operators are vital and these will automatically ensure benefit for the people.

<https://www.newagebd.net/article/113657/btrc-fails-to-set-tariff-for-nttns-in-five-years>

Real Estate**Real estate sector becoming more optimistic of a rebound**

Bangladesh's real estate sector will hopefully be able to cope with the ongoing coronavirus pandemic as instalment collection on previous sales started to pick up after the economy reopened in June, according to various realtors and financiers. Besides, the government has allowed the use of untaxed income to purchase land or apartments while the

reduction in registration fees makes this the perfect time to invest in real estate at reasonable costs. However, apartment prices could eventually increase due to the rising cost of raw materials and delays in project implementation. But the situation is improving alongside the increase of economic activities.

<https://www.thedailystar.net/business/news/real-estate-sector-becoming-more-optimistic-rebound-1946273>

Jute

Jute traders claim Tk 2.65bn in dues from BJMC, announce protests

The Bangladesh Jute Traders Association has announced plans to protest against the Bangladesh Jute Mills Corporation over the Tk 2.65 billion they are owed for the supply of raw jute to the state-owned mills over the last four years. State-owned jute mills racked up Tk 2.65 billion in dues to traders and farmers between fiscal year 2016-17 and 2019-20.

<https://today.thefinancialexpress.com.bd/last-page/jute-traders-claim-tk-265bn-in-dues-from-bjmc-announce-protests-1597600228>

Capital Market

DSE reinstates monthly fee on mobile app users on Sept 1

The Dhaka Stock Exchange has decided to reinstate monthly charge of Tk 150 per user for trading using mobile phone app- DSE-Mobile on September 1. The country's premier bourse on August 9 sent letters to brokerage houses informing them the decision. Previously, Flextrade had charged the DSE on the basis of actual users instead of registered users with a view to promoting the app at the initial stage. But now, the company started charging based on registered users, so inactive users must be cancelled to avoid billing burden on the DSE.

<https://www.newagebd.net/article/113659/dse-reinstates-monthly-fee-on-mobile-app-users-on-sept-1>

CSE gets one more year to find strategic investors

The Bangladesh Securities and Exchange Commission (BSEC) has recently extended the time for the Chittagong Stock Exchange (CSE) by another year to look for strategic investors. The CSE now has until March 8, 2021, for finalising a strategic partner. According to the demutualisation act 2013, there is an obligation to sell 60 percent of blocked shares among strategic, institutional and general investors. Of those, 25 percent of the stock exchange's total shares will have to be sold to strategic investors. After that, the remaining 35 percent will have to be sold to general and institutional investors through the initial public offering process. On the other hand, 40 percent of the shares are owned by members of the stock exchange or brokerage firm.

<https://www.tbsnews.net/economy/stock/cse-gets-one-more-year-find-strategic-investors-120262>

Stock

Pragati Life Insurance to raise Tk 230.27m through rights

The stock market regulator has approved Pragati Life Insurance's application to raise Tk 230.27 million through rights issue to cope with the business growth and strengthen the capital base of the company. The life insurer, which was listed on the Dhaka bourse in 2006, will issue more than 15.35 million rights shares of Tk 15 each, including Tk 5.0 as a premium to raise the said amount. One rights share will be offered for existing one share.

<https://today.thefinancialexpress.com.bd/stock-corporate/pragati-life-insurance-to-raise-tk-23027m-through-rights-1597591658>

Marico Bangladesh has big plans for men's grooming

Marico, the Indian fast-moving consumer goods company, recently launched a new product -- the X-Clean and Fresh Men's Soap -- under its men's grooming label, Studio X, as a part of the brand's ongoing effort to diversity its product base. Earlier this year, Marico Bangladesh, a subsidiary of the Mumbai-based company, invested heavily to establish Studio X. Initially, Studio X's product line consisted of shampoo, face wash, hair gel and cologne. Within six months of launch, the new line of soap has been introduced, bringing the brand's portfolio up to five in the personal care category.

<https://www.thedailystar.net/business/news/marico-bangladesh-has-big-plans-mens-grooming-1946265>

<https://www.dhakatribune.com/business/2020/08/16/studio-x-for-men-launches-clean-and-fresh-men-s-soap>

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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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