

Bangladesh market snapshot

	Last closing
DSEX Index	4,959.73
% change	0.35%
DS30 Index	1,755.75
% change	0.97%
DSES Index	1,155.62
% change	0.12%
Turnover (BDT mn)	3,888.06
Turnover (USD mn)	46.29
% change	22.62%
Market Capitalization (BDT bn)	3,714
Market Capitalization (USD bn)	44.22
% change	0.50%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,219.52
% change	0.14%
Nikkei 225	21,988.29
% change	1.05%
FTSE 100	7,355.95
% change	-0.16%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	93.60
GBP	105.65
INR	1.19

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Sep-2019	4.50-5.50	5.03
12-Sep-2019	4.50-5.50	5.04

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	68.27	-1.09%
Gold Spot, USD/t oz	1,498.15	-0.02%
Cotton, USD/lb	62.38	-0.34%

Source: Bloomberg

Economy

Global supply snags may heat up local oil market

Bangladesh oil market is likely to feel the heat if prices of the black gold in the international market keep surging for a long period. But for now, there is no reason to be worried as the country has adequate stock of oil to meet the local demand for at least 50 days. Recently, tension escalated in the Middle East after drone attacks on two oil facilities of Saudi Arabia, causing fall in global oil supply by five percent and increase in crude oil price by up to 19 percent. If oil prices surge recurrently, the government will have to disburse subsidy to the country's lone oil importing agency as it used to do four years ago. In 2015, the state-owned petroleum importing agency got Tk600 crore in subsidy from the government for importing oil.

<https://tbsnews.net/bangladesh/energy/global-supply-snags-may-heat-local-oil-market>

July trade deficit eases by 15.6pc

Country's trade deficit dropped by 15.6 per cent or \$181 million in July, the first month of the current fiscal year, compared with that in the same month of last fiscal year due mainly to a dismal state of imports. As per the Bangladesh Bank data released on Monday, the country's trade deficit decreased to \$979 million in July of FY 2019-20 against \$1.16 billion in the same month of FY 2018-19. The fall in trade deficit in July this fiscal was the continuation of the trend observed in last fiscal.

<http://www.newagebd.net/article/84760/july-trade-deficit-eases-by-156pc>

NBR moves to iron out VAT reg hurdles

The tax collector has moved to remove the complexities over issuing the VAT registration after it found 80 per cent of the businesses have not updated their identification yet. Some 20,000 businesses have updated their Business Identification Number (BIN) since July according to guideline under the new Value Added Tax (VAT) and Supplementary Duty Act-2012.

<http://today.thefinancialexpress.com.bd/last-page/nbr-moves-to-iron-out-vat-reg-hurdles-1568656044>

Credit flow to new SMEs dries up

Credit flowing to new small entrepreneurs fell significantly in the first-half of the year as risk-averse bankers were unwilling to offer such loans. The total lending to the fresh small and medium enterprises sector decreased by more than 15 per cent to Tk 112.93 billion in the January-June period of the year from Tk 132.90 billion in the same period of 2018. Meanwhile, the number of new enterprises slipped by more than 17 per cent to 65, 350 in the first half of 2019 from 78,822 in the same period last year.

<http://today.thefinancialexpress.com.bd/trade-market/credit-flow-to-new-smes-dries-up-1568654555>

Thousands of Bangladeshi workers fear deportation

Thousands of undocumented Bangladeshi workers fear deportation from the Kingdom of Saudi Arabia and Malaysia amid their on-going crackdown on illegal migrants. On Sunday, Saudi Arabia deported at least 175 Bangladeshi workers. And at least 1,000 Bangladeshis have been taken to a deportation centre in Riyadh, returnees told New Age Monday. The Malaysian immigration department continued to detain the undocumented expatriate workers though an amnesty is still in place. Bangladeshi workers and migration researchers in Malaysia that over two lakh undocumented workers of Bangladesh were worried over Malaysian immigration police's crackdown.

<http://www.newagebd.net/article/84783/thousands-of-bangladeshi-workers-fear-deportation>

Fuel & Power

PGCB to set up gridline up to C'nawabganj

The government is going to install a high-voltage transmission gridline up to Chapai Nawabganj frontier, as it has decided to import power from Indian state of Jharkhand. The Power Grid Company of Bangladesh (PGCB) will lay a 28-kilometre-long 400-kilovolt (kV) transmission line from Rahanpur to Monakosha border of Chapai Nawabganj district at a cost of Tk 2.25-billion. The gridline will be installed to import electricity from the under-construction 2X800 megawatts (MW) power plant in Jhrakhand, next to Chapai Nawabganj border.

<http://today.thefinancialexpress.com.bd/last-page/pgcb-to-set-up-gridline-up-to-cnawabganj-1568656269>

Govt set to import 1.4m mts refined fuel oil for six months

The government will import 1.4 million metric tonnes of refined petroleum oil for a six-month period (July-Dec) of the current year from seven state-owned companies of six countries through negotiations, reports UNB. The supplying companies are PTLCL of Malaysia, PTTT of Thailand, BSP Zapin of Indonesia, Enoc of United Arab Emirates (UAE), KPC of Kuwait and two companies from China - Petrochina and Unipet.

<http://today.thefinancialexpress.com.bd/trade-market/govt-set-to-import-14m-mts-refined-fuel-oil-for-six-months-1568654589>

Govt eyes 300MW rooftop solar power

The government is looking to use the rooftops of factories and public agencies to generate about 300MW of clean electricity through solar photovoltaics (PV) -- a move that can slash emissions and dependency on fossil fuel. The move comes at a time when the government is falling behind its target of generating 10 percent of electricity by renewable energy by 2020. The share of renewable energy is just 2.83 percent.

<https://www.thedailystar.net/business/government-eyes-300mw-rooftop-solar-power-1801123>

Telecom

Telcos' data revenue surges

Data revenue for the top three mobile phone operators surged 23

percent to Tk 2,862 crore in the first half of the year on the back of fast-expanding 4G coverage. In February 2018, Grameenphone, Robi and Banglalink rolled out the fourth-generation service. State-run Teletalk followed suit in December but it does not make data public. In the last 20 months, the 4G service has grown from strength to strength, pushing data consumption up significantly. A subscriber consumes more than 1.5GB of data every month on an average, up from below 1GB at the end of the second quarter last year.

<https://www.thedailystar.net/business/telecom/mobile-phone-operators-data-revenue-surges-1801117>

Telecos to run TVAS without foreign partnership

The Bangladesh Telecommunication Regulatory Commission (BTRC) will give permission to mobile phone operators under the proposed unified licence to run telecommunication Value Added Services (VAS) on their own and without entering into any partnership with foreign firms. All telecom operators will get the opportunity to provide VAS services directly under the draft guidelines on cellular mobile services licensing, which is currently being reviewed by the telecom regulator.

<http://www.theindependentbd.com/post/215714>

Engineering

Rod price falls on low demand, scrap price slump

In a surprise development, prices of mild-steel rod fell in Bangladesh owing to lower demand, the fall of raw material prices in global market, and the slow start of development projects in the first quarter of the current fiscal year. When the budget for the current fiscal year was unveiled in June, steel millers had been apprehending an average increase of retail price of rod by Tk 9,000 per tonne, owing to a number of new VAT and tax measures and gas price hike. They had predicted that the price would go up to Tk 70,000 to Tk 72,000 per tonne. But yesterday, the popular 60-grade rod was selling at Tk 65,000 to Tk 70,000 in markets in Dhaka, whereas the 40-grade MS rod was selling between Tk 57,000 and Tk 60,000. But a month ago, the 60-grade rod had been selling at Tk 67,000 to Tk 70,000 and the 40-grade rod at Tk 58,000 to Tk 60,000.

<https://www.thedailystar.net/business/news/rod-price-falls-low-demand-scrap-price-slump-1801084>

Capital Market

Listing of SOEs to pick up speed

A high-stake meeting on Monday decided to speed up the process of listing of state-owned enterprises to help revive the country's ailing capital market. Also, an internal audit department will be established under the securities regulator to look into the financials and operations of the listed companies. On the other hand, steps will be taken to ensure 'fair' prices of initial public offerings.

<http://today.thefinancialexpress.com.bd/first-page/listing-of-soes-to-pick-up-speed-1568655788>

Pre- and post-IPO earnings raise questions

Earnings of many companies drop even after three-four years of their listing in the bourses, whereas stock investors expect it will rise with the investment of the proceeds from the initial public offering. Once their earnings slide, their stock price follow suit, leaving a hole in the stock investors' portfolio. Between 2012 and 2016, 63 companies withdrew capital from the stock market to go for further investment and loan repayment -- with the promise that their earnings will rise. Of them, earnings of 45 companies fell, 17 rose and one has been merged with another listed company and so its data was not available.

<https://www.thedailystar.net/business/news/pre-and-post-ipo-earnings-raise-questions-1801120>

Special committee to heal stock ills

The government is set to form a special committee to take definitive actions against listed companies that have shuttered and overvaluation of stock price, as part of efforts to win back investors' confidence. The Bangladesh Securities and Exchange Commission (BSEC) will form an audit-based committee that will work in tandem with the Financial Reporting Council (FRC). The committee will investigate the shuttered factories' real scenario and the balance sheet of companies going for initial public offering (IPO) so that it can detect distortion.

<https://www.thedailystar.net/business/news/special-committee-heal-stock-ills-1801105>

Stocks

External audit firm hired for People's Leasing

An external audit firm has been appointed to assess financial condition of the liquidated People's Leasing and Financial Services Limited (PLFSL). The appointment has been made following a court order to this effect, a senior official of the Bangladesh Bank (BB) told the FE on Monday. The chartered accountant firm - Acnabin - has been auditing the PLFSL since September 2015 in line with the court order, the central banker added.

<http://today.thefinancialexpress.com.bd/last-page/external-audit-firm-hired-for-peoples-leasing-1568656443>

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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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