

Bangladesh market snapshot

	Last closing
DSEX Index	5,116.81
% change	0.32%
DS30 Index	1,764.12
% change	0.16%
DSES Index	1,168.84
% change	-0.15%
Turnover (BDT mn)	11,472.53
Turnover (USD mn)	136.58
% change	15.23%
Market Capitalization (BDT bn)	3,868
Market Capitalization (USD bn)	46.05
% change	0.15%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,032.38
% change	+0.13%
Nikkei 225	23,301.46
% change	-0.74%
FTSE 100	6,078.48
% change	-0.44%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.47
GBP	109.31
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Sep-2020	1.50-5.25	2.54
14-Sep-2020	1.50-5.25	2.52

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	41.71	-1.21%
Gold Spot, USD/t oz	1,940.03	-0.98%
Cotton, USD/lb	66.25	-0.18%

Source: Bloomberg

Economy

ADP spending dips in August

Development expenditure dropped 10.18 per cent year-on-year to Tk 5,097.79 crore in August as activities are yet to pick up because of the lingering coronavirus pandemic. August's spending from the government's annual development programme (ADP) was, however, 56.63 per cent higher than what it was in July. Ministries and divisions managed to expend only Tk 3,254 crore in the first month of the fiscal year. ADP spending in August last year was Tk 5,675.73 crore. The combined development expenditure in the July and August period stood at Tk 8,351 crore, accounting for 3.89 per cent of the Tk 214,611 crore set aside to carry out development activities in 2020-21.

<https://www.thedailystar.net/business/news/adp-spending-dips-august-1962673>

Engineering

Runner, Bajaj to set up 3-wheeler plant in Bangladesh

Runner Automobiles is going to set up a three-wheeler manufacturing plant in Bangladesh with the association of Indian automobile giant Bajaj Auto Ltd. The board of directors of Runner Automobiles is set to sign an agreement with the Indian company to set up the plant with a cost of Tk 3.0 billion. Under the agreement, Runner will manufacture and distribute Bajaj's RE 4S 3-wheeler in Bangladesh and will take necessary technical support for localisation of parts and components, assembling and manufacturing of vehicles from Bajaj Auto.

<https://today.thefinancialexpress.com.bd/stock-corporate/runner-bajaj-to-set-up-3-wheeler-plant-in-bangladesh-1600272100>

<https://www.thedailystar.net/business/news/runner-ties-bajaj-make-three-wheelers-1962685>

Mobile handset assembling in country rises by 70 lakh units in FY20

Mobile handset assembling in the country increased by 87 per cent or around 70 lakh units in the last fiscal year of 2019-2020 compared with that in the previous fiscal year. 1.5 crore mobile handsets were assembled locally in FY20 against 80 lakh handsets in FY19. Officials of mobile handset assembling entities said that the government's policy support along with growing public appetite for using handsets was the major reason for the increased mobile handset assembling. The Bangladesh Telecommunication Regulatory Commission has so far granted registration to 11 entities to assemble and manufacture handsets in the country. Of the entities, 10 companies have already started assembling handsets.

<https://www.newagebd.net/article/116440/mobile-handset-assembling-in-country-rises-by-70-lakh-units-in-fy20>

Fuel and Power

United Power Co to acquire two plants

United Power Generation & Distribution Company Ltd has decided to acquire two power plants of the United Group subject to compliance of all related regulatory requirements. The board of directors of United Power has taken the decision to acquire 99 per cent shares of United Anwara Power (UAnPL), a 300 MW HFO fired power plant located at Anwara, Chattogram, at net asset value (NAV) based on the financial statements as on June 30, 2020 of (UAnPL), effective on July 1, 2020. The board has also decided to acquire 99 per cent shares of United Jamalpur Power (UJPL), a 115 MW HFO fired power plant located at Jamalpur, at net asset value (NAV) based on the financial statements as on 30th June 2020 of (UJPL), also effective on July 1, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/united-power-co-to-acquire-two-plants-1600271739>

Capital Market

BSEC okays AFC Health's Tk 17cr IPO

The Bangladesh Securities and Exchange Commission on Wednesday approved the AFC Health Limited's proposal to raise Tk 17 crore from the capital market through an initial public offering. The company will float 1.7 crore shares at an issue price of Tk 10 each. A BSEC meeting, presided over by its chairman Shibli Rubayat Ul Islam, approved the IPO proposal, said a BSEC press release. The company will use the IPO proceeds to purchase machinery and equipment and to meet IPO expenses.

<https://www.newagebd.net/article/116441/bsec-okays-afc-healths-tk-17cr-ipo>

Stock

NBR claims Tk 2,473cr in VAT from 3 BPC cos

The National Board of Revenue has claimed Tk 2,473 crore in value-added tax from three subsidiaries of the Bangladesh Petroleum Corporation, alleging that the companies evaded the VAT on fuel supply to foreign airlines and sales on the domestic market. Chattogram Customs, VAT and Excise Commissionerate has recently raised the demand along with serving show-cause notices on Padma Oil Company Ltd, Meghna Petroleum Ltd and Jamuna Oil Company Ltd, three subsidiaries of the BPC, seeking explanation on the demand. Of the amount, the VAT commissionerate claimed Tk 1,952 crore in VAT from Padma, Tk 311 crore in VAT from Meghna and Tk 210 crore in VAT from Jamuna. The companies evaded the amount between the fiscal year 2015 and 2019. The companies, however, sought additional time to give their explanation.

<https://www.newagebd.net/article/116439/nbr-claims-tk-2473cr-in-vat-from-3-bpc-cos>

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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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