

## Bangladesh market snapshot

	Last closing
DSEX Index	4,710.37
% change	-0.57%
DS30 Index	1,638.25
% change	-0.53%
DSES Index	1,080.92
% change	-0.64%
Turnover (BDT mn)	3,190.96
Turnover (USD mn)	37.99
% change	-18.17%
Market Capitalization (BDT bn)	3,550
Market Capitalization (USD bn)	42.26
% change	-0.53%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	28,004.89
% change	+0.80%
Nikkei 225	23,303.32
% change	+0.70%
FTSE 100	7,302.94
% change	+0.14%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.75
EUR	93.28
GBP	108.90
INR	1.17

Source: Bangladesh Bank

## Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
13-Nov-2019	2.25-5.50	4.09
12-Nov-2019	2.25-5.50	4.06

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.30	+1.64%
Gold Spot, USD/t oz	1,468.20	-0.22%
Cotton, USD/lb	66.69	+0.92%

Source: Bloomberg

## Economy

### Bangladesh's business bribery risk highest in South Asia

A high expectation of bribes coupled with a high regulatory burden in business interactions with the government has made Bangladesh a country with a 'high' risk of business bribery, according to the latest global bribery risk index. Bangladesh has also fared poorly in measures taken to discourage bribery and anti-bribery enforcement, the 2019 Trace Bribery Risk Matrix said. On the 2019 matrix, Bangladesh was ranked 178th among 200 countries. Its risk score is 72 out of 100. The global average score is 51. In South Asia, Pakistan and Afghanistan are the only countries where the bribery risk is 'high'. The risk level of other countries in the region is 'medium', except for Bhutan which has a 'low' risk of bribery demands.

<https://tbsnews.net/economy/bangladeshs-business-bribery-risk-highest-south-asia>

### BB steps up forex support to banks

The central bank has scaled up its foreign currency support to the commercial banks to help settle their import payment obligations, particularly for oil, officials said. The Bangladesh Bank, or BB, sold US\$73 million to the banks during the last three days to help them meet the growing demand for the greenback. On Thursday, some \$48 million was sold to three state-owned commercial banks (SoCBs), while \$5.0 million and \$20 million were provided to a state bank on Wednesday and Tuesday respectively, according to the officials.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-steps-up-forex-support-to-banks-1573839489>

### EPZ foreign cos want cash incentive for RMG export

Foreign investors have demanded cash incentive for exports from their readymade garment factories located inside the export processing zones in Bangladesh, claiming that the existing provision of cash incentive is discriminatory against foreign investors. Exclusion of the foreign-owned clothing units inside the EPZs under the Bangladesh Export Processing Zone Authority from cash incentive on export proceeds discourages business of and investment by foreign investors, they said. Commerce ministry officials said that they had received applications from at least two embassies in this connection. The BEPZA has also requested the finance ministry to provide cash incentive to factories located inside the EPZs that are engaged in production of jute goods as factories outside the EPZs are enjoying the benefit.

<http://www.newagebd.net/article/90820/epz-foreign-cos-want-cash-incentive-for-rmg-export>

## Banks and NBFIs

### BB asks state banks to ramp up recovery

The collapse of two non-bank financial institutions (NBFIs) has had an adverse impact on the whole industry. It has predictably pushed profitability down to the bottom. In the first nine months of the

current year, as much as 70 percent of listed NBFIs went through a severe decline in financial performance, leading to losses in earnings per share. Of the 23 companies listed with the Dhaka Stock Exchange (DSE), only eight saw an improvement in profits in the period January-September this year. The worsening financial performance of the companies pushed the profitability indicators of NBFIs market into negative territory. In the January-March quarter, returns on assets and returns on equity were a negative 0.1 percent and 0.5 percent respectively. But in the April-June quarter, the indicators showed a positive trend again.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-asks-state-banks-to-ramp-up-recovery-1573751739>

#### **Deposits dominate agent banking**

Rural clients of agent banking are missing out on its benefits as loan disbursement amounted to less than 5 percent of the deposits collected as of September this year, highlighting lenders' preference for deposit only. Banks attracted Tk 6,169 crore in deposits as of September, up from Tk 2,577 crore in the same period a year earlier, according to Bangladesh Bank data. However, only Tk 306 crore was lent, although it is a twofold rise compared to the Tk 150 crore given out a year ago. Bankers apprehend that this imbalance created by banks would adversely affect the rural economy in the long run. Though the jump in lending is stunning, the trend is not good in context to the deposits mobilised, said a central bank official.

<https://www.thedailystar.net/business/news/deposits-dominate-agent-banking-1828099>

#### **Transportation**

##### **Japan wants cuts in bike registration fees**

Japan has come up with more than two dozen proposals, including tax benefits and a cut in motorcycle registration fee, as it looks to boost its investment in Bangladesh. On behalf of the businesses, Japanese Ambassador Naoki Ito shared the proposals at a meeting with Finance Minister AHM Mustafa Kamal at National Economic Council in Dhaka yesterday. After the meeting, Ito told reporters, "We have raised some issues to increase Japanese investment. I think these issues will be addressed. We are looking for some solutions to expand business here." "Our hope is to expand business in Bangladesh which will bring very positive outcome for the economy of Bangladesh," the Japanese ambassador said.

<https://www.thedailystar.net/business/news/japan-wants-cuts-bike-registration-fees-1828096>

#### **Footwear**

##### **Apex Footwear to buy land for expansion**

Apex Footwear is going to purchase 196 decimals of land -- 96 decimals from Apex Pharma and 100 decimals from Apex Enterprises -- in Gazipur at a total cost of Tk 14.70 crore. Apex Footwear has earmarked Tk 100 crore for an expansion project, which will create 1,500 new jobs and

increase its production capacity by about four lakh pairs per month.

<https://www.thedailystar.net/business/news/apex-footwear-buy-land-expansion-1827394>

### Telecommunication

#### **Int'l consultant for second satellite soon: BCSCCL**

Bangladesh Communication Satellite Company Limited was going to appoint an international consultant to finalise the nature of the country's second satellite, Bangabandhu-2, by conducting a feasibility study. BCSCCL chairman Shahjahan Mahmood said that Bangabandhu-2 would definitely be a hybrid satellite, but the issue would be finalised after getting feedback from the consultant. He said that they would publish an advertisement to appoint the consultant immediately. 'We would allow the consultant a maximum of three to four months to submit the study report,' he added.

<http://www.newagebd.net/article/90825/intl-consultant-for-second-satellite-soon-bcsccl>

### Engineering

#### **BSEC to build power tiller assembly plant in Bogura**

The government plans to build a power tiller assembly-cum-manufacturing plant in the country at an initial cost of around Tk 5.0 billion. The object behind building the plant is to further facilitate farm mechanisation and help boost crop production, officials said. State-run Bangladesh Steel and Engineering Corporation (BSEC) will install the proposed power tiller production base on nearly 15 acres of land at Choypukuria in Bogura, they said.

<http://today.thefinancialexpress.com.bd/public/first-page/bsec-to-build-power-tiller-assembly-plant-in-bogura-1573839588>

### Capital Market

#### **Maslin Capital brings new fund for startups**

The Maslin VC Fund-1 sponsored by the venture capital firm Maslin Capital has been inaugurated. The fund will open up new possibilities of venture capital investment in the country, said a press release. Venture capital funds are investment funds that manage the money of investors who seek private equity stakes in startup and small- to medium-sized enterprises with strong growth potential. On Friday, the Maslin Capital handed over sponsor's money to its trustee Union Capital at the inaugural ceremony at its headquarters.

<https://tbsnews.net/economy/stock/maslin-capital-brings-new-fund-startups>

#### **Treasury bond trading on DSE to be activated soon**

Trading of treasury bonds on the Dhaka Stock Exchange platform would be activated soon with the aim of making vibrant the secondary bond market which has remained inactive for years. Bangladesh Bank officials said that the finance ministry had instructed the officials concerned to launch the secondary trading of the bonds soon. Bangladesh Securities and Exchange Commission executive director Saifur Rahman told New

Age that a meeting among the BB, the BSEC and the DSE was held at the BSEC office on November 13 to expedite secondary bond trading.

<http://www.newagebd.net/article/90717/treasury-bond-trading-on-dse-to-be-activated-soon>

## Stocks

### **BSEC stops Shepherd Industries from buying name-only company**

The Bangladesh Securities and Exchange Commission (BSEC) has asked Shepherd Industries Ltd not to buy 1.55 crore shares, worth Tk15.50 crores, of name-only company Shepherd Jeans Ltd. In this regard, the company secretary of Shepherd Industries Mohammed Abu Jafor told The Business Standard, "The BSEC sent a letter to us regarding the issue. We replied to the letter. Yet, the commission directed us to refrain from buying the shares. We will adhere to the directive." On October 24, the board of directors of Shepherd Industries decided to buy 1.55 crore shares – each share priced at Tk10 – of Shepherd Jeans. The share price was fixed considering the lands, buildings, and machinery of Shepherd Jeans. However, according to an investigation by the BSEC, Shepherd Jeans was incorporated on April 9 this year.

<https://tbsnews.net/economy/bsec-stops-shepherd-industries-bid-buy-name-only-company>

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<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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