

Bangladesh market snapshot

	Last closing
DSEX Index	4,149.83
% change	2.01%
DS30 Index	1,406.60
% change	2.58%
DSES Index	940.29
% change	2.85%
Turnover (BDT mn)	2,674.91
Turnover (USD mn)	31.84
% change	10.16%
Market Capitalization (BDT bn)	3,194
Market Capitalization (USD bn)	38.02
% change	1.53%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,348.10
% change	+0.17%
Nikkei 225	24,041.26
% change	+0.45%
FTSE 100	7,674.56
% change	+0.85%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.65
GBP	110.67
INR	1.20

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Jan-2020	3.25-5.50	4.98
14-Jan-2020	3.25-5.50	4.99

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.85	+0.36%
Gold Spot, USD/t oz	1,557.24	+0.30%
Cotton, USD/lb	71.25	+1.47%

Source: Bloomberg

Economy

Bangladesh economy to grow 7.8pc in FY20: UN

The United Nations on Saturday projected that Bangladesh's economy would grow by 7.8 per cent in the current fiscal year of 2019-2020, lower than the country's GDP growth of 8.15 per cent in the previous FY 2018-2019. Earlier on January 9, the World Bank in its report titled 'Global Economic Prospects, January 2020' also projected a slower pace of gross domestic product (GDP) growth at 7.2 per cent for the FY2020. The UN, in its latest World Economic Situation and Prospects report released on the day, also mentioned that Bangladesh's strong dependence on the textiles and garment industry was a major weakness of the economy.

<https://www.newagebd.net/article/96993/bangladesh-economy-to-grow-78pc-in-fy20-un>

Customs duty collection Tk 13,031cr short of target in H1

Customs duty collection by the National Board of Revenue fell short by Tk 13,031 crore or 29 per cent of the target in the first half of the fiscal year 2019-2020 mainly due to higher duty exemption availed by local manufacturers and decline in import of 20 major products. Import of major items such as motor cycles, goods carrying vehicles and mobile sets dropped in the period as both local production and assembling of the items increased in the country following duty benefits offered by the government, officials of the revenue board said.

<https://www.newagebd.net/article/96995/customs-duty-collection-tk-13031cr-short-of-target-in-h1>

FDI stuck in low gear

The declining trend in the net inflows of foreign direct investment, or FDI, in the country sustained until the third quarter of the immediate past calendar year, according to government data. The nation witnessed nearly 30 per cent drop in FDI during July-September period of 2019 compared with the previous quarter (April-June). The net FDI flow reached US\$ 462.20 million during the third quarter of 2019, down from \$ 656.10 million during the second quarter of the year.

<https://today.thefinancialexpress.com.bd/first-page/fdi-stuck-in-low-gear-1579365892>

Banks & NBFI

Govt borrows from banks at above 9pc, belies its rate stance

The government is borrowing funds from banks at more than 9 per cent interest rates against treasury bills and bonds, which contradicts its move to force banks to implement 9 per cent lending rate. As per rules, lending to the government or even against any government guarantee does not create any financial vulnerability to banks as it is considered risk-free, said Bangladesh Bank officials. The central bank does not include any amount of lending to the government in banks'

risk weighted assets, meaning that the banks are exempted from keeping any capital against such borrowing.

<https://www.newagebd.net/article/96990/govt-borrows-from-banks-at-above-9pc-belies-its-rate-stance>

Loan rescheduling hits new record

Banks rescheduled a record amount of defaulted loans in 2019 in their frantic efforts to minimize or, in other words, to make the ever growing non-performing loans (NPLs) look small. In the year, non-performing loans amounting to Tk50,434 crore were rescheduled, up 117.29% from a year earlier, according to the Bangladesh Bank (BB) data. Banks rescheduled Tk23,210 crore in 2018. But this rising trend of loan rescheduling has failed to stem the growth of defaulted loans in banks, experts have observed.

<https://www.dhakatribune.com/business/2020/01/18/loan-rescheduling-hits-new-record>

Textile

BGMEA for allowing foreign buyers to market RMG locally

The apex apparel trade body BGMEA has requested the authority concerned for permission of duty-free sale of locally-manufactured readymade garment (RMG) items in the domestic market through foreign brands' outlets in the country, sources have said. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the plea saying that it would help encourage investments, generate more jobs and thus boost export of the locally-manufactured RMG items, the sources said. BGMEA President Dr Rubana Huq sent a letter to the National Board of Revenue (NBR) on January 11 seeking its approval for the duty-free sales.

<https://today.thefinancialexpress.com.bd/last-page/bgmea-for-allowing-foreign-buyers-to-market-rmg-locally-1579366124>

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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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