

Bangladesh market snapshot

	Last closing
DSEX Index	5,400.24
% change	0.46%
DS30 Index	1,895.11
% change	0.30%
DSES Index	1,232.29
% change	0.68%
Turnover (BDT mn)	5,288.29
Turnover (USD mn)	62.96
% change	-1.20%
Market Capitalization (BDT bn)	3,984
Market Capitalization (USD bn)	47.00
% change	0.39%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,465.54
% change	1.35%
Nikkei 225	21,321.17
% change	1.66%
FTSE 100	7,443.04
% change	1.17%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.80
GBP	105.93
INR	1.21

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-June-2019	4.00-5.00	4.56
16-June-2019	4.00-5.00	4.56

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	62.07	0.07%
Gold Spot, USD/t oz	1,344.94	-0.12%
Cotton, USD/lb	67.11	0.43%

Source: Bloomberg

Economy

Biggest revenue target 'challenging' on exemptions

Achieving the 'biggest' revenue target would be a challenging task with so many tax exemptions proposed in the budget, the revenue board chief said on Tuesday. He said a Tk 3.25-trillion revenue target has been proposed for fiscal year 2019-20 against their projection of around Tk 2.50 trillion in the budget. The government target is much higher than what was calculated earlier, National Board of Revenue (NBR) chairman Mosharraf Hossain Bhuiyan added.

<http://today.thefinancialexpress.com.bd/first-page/biggest-revenue-target-challenging-on-exemptions-1560878632>

Inflation up in May

The point-to-point inflation in the month of May last was recorded higher than that of the previous month, according to official data. It was 5.63 per cent in May compared to 5.58 per cent in April, according to the of the Bangladesh Bureau of Statistics (BBS) data published on Tuesday. According to BBS, inflation rate dropped to 5.35 per cent last December, but it started rising from the month of January. It was recorded lower at 5.57 per cent in May last year.

<http://today.thefinancialexpress.com.bd/first-page/inflation-up-in-may-1560878859>

Country's first iron ore mine discovered in Dinajpur

For the first time in Bangladesh, a magnetite (iron ore) mine has been discovered at Isabpur village in Hakimpur upazila of the district, bringing new hopes for the country's economy. The Geological Survey of Bangladesh (GSB) made the groundbreaking announcement on Tuesday morning following extensive examinations after drilling a well for two months. A 400-foot thick iron layer was found 1,750 feet beneath the surface and it stretches over an area of 6-10 square kilometres, said GSB Deputy Director Mohammad Masum.

<http://today.thefinancialexpress.com.bd/first-page/countrys-first-iron-ore-mine-discovered-in-dinajpur-1560878818>

BB moves to popularise Islamic bonds

The central bank has taken a move to make Islamic bonds popular by enhancing the volume of Islamic Bond Fund and creating scopes of the bonds' multiple uses. As part of the move, a 10-member working committee has already been formed to submit recommendations in this connection, according to officials. Senior officials of five Islamic banks have been included as members of the committee. It has also been told to examine the possibility of introducing repo facility from the central bank against the Islamic bonds to meet short-term liquidity requirement of the Shariah-based Islamic banks and non-banking financial institutions (NBFIs).

<http://today.thefinancialexpress.com.bd/last-page/bb-moves-to-popularise-islamic-bonds-1560879208>

Govt agencies spend 68pc ADP outlay in 11 months

The government agencies have spent 68 per cent of the Annual Development Programme (ADP) allocations in last 11 months to May of the current fiscal year (FY) 2018-19, officials said on Tuesday. The spending rate of the development budget is five percentage points higher than that of the corresponding period in the previous FY 2017-18. After the meeting of the Executive Committee of the National Economic Council (ECNEC), Planning Minister MA Mannan said the government agencies spent Tk 1.20 trillion, a 68 per cent of the total ADP outlay, during the July-May period of the outgoing FY2019.

<http://today.thefinancialexpress.com.bd/last-page/govt-agencies-spend-68pc-adp-outlay-in-11-months-1560879251>

New VAT act to up prices of goods: PwC

The new VAT law, to be effective from next month (July), will cause price hike of commodities at consumer level, the PricewaterhouseCoopers (PwC) has said. According to the new law, the products paying less than 15 per cent value added tax (VAT) would not get input tax credit. Thus, producers of these goods will be forced to raise their prices. "Now I am paying Tk 15 as VAT for some products. For these, I will have to pay Tk 17.70 as VAT from next month," said Pulak Saha, a partner of the PwC India, at a post-budget discussion in Dhaka on Tuesday.

<http://today.thefinancialexpress.com.bd/last-page/new-vat-act-to-up-prices-of-goods-pwc-1560879379>

Paddy prices up, still below production cost

In the wake of government's initiatives, the prices of paddy have seen a rise in the last one week but still fall short of the production cost. The government's measures helped shore up the paddy prices, but farmers could not reap the full benefits, experts said. Rather, it is the millers and traders who would mostly cash in on the government initiatives and bumper production of the crop, they added. The prices of paddy of different varieties increased to Tk 570 (hybrid) and Tk 680 (Birridhan-28) a maund across the country from Tk 400 and Tk 550 respectively in a week, according to the Department of Agricultural Marketing (DAM).

<http://today.thefinancialexpress.com.bd/trade-market/paddy-prices-up-still-below-production-cost-1560872731>

Advance tax on imports to raise cost of business

The introduction of 5 percent advance tax (AT) on imports from next fiscal year will push up operational costs of businesses, particularly for domestic market-oriented industries, said entrepreneurs. The AT, which was imposed under the new Value Added Tax (VAT) system, would be adjustable with the total VAT in their returns. The levy comes so that firms keep records of their sales and purchases properly to adjust or seek refund of the advance tax that they would pay during bringing in goods from abroad, said officials of the National Board of Revenue.

<https://www.thedailystar.net/business/news/advance-tax-imports-raise-cost-business-1759264>

Telecommunication

No MFS cost hike for customers: BTRC

The Bangladesh Telecommunication Regulatory Commission on Tuesday assured that its directive on mobile financial services would not increase any MFS cost for customers. The telecom regulator made the clarification as there were no specifics in its directive on MFS whether the customers or the MFS operators would bear the charge of Unstructured Supplementary Service Data (USSD), a mobile phone operator-driven service. Under the BTRC directive issued on June 13 this year, the mobile operators were allowed to charge revenue generating MFS Tk 0.85 and non-revenue generating mobile financial transaction Tk 0.4 for each session of USSD of 90 seconds.

<http://www.newagebd.net/article/75803/no-mfs-cost-hike-for-customers-btrc>

Capital Market

NBR chair pledges solution to proposed tax on cos' reserve

National Board of Revenue chairman Md Mosharraf Hossain Bhuiyan on Tuesday said that they would find an amicable solution to the issue of proposed 15 per cent tax on retained earnings and reserve of the publicly listed companies. He made the commitment after the foreign investors raised their concerns over the proposed fiscal measure and demanded a review of the measure claiming that it would affect expansion of business by the multinational companies. The proposed tax, if becomes effective, would also facilitate draining out of money in the form of dividend from the country as most of the investors of MNCs stay abroad, the foreign investors said at a luncheon meeting organised by the Foreign Investors' Chamber of Commerce and Industry at the Hotel Westin in Dhaka.

<http://www.newagebd.net/article/75800/nbr-chair-pledges-solution-to-proposed-tax-on-cos-reserve>

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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 %
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