

Bangladesh market snapshot

	Last closing
DSEX Index	4,877.65
% change	0.11%
DS30 Index	1,675.55
% change	0.31%
DSES Index	1,111.23
% change	-0.16%
Turnover (BDT mn)	6,573.08
Turnover (USD mn)	78.25
% change	19.93%
Market Capitalization (BDT bn)	3,987
Market Capitalization (USD bn)	47.47
% change	0.04%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,606.31
% change	+0.39%
Nikkei 225	23,672.60
% change	+1.12%
FTSE 100	5,919.58
% change	+1.49%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.41
GBP	109.56
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Oct-2020	1.50-5.25	2.72
14-Oct-2020	1.50-5.25	2.70

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.74	-0.44%
Gold Spot, USD/t oz	1,900.51	+0.06%
Cotton, USD/lb	70.87	+1.36%

Source: Bloomberg

Economy

Yields on 91-day T-bills lowest in 10 yrs

The yields on 91-Day Treasury Bills (T-bills) fell below 1.0 per cent on Sunday after more than one decade as banks preferred to invest their excess funds in the government securities. The cut off yields, generally known as interest rate, on 91-day T-bills came down to 0.94 per cent on the day from 1.39 per cent of the previous auction, held on October 11. The yield on 91-Day T-bills was below 1.0 per cent in 2009.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-91-day-t-bills-lowest-in-10-yrs-1603043870>

Higher imports put revenue on positive track

The government's revenue collection witnessed positive growth after seven months of coping with the blows dealt by the Covid-19 pandemic. In addition to 1.55% growth in September, the National Board of Revenue (NBR) reported growth in the first quarter of the current financial year. Tariff collection had exceeded expectations as imports had increased in July and September. On the other hand, there was an increase in income tax revenues as the time for filing tax returns is approaching. However, the NBR still lags behind the revenue collection target.

<https://tbsnews.net/economy/higher-imports-put-revenue-positive-track-146764>

The never-ending debate over GDP growth

The debate over Bangladesh's GDP growth forecasts is back again. There is wide variation in the projections made by the multilateral development agencies for the current fiscal year amid deep uncertainties about the near-term trajectory of the global economy as the pandemic is still raging. Last week, the International Monetary Fund (IMF) lowered its economic growth forecast for Bangladesh to 4.4 per cent for FY21 from 5.7 per cent earlier. The World Bank said the economy would grow by 1.6 per cent. The Asian Development Bank (ADB) painted a more optimistic scenario among the three as it predicted 6.8 per cent GDP growth. The government is, however, bullish about pulling off 8.2 per cent GDP growth and has said the WB forecast is not reflective of the ongoing economic recovery.

<https://www.thedailystar.net/business/news/the-never-ending-debate-over-gdp-growth-1980577>

Govt looks to raise productivity to 5.6pc by 2031

The government decided on Sunday to prepare an action plan aiming to increase the country's productivity to 5.6 per cent from existing 3.8 per cent by 2031. They also decided to boost agricultural production and create more skilled manpower for achieving higher growth in the industrial sector.

<https://today.thefinancialexpress.com.bd/first-page/govt-looks-to-raise-productivity-to-56pc-by-2031-1603043549>

Bank and NBFI

Investing in startups now made easier

The central bank on Sunday said the new 'risk weight' applicable to investing in 'alternative' investments will remain valid until September, 2022 beginning from the third quarter of this year. Allowing such weight for two years for preparing the bank balance sheet contradicts the spirit of the alternative investment. However, the Bangladesh Bank said banks will have to submit its capital adequacy report adjusting the new risk weight from the third quarter.

<https://today.thefinancialexpress.com.bd/first-page/investing-in-startups-now-made-easier-1603043605>

Textile

Garment workers' federation demands emergency allowance and permanent rationing

A federation of garment workers has demanded emergency allowance and a permanent rationing system for themselves and workers in other sectors as they worked during the coronavirus pandemic to keep the wheels of the economy moving. The garment workers demanded that the authorities provide an emergency allowance for them, keep prices of essentials within reach of low-income groups, grant workers permanent status within six months of their start date and provide them full service benefits, lay off workers in writing, refrain from dismissing cases filed for verbally laying off workers, and develop a rationing system for workers' families within Tk200.

<https://tbsnews.net/economy/rmg/garment-workers-federation-demands-emergency-allowance-and-permanent-rationing-146620>

Capital Market

CSE 30 Index revised

The Chittagong Stock Exchange (CSE) has revised its blue-chip index CSE 30 on the basis of performance of the listed companies. The biannual revision will be effective from 1 November 2020. Aamra Networks limited, Bd Finance & Investment Company, Esquire Knit Composite, Khulna Power Company, Singer Bangladesh and The City Bank Limited have been included in the index this time. On the other hand, Eastern Bank Limited, Envoy Textiles, Export Import Bank of Bangladesh, GSP Finance Company (Bangladesh), Heidelberg Cement Bangladesh and Unique Hotel & Resorts Limited have been excluded from the prestigious list of selective 30 companies.

<https://tbsnews.net/economy/stock/cse-30-index-revised-146734>

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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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