

Bangladesh market snapshot

	Last closing
DSEX Index	5,104.65
% change	-0.24%
DS30 Index	1,761.60
% change	-0.14%
DSES Index	1,163.06
% change	-0.49%
Turnover (BDT mn)	10,137.99
Turnover (USD mn)	120.69
% change	-11.63%
Market Capitalization (BDT bn)	3,856
Market Capitalization (USD bn)	45.91
% change	-0.30%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,657.42
% change	-0.88%
Nikkei 225	23,360.30
% change	+0.18%
FTSE 100	6,007.05
% change	-0.71%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.22
GBP	109.98
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
16-Sep-2020	1.50-5.25	2.63
15-Sep-2020	1.50-5.25	2.54

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.15	-0.35%
Gold Spot, USD/t oz	1,950.86	+0.33%
Cotton, USD/lb	65.66	-0.29%

Source: Bloomberg

Economy

Credit growth rises despite pandemic

Banks managed to post 8.95 per cent credit growth in the last fiscal year despite a steep fall in business in the last quarter owing to the coronavirus pandemic. The credit growth improved as the lenders disbursed more funds from the stimulus packages that the government announced to help ailing businesses shrug off the jitters. The country's 58 banks disbursed Tk 1,064,713 crore in fiscal year 2019-20 combined. State-run banks lent a total of Tk 199,919 crore in the last fiscal year, up 10.58 per cent year-on-year. Forty private commercial banks disbursed Tk 796,952 crore, which is 9.04 per cent higher than in the same period a year ago.

<https://www.thedailystar.net/business/news/credit-growth-rises-despite-pandemic-1963253>

Govt to pay Tk 2,256.7 billion as loan interest in three fiscals

The government will pay an estimated Tk 2,256.7 billion as interest on loans in the next three fiscals including the current one. Out of the amount, Tk 638 billion will be paid in 2020-21, Tk 748.9 billion in 2021-22 and Tk 869.8 billion in 2022-23. The government has allocated Tk 582.5 billion for paying the interest for the running fiscal on loan taken from domestic resources. The amount is Tk 680.8 billion for the next fiscal and Tk 788.9 billion is for 2022-23.

<https://thefinancialexpress.com.bd/economy/govt-to-pay-tk-22567-billion-as-loan-interest-in-three-fiscals-1600430164>

Stimulus loans for large borrowers quickened recovery: experts

As many as 2,062 large companies have received low-cost loans worth Tk 25,461 crore from the central bank's stimulus package for big borrowers in the industrial and service sectors. Experts say the quick fund disbursement by the lenders has had a positive impact on the ongoing recovery process of the business sector, which had faced a major setback during the pandemic-induced lockdown. As of September 17, the disbursed fund accounted for 77.15 per cent of the Tk 33,000 crore stimulus package.

<https://www.thedailystar.net/business/news/stimulus-loans-large-borrowers-quickened-recovery-experts-1964257>

Engineering

Steel makers want policy support for faster recovery

Bangladesh's steel industry is yet to recover from the losses incurred due to disruptions in the supply chain brought about by the ongoing coronavirus pandemic while producers are bracing for new challenges. However, the country's steel makers do not seek financial assistance but instead they want policy support from the government to sail through this difficult time. During the peak pandemic period, most steel manufacturers ran at only 30 to 35 per cent capacity but even then not one factory went for job cuts or layoffs. The steel sector is yet to recover from losses as it is facing new and dynamic challenges.

<https://www.thedailystar.net/business/news/steel-makers-want-policy-support-faster-recovery-1964189>

Cement

Banks tie up for biggest investment deal in cement sector after reopening economy

The banking sector sees the biggest investment deal since the virus struck in March as seven private commercial banks tied up in a syndicated loan of Tk700 crore for Bashundhara Industrial Complex, the cement manufacturing arm of Bashundhara Group. The bank moved to make the mega investment anticipating faster recovery of the economy. Cement industry has good prospects of growth as many government projects in the infrastructure sector are coming up.

<https://tbsnews.net/economy/banking/banks-tie-biggest-investment-deal-cement-sector-after-reopening-economy-135130>

Capital Market

Breach of minimum shareholding rule: 17 directors of nine companies to lose posts

A total of 17 directors of nine listed companies are going to lose their directorship for not holding minimum 2.0 per cent shares. The securities regulator on Thursday finalised the decision. The regulatory order regarding cancellation of directorship of non-compliant directors will be issued on Sunday (today). The BSEC gave a two-month ultimatum to 61 directors in early July to comply with the regulatory directive by holding minimum two per cent shares. Of 61 non-compliant directors, 25 complied with the directive by purchasing shares while 19 others gave up directorship upon the failure of purchasing stipulated amount of shares. The remaining 17 directors neither purchased shares nor resigned from the boards.

<https://thefinancialexpress.com.bd/stock/breach-of-minimum-shareholding-rule-17-directors-of-nine-companies-to-lose-posts-1600400815>

Energypac begins IPO bidding Monday to energise its LPG division

Energypac Power Generation Ltd, a leading electromechanical engineering conglomerate of the country, is set to begin bidding for its initial public offering (IPO) on Monday (tomorrow) afternoon. The company will collect Tk150 crore from investors mainly to expand and energise its liquefied petroleum gas (LPG) business – to explore the massive growth opportunity in Bangladesh.

<https://tbsnews.net/economy/stock/energypac-begins-ipo-bidding-monday-energise-its-lpg-division-134356>

No listed co holds EGM after factory closure

No listed company has held extra ordinary meetings within one month of shutting down production since the inception of Bangladesh Securities and Exchange Commission rules in 2010 which make it mandatory for the companies to hold the meeting within the stipulated time informing

shareholders about the reasons for closure. Despite repeated violation of the rules, the BSEC is yet to take any action in this regard. On July 4, 2010, the BSEC issued a directive asking the companies to get shareholders' approval if they decided to lay off factories. Many companies had in these 10 years closed production but none of them held the mandatory shareholders' meeting to explain why the decisions were taken.

<https://www.newagebd.net/article/116733/no-listed-co-holds-egm-after-factory-closure>

Stock

Money transfer from Trust Bank to bKash made easier

From now, customers of Trust Bank Limited will be able to transfer fund from their mobile banking app "Trust-Money" to any bKash account. There is no charge imposed on the customers for this service from bKash. With this latest bank integration, a total of 20 banks in the country are now connected to the largest Add Money network of bKash.

<https://www.dhakatribune.com/business/banks/2020/09/17/money-transfer-from-trust-bank-to-bkash-made-easier>

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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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