

Bangladesh market snapshot

	Last closing
DSEX Index	4,434.24
% change	1.19%
DS30 Index	1,514.89
% change	1.86%
DSES Index	1,014.95
% change	1.74%
Turnover (BDT mn)	4,947.98
Turnover (USD mn)	58.90
% change	20.28%
Market Capitalization (BDT bn)	3,391
Market Capitalization (USD bn)	40.37
% change	1.36%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,348.10
% change	+0.17%
Nikkei 225	23,902.60
% change	-0.75%
FTSE 100	7,651.44
% change	-0.30%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.17
GBP	110.47
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Jan-2020	3.50-5.50	4.93
16-Jan-2020	3.25-5.50	4.91

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.92	-0.43%
Gold Spot, USD/t oz	1,566.45	+0.36%
Cotton, USD/lb	70.56	-0.97%

Source: Bloomberg

Banks and NBFI

Private banks must get 50pc deposits

The government has decided to park 50 per cent of its development and revenue budget with private banks as part of its concerted effort to enforce single-digit interest rate. The autonomous, semi-autonomous and government companies also will have to keep their 50 per cent of their surplus fund at the lenders, according to a notice issued by the finance ministry yesterday. The funds will have to be kept with private banks at six percent interest rate.

<https://www.thedailystar.net/business/news/private-banks-must-get-50pc-deposits-1856884>

Government orgs to get no more than 6pc on deposits

Government organisations will get 6 percent interest on their deposits with private banks and 5.5 percent with state-owned banks, the finance ministry declared yesterday. The strategy is part of the government's move to lower lending rates to 9 percent from April 1 amid businessmen's longtime complaints that banks charge overwhelmingly high on loans that make doing business costly. Financial Institution Division of Finance Ministry has issued a circular to this effect yesterday, saying the rates will be effective immediately.

<https://tbsnews.net/economy/banking/government-orgs-get-no-more-6pc-deposits-37989>

Economy

Exporters exempted from stamp duty on differed payment

Exporters have finally received exemption from 0.20 percent stamp duty against the bill of exchange on deferred or issuance payment based export. A bill of exchange is a written order once used primarily in international trade that binds one party to pay a fixed sum of money to another party on demand or at a predetermined date. The Bangladesh Bank on Monday sent an instruction to the banks dealing with foreign currency to take necessary action in this regard.

<https://tbsnews.net/economy/industry/exporters-exempted-stamp-duty-differed-payment-37997>

Farm credit disbursement goes up

Farm credit disbursement grew by more than 5.0 per cent in the first-half (H1) of the current fiscal year (FY), 2019-20, as demand for such loan has been picked up due to seasonal effects. Disbursement of agriculture loan rose to Tk 108.00 billion in the July-December of FY '20 from Tk 102.31 billion in the same period of the previous fiscal, according to the Bangladesh Bank's (BB) latest statistics.

<https://today.thefinancialexpress.com.bd/last-page/farm-credit-disbursement-goes-up-1579544131>

Dhaka, Seoul finalise three PPP projects

The 2nd Bangladesh-Korea joint platform has finalised three public-private partnership projects in the rail, road and power sectors to be

implemented under government-to-government arrangement. The projects are Dhaka Circular Railway, Matarbari-Madunaghat 400kV Transmission Line and Improvement of Dhaka (Joydebpur)-Mymensingh Road into Expressway with service lane. Officials said the Bangladesh side placed two projects while the Korean side five at the 2nd platform meeting for discussion. The seven schemes were chosen from 14 projects of Bangladesh and 10 projects of Korea tabled during the first joint platform meeting.

<https://today.thefinancialexpress.com.bd/last-page/dhaka-seoul-finalise-three-ppp-projects-1579544283>

Doubt deepens over timely completion of Padma bridge

Poor record on execution has prompted the Bangladesh Bridge Authority, or BBA, to slash the allocations for the Padma bridge project by 25 per cent during the current fiscal, officials said on Monday. The BBA has recently scaled down its fund demand to Tk 40.15 billion for the upcoming revised Annual Development Programme, or ADP, from the original outlay of Tk 53.71 billion for fiscal year 2019-20. Although the authority had earlier ratcheted up pressure on the Planning Commission (PC) to get the entire fund, it has now backtracked halfway through the ongoing ADP, they said.

<https://today.thefinancialexpress.com.bd/first-page/doubt-deepens-over-timely-completion-of-padma-bridge-1579543092>

Fuel and Power

NBR to cut duty benefit on 21 power plant items

The National Board of Revenue (NBR) is going to cut duty-free benefit on import of 21 types of power plant equipments, categorising them 'locally available and consumable products.' The decision has been taken in a bid to check duty evasion through abusing the benefit, offered for attracting power sector investment. The NBR's Customs Wing has decided to scrap two existing Statutory Regulatory Orders (SROs) to frame a comprehensive order with a negative list for the duty benefit.

<https://today.thefinancialexpress.com.bd/first-page/nbr-to-cut-duty-benefit-on-21-power-plant-items-1579543717>

HC issues rule over MRP mark on LPG cylinder

The High Court on Monday issued a rule asking the government to explain in four weeks as to why it should not be directed to form a committee for ensuring maximum retail price (MRP) mark on the LPG (liquefied petroleum gas) cylinder. The court also wanted to know as to why the government should not be directed to set up a price fixation committee for determining the retail price of LPG in line with the international market.

<https://today.thefinancialexpress.com.bd/trade-market/hc-issues-rule-over-mrp-mark-on-lpg-cylinder-1579542880>

Telecommunication

Decade of Grameenphone's rise and Banglalink's decline

Grameenphone's market share edged up about two percentage points over the past decade, thanks to huge investment in network expansion that gave the mobile operator leverage to almost double its revenue. The company has started the new decade with a 46.18 per cent share of total customers in the market, up from 42.80 per cent just five years back, according to a report of the Bangladesh Telecommunication Regulatory Commission.

<https://www.thedailystar.net/business/news/decade-grameenphones-rise-and-banglalinks-decline-1856905>

Food and Allied

17 commodities to get privilege on import ahead of Ramadan

The Bangladesh Bank has directed all the banks to quicken import procedures for 17 essential commodities to maintain a steady flow of supply for the upcoming Ramadan. The items are onion, garlic, lentil, chickpea, dried chilli, cinnamon, clove, cardamom, coriander, cumin, ginger, turmeric, bay leaf, edible soybean oil, palm oil, sugar and salt.

<https://tbsnews.net/economy/17-commodities-get-privilege-import-ahead-ramadan-38001>

Capital Market

BRTC shares to be offloaded

The 'Bangladesh Road Transport Corporation Bill, 2020' was introduced in parliament on Monday to offload 49 per cent of its shares in the capital market, reports UNB. Road Transport and Bridges Minister Obaidul Quader placed the Bill in the House and it was sent to the respective parliamentary standing committee for further examination. The Committee was asked to submit its report within 14 working days. According to the proposed law, the government will own 51 per cent shares while 49 per cent will be offloaded for the public.

<https://today.thefinancialexpress.com.bd/stock-corporate/brtc-shares-to-be-offloaded-1579542719>

Stocks

GP's subscriber growth falls below 50%

Subscriber growth of the country's largest mobile phone operator Grameenphone stumbled last year, as the carrier failed to rope in even half the new subscribers it had garnered in 2018. Robi, the second largest carrier, also saw tepid growth compared to a year ago, according to the latest data of the Bangladesh Telecommunication Regulatory Commission. Industry people believe the longstanding tussle with the government involving GP and Robi's audit claims and punishments held back their expected growth.

<https://www.dhakatribune.com/business/2020/01/20/gp-s-subscriber-growth-falls-below-50>

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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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