

Bangladesh market snapshot

	Last closing
DSEX Index	5,130.70
% change	-0.05%
DS30 Index	1,829.58
% change	-0.02%
DSES Index	1,176.14
% change	-0.06%
Turnover (BDT mn)	3,952.97
Turnover (USD mn)	47.06
% change	27.68%
Market Capitalization (BDT bn)	3,823
Market Capitalization (USD bn)	45.51
% change	0.14%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial	26,860.20
Average % change	0.29%
Nikkei 225	21,643.53
% change	0.51%
FTSE 100	7,549.56
% change	0.25%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.85
GBP	105.06
INR	1.23

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-July-2019	0.75-5.00	2.31
16-July-2019	0.75-5.00	2.35

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	62.47	+0.87%
Gold Spot, USD/t oz	1,425.37	-1.43%
Cotton, USD/lb	63.07	+2.20%

Source: Bloomberg

Economy

Brexit fear puts the brakes on exports to UK

Delay in Brexit deal execution and uncertainty over no-deal prospects have slowed down Bangladesh's export growth to the United Kingdom (UK), the third largest export destination for the country. In the fiscal year 2018-19, Bangladesh's export earnings from the UK posted a 4.51% growth to \$4.16 billion against an 11.76% growth to \$3.99 billion in the fiscal year 2017-18. The apparel sector, the largest contributor to the national exports, has contributed \$3.85 billion, which is 92.56% of total exports of \$4.16 billion. In addition, the growth of Bangladesh's exports to the UK is lower than its other destination countries as well as the overall export earnings. Bangladesh's overall merchandise export earnings have registered a 10.55% growth to \$40.53 billion in the FY19.

<https://www.dhakatribune.com/business/economy/2019/07/20/brexit-fear-puts-the-brakes-on-exports-to-uk>

Bangladesh scraps record 156 ships in 6 months despite concerns

Bangladesh has become the top dumping ground for discarded ships in the world with the country dismantling the highest number of vessels in the first half (January-June) of the current year. The latest figures released by the platform showed that there were a total of 374 ships broken in the first half of 2019 and of those, highest 156 vessels were broken in Bangladesh causing irreversible damages to both human health and the environment. The number of ships broken in the first half of 2019 grew by 67.74 per cent from 93 vessels dismantled in the same period of last year.

<http://www.newagebd.net/article/79141/bangladesh-scraps-record-156-ships-in-6-months-despite-concerns>

10 ridesharing cos get licence

Bangladesh Road Transport Authority (BRTA) has so far issued licence to 10 ridesharing companies after they started registering app services on July 01 this year. The registration began 18 months after the guidelines were formulated for ridesharing services in the country. The companies who got enlistment certificates included Pickme Limited, Pathao, Obhai, Chaldal, Computer Systems, Akash Technology, Ezzyr Technologies Limited, Segesta Limited, Shohoz Limited and Uber Bangladesh Limited.

<http://today.thefinancialexpress.com.bd/last-page/10-ridesharing-cos-get-licence-1563641346>

Malaysia to start recruiting BD workers from August: Minister

Malaysia will start recruiting Bangladeshi workers from August. The decision of returning illegal workers to the country from Malaysia has been finalised. Moreover, the recruitment of new workers will begin in the next month of August as the first step in this regard is done.

<https://thefinancialexpress.com.bd/national/malaysia-to-start-recruiting-bd-workers-from-august-minister-1563636597>

Shop owners' platform decides to get firmer against tobacco products

Bangladesh Dokan Malik Shamity (BDMS), a platform of shop owners, gave assurances that it will take necessary steps going forward to prohibit the sale of 'loose' cigarettes, that is to say cigarettes from broken packs. To build a tobacco-free Bangladesh by 2040, BDMS will take necessary actions to ban the sale of cigarettes within 100 yards of any educational institution or playground.

<https://www.daily-sun.com/post/409079/2019/07/21/Shop-owners%E2%80%99-platform-decides-to-get-firmer-against-tobacco-products>

Bank & NBF

BB bent on 9-6pc interest rates

The central bank is adamant about having 9 percent and 6 percent interest rates respectively for lending and deposits in the banking sector, slapping the 46 errant banks with warning letters recently. The higher rates are not acceptable given the commitment made by the sponsors of private banks in August last year, the Bangladesh Bank said in the letter on July 8 to 46 banks whose interest rates are well above the specified rates. As of April, the excess liquidity in the banking sector stood at Tk 66,760 crore, down 12.60 percent from December last year and 8.23 percent a year earlier.

<https://www.thedailystar.net/business/news/bb-bent-9-6pc-interest-rates-1774681>

Fuel & Power

Chinese Sinopec finds gas prospect in Shariatpur

Chinese energy exploration firm Sinopec has found onshore natural gas prospect at Shariatpur in central Bangladesh after a 2D seismic survey. The Sinopec has carried out the seismic survey in Shariatpur and 16 other districts in three onshore blocks - 3B, 6B and 7 - to delineate hydrocarbon prospects over the past one and a half years having been assigned by the state-run Bangladesh Petroleum Exploration and Production Company Ltd (Bapex).

<http://today.thefinancialexpress.com.bd/first-page/chinese-sinopec-finds-gas-prospect-in-shariatpur-1563640905>

Pharmaceuticals

Pharma exports soar 26pc

Bangladesh's medicine exports soared 25.60 percent year-on-year to \$130 million last fiscal year thanks to continuous improvement of product quality and government support. The sector has built up skilled manpower and improved quality and at the same time more effort is being put to win the global market. Bangladesh exports pharma products to 144 countries and caters to 97 percent of the domestic market. Bangladesh mainly exports medicine to Africa and Asia, with some even going to the US and Europe.

<https://www.thedailystar.net/business/news/pharma-exports-soar-26pc-1774678>

Capital Market**Eighteen steps to develop bond market recommended**

A finance ministry committee has made 18-point recommendations to develop the country's bond market, including rationalisation of taxation and process simplification. The recommendations include imposition of a lump sum stamp duty instead of existing rates on paper-based bonds and exemption of duty for dematerialised bonds and other securities, collection of advance income tax on final stage of income from investment in bonds, providing tax benefits, which is now applicable only on zero coupon bond, to all kinds of bond and all types of investors and imposition of transaction fee as a reasonable lump sum amount on trade of bonds instead of rates on volume of transactions made – now in vogue for shares. Stamp duties at higher rates on bonds would discourage investors resulting in hindrance in development of the bond market. The central bank should also rationalise the interest rates for long-, medium- and short-term bonds based on their demand and supply in the market instead of the existing system. Currently, the BB determines the rate for seven-year-long bonds based on three-month fixed deposit rate.

<http://www.newagebd.net/article/79142/eighteen-steps-to-develop-bond-market-recommended>

Stock**BIFC's financial indicators suffer setback: Auditor**

The auditor has given 'qualified' opinion on the financial statement of the Bangladesh Industrial Finance Company Limited (BIFC), saying the company's financial indicators have suffered a serious setback. A qualified opinion is a statement issued after an audit is completed by a professional auditor, suggesting that the information provided is limited in scope or the company being audited has not maintained generally accepted accounting principles. The BIFC had continuous shortfalls in provision during the years from 2015 to 2018. In 2018, the company made a provision of Tk 578.44 million against the required amount of Tk 801.73 million. As a result, the provision shortfall stood at over Tk 223.29 million. The auditor observed that the company's total equity becomes negative because of net loss incurred during the last three years and investment made in shares as of 31 December 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/bifcs-financial-indicators-suffer-setback-auditor-1563639712>

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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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