

## Bangladesh market snapshot

	Last closing
DSEX Index	5,088.87
% change	-0.31%
DS30 Index	1,752.87
% change	-0.50%
DSES Index	1,153.38
% change	-0.83%
Turnover (BDT mn)	11,038.80
Turnover (USD mn)	131.41
% change	8.89%
Market Capitalization (BDT bn)	3,840
Market Capitalization (USD bn)	45.71
% change	-0.43%

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	100.42
GBP	109.56
INR	1.15

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-Sep-2020	1.50-5.25	2.62
16-Sep-2020	1.50-5.25	2.63

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.22	+0.16%
Gold Spot, USD/t oz	1,953.99	+0.16%
Cotton, USD/lb	66.00	+0.52%

Source: Bloomberg

## Economy

### Government net bank borrowing drops by 74.13pc

The government's net borrowing from the country's banking system dropped by 74.13 per cent or Tk 19,944.51 crore year-on-year till September 14 of the current fiscal year 2020-2021 due mainly to a rebound in the sales of national savings certificates. Besides the NSC sales issue, the inflow of budgetary assistance from multinational lenders in the first couple of months of the current fiscal year was another reason for a drop in the government's net borrowing from the banking system. Even though the tax revenue collection by the government was dismal in the first two months of FY21, the improved NSC sales situation and foreign loans and grants helped the government keep bank borrowing low during the period. The government's net bank borrowing dropped to Tk 6,958.29 crore till September 14 of FY21 against Tk 26,902.8 crore in the same period last fiscal year.

<https://www.newagebd.net/article/116823/government-net-bank-borrowing-drops-by-7413pc>

### Target to double tax-GDP ratio

The government has taken an ambitious target to raise the revenue-GDP (Gross Domestic Product) ratio to 24.1 per cent as it aims to achieve the developed nation status by 2041. The rapid pickup will be needed to keep the revenue-GDP ratio at an average 18.50 per cent rate annually over the 20 years through fiscal year 2041. Economists were critical of the ambitious target, saying it will be difficult to expand the country's internal resources during the period.

<https://today.thefinancialexpress.com.bd/first-page/target-to-double-tax-gdp-ratio-1600623565>

## Bank and NBFI

### BB extends deadline until December 30

The central bank has extended the deadline for disbursement of Tk. 50 billion special stimulus package for the Covid-19 pandemic hit agricultural sector to December 31 next. The original deadline was set to expire on September 30. The stimulus package was announced by the central bank under a very soft refinancing scheme to offer loans to the farmers at a low interest rate. The recipients of the loans under the package in question are required to pay interest at 4.0 per cent. Banks are receiving funds from the Bangladesh Bank at a rate of only 1.0 per cent.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-deadline-until-december-30-1600623655>

### PM hints at merger of weak banks

Prime Minister Sheikh Hasina has hinted that the banks, which are not functioning properly, would be merged following proper assessments. "There are some banks that become very weak. In many cases, merging is essential. In that case, it'll have to be

considered which bank is functioning properly or not. It'll be done considering these things," the Prime Minister said on Sunday.

<https://thefinancialexpress.com.bd/national/pm-hints-at-merger-of-weak-banks-1600598772>

### **BB clarifies instances with no limits on int'l card payments**

Bangladesh Bank yesterday issued a clarification on the maximum limit for international online purchases by way of using credit cards. In February 2016, the central bank tripled the limit for international online purchases to \$300 per transaction to give a boost to credit card use. However, there are six instances when the limit of a single transaction will not be applicable when making payments using international cards, according to a central bank notice. They are bonafide payments by BASIS members (IT and software firms), visa processing fees, hotel bookings and mobile phone roaming bills, IT expenses and membership fees.

<https://www.thedailystar.net/business/news/bb-clarifies-instances-no-limits-intl-card-payments-1964805>

### **Fuel and Power**

#### **Hatiya to have 12-MW power plant by Dec**

The government has taken a move to install a 12-megawatt (MW) diesel-fired power plant in Hatiya island in southeastern Bangladesh by December. The Power Division and the BPDB are now negotiating with the interested power plant owners over tariff and other relevant issues. Currently, the BPDB has several 500-kilovolt (KV) units which generate around 2.0-3.0 MW of electricity to meet the local demand.

<https://today.thefinancialexpress.com.bd/last-page/hatiya-to-have-12-mw-power-plant-by-dec-1600624189>

### **Telecommunication**

#### **Mobile phone users rise to four-month high**

The number of mobile phone users rose to a four-month high in July while internet connections continued to soar in another signal that the country's economic recovery is gaining pace. Mobile phone users totalled 16.43 crore in July, the highest since April, the first month that started to witness the full impacts of the coronavirus pandemic. The figure is 1.36 per cent higher than 16.21 crore customers the country's four mobile phone operators had combined in the same month a year ago.

<https://www.thedailystar.net/business/news/mobile-phone-users-rise-four-month-high-1964797>

### **Capital Market**

#### **Energypac Power's share bidding begins today**

Energypac Power Generation's bidding to fix the cut-off price of shares commences today (Monday) while share bidding of Mir Akhter Hossain, a construction company, is set to open September 27. The power generation company's bidding through electronic subscription system (ESS) of the exchanges will be continued until 5:00pm on September 24

(round the clock).

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-powers-share-bidding-begins-today-1600615137>

## **Stock**

### **Meghna Petroleum, JMI ink deal to expand LPG business**

Meghna Petroleum, a listed company in the country's stock market, has signed an agreement with JMI Industrial Gas Ltd as part of business expansion. Under the agreement, the petroleum company will sale LPG by establishing LPG (Auto gas) refuelling station and liquefied petroleum gas (LPG) conversion workshop parallel with the sale of refuelling oil through the company's registered filling station.

<https://today.thefinancialexpress.com.bd/stock-corporate/meghna-petroleum-jmi-ink-deal-to-expand-lpg-business-1600615167>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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