

## Bangladesh market snapshot

	Last closing
DSEX Index	4,917.25
% change	0.31%
DS30 Index	1,694.39
% change	0.24%
DSES Index	1,119.10
% change	0.41%
Turnover (BDT mn)	9,150.51
Turnover (USD mn)	108.93
% change	16.69%
Market Capitalization (BDT bn)	3,982
Market Capitalization (USD bn)	47.40
% change	-0.11%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	28,308.79
% change	+0.40%
Nikkei 225	23,676.90
% change	+0.47%
FTSE 100	5,889.22
% change	+0.08%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.81
EUR	99.80
GBP	109.84
INR	1.16

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Oct-2020	1.50-5.25	2.73
18-Oct-2020	1.50-5.25	2.81

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.98	-0.42%
Gold Spot, USD/t oz	1,918.30	+0.60%
Cotton, USD/lb	70.93	-0.13%

Source: Bloomberg

## Economy

### Tax revenue collection gradually getting pace

Tax revenue collection started gaining momentum gradually after the Covid-19 pandemic fallout, posting 4.11 per cent growth in the first quarter (Q1) of the current fiscal year (FY), 2020-21, compared to that of the corresponding period last year. In the month of September, the National Board of Revenue (NBR) achieved 10.76 per cent growth in revenue collection, compared to that of the matching period last year. Revenue collection growth was 7.85 per cent in the month of August. However, the NBR posted a negative growth of 6.77 per cent in revenue collection in the month of July. Of its three wings, VAT Wing posted 1.19 per cent growth, Customs Wing 6.78 per cent, and Income Tax Wing 4.92 per cent in July-September period. The NBR collected an aggregate amount of revenue worth Tk 499.89 billion in Q1 against Tk 480.17 billion in the same period last year.

<https://today.thefinancialexpress.com.bd/first-page/tax-revenue-collection-gradually-getting-pace-1603216940>

<https://www.thedailystar.net/business/news/tax-collection-jumps-september-1981645>

### Ecneec okays four projects worth Tk 1,668cr

The government yesterday gave go-ahead to four projects worth Tk 1,668 crore, including the revised budget of the rural infrastructural development project for Madaripur, Shariatpur and Rajbari. Of the amount, the national exchequer will provide Tk 1,524 crore and the rest will come from the related organisations. The Ecneec also approved a Tk 566.76 crore project for the development of the Jashore airport, Syedpur airport and Shah Makhdum airport in Rajshahi.

<https://www.thedailystar.net/business/news/ecneec-okays-four-projects-worth-tk-1668cr-1981617>

### GSP-plus contingent on reforms: EU

Bangladesh will not get the 'Generalised Scheme of Preferences (GSP)-Plus' facility until it implements the 27 core UN conventions on labour reforms, human rights and governance, says the European Union (EU). Bangladesh is set to lose its current privilege of zero-duty export benefit under the EU's Everything But Arms (EBA) scheme after its transition from a least-developed country to a middle income country status. The deadline was set initially in 2024, but as the EU gives three years' grace period to ensure a smooth transition, the country will finally lose the existing EBA facility in 2027.

<https://today.thefinancialexpress.com.bd/first-page/gsp-plus-contingent-on-reforms-eu-1603216809>

### Only 0.4pc Msmes get funds, IFC survey finds

Only 0.4 per cent of the country's micro, small and medium enterprises (Msmes) received financing from banks and financial

institutions under the government's packages to recover from the Covid-19 pandemic-induced loss in their business. It happened so, as the Msmees were not well informed about the bailout facilities. The survey also found that some 24 per cent of the Msmees did not receive any financing under the existing packages, and 74 per cent did not know anything about these. However, in a separate segment, respondents in the survey said 61 per cent of the Msmees were not aware of the government support for the pandemic recovery.

<https://today.thefinancialexpress.com.bd/first-page/only-04pc-msmes-get-funds-ifc-survey-finds-1603216868>

### **37pc employees in small businesses lost jobs: survey**

A whopping 37 per cent of employees in the micro, small and medium enterprises (MSMEs) lost their jobs, either temporarily or permanently, within a month and 94 per cent of MSMEs experienced a sharp drop in sales because of the coronavirus pandemic. 70 per cent of all workers are now in vulnerable jobs, with businesses either temporarily closed or only partially open. This led to calls for ramping up policy support for the MSMEs to prevent their downfall amid plummeting sales and save jobs as only 2 per cent of them received support from the state.

<https://www.thedailystar.net/business/news/37pc-employees-small-businesses-lost-jobs-survey-1981653>

### **Bank and NBFIs**

#### **BB relaxes unclassified consumer loans provisioning**

The central bank has significantly cut provisioning against unclassified loans of all categories under consumer financing, excluding house finance aiming to expedite the flow of consumer loans in the banking system. Now the scheduled banks will have to maintain 2.0 per cent general provision instead of 5.0 per cent earlier against such unclassified loans under consumer financing. In case of house finance, the required rate of general provision will remain the same at 1.0 per cent. Such relaxation will help banks reduce their cost of funds for loans under consumer financing.

<https://today.thefinancialexpress.com.bd/last-page/bb-relaxes-unclassified-consumer-loans-provisioning-1603217453>

<https://www.thedailystar.net/business/news/bb-relaxes-provisioning-consumer-loans-1981641>

### **Jute**

#### **Govt releases Tk 2.75b loan to pay dues**

The government has released more than Tk 2.75 billion as operating loan to pay workers' arrears of two closed state-owned jute mills. They are Crescent Jute Mills Co. Ltd and Rajshahi Jute Mills. Fifty per cent of arrears will be paid to workers' bank accounts and the remaining through three-monthly profit-bearing savings instrument.

<https://today.thefinancialexpress.com.bd/last-page/govt-releases-tk-275b-loan-to-pay-dues-1603217562>

## Stock

### **Regent Textile to acquire 99pc shares of Legacy Fashion**

Regent Textile Mills, a listed company, will acquire 99 per cent shares of Legacy Fashion at a value of Tk 830.115 million based on net asset value reported in the financial statement for the year ended on 30th June, 2020. The factory located at BSCIC Industrial Estate, Kalurghat, Chattogram, has presence of prominent and branded buyers of the world and the yearly turnover is more than Tk 3.0 billion average (last three years). Regent Textile Mills has also informed that they will invest Tk 800.00 million in RMG business.

<https://today.thefinancialexpress.com.bd/stock-corporate/regent-textile-to-acquire-99pc-shares-of-legacy-fashion-1603211351>

<https://www.thedailystar.net/business/news/regent-textile-acquire-legacy-fashion-tk-83cr-1981637>

### **Genex Infosys to provide RPA services to Banglalink**

Genex Infosys Limited, the largest publicly listed IT company of the country was recently awarded by the leading Telecom Provider Banglalink Digital for providing Robotic Process Automation (RPA) Services. Genex will automate multiple business processes for Banglalink using world's top RPA platform UiPath to accelerate the digital transformation journey.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-rpa-services-to-banglalink-1603211426>

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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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