

Bangladesh market snapshot

	Last closing
DSEX Index	4,408.11
% change	-0.59%
DS30 Index	1,507.14
% change	-0.51%
DSES Index	1,007.65
% change	-0.72%
Turnover (BDT mn)	4,068.05
Turnover (USD mn)	48.43
% change	-17.78%
Market Capitalization (BDT bn)	3,377
Market Capitalization (USD bn)	40.21
% change	-0.41%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,196.04
% change	-0.52%
Nikkei 225	23,985.50
% change	+0.51%
FTSE 100	7,610.70
% change	-0.53%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.21
GBP	110.47
INR	1.20

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-Jan-2020	3.60-5.50	5.04
19-Jan-2020	3.50-5.50	4.93

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.37	-0.34%
Gold Spot, USD/t oz	1,551.95	-0.40%
Cotton, USD/lb	68.92	-0.46%

Source: Bloomberg

Banks and NBFIs

BB body's report cites some hurdles (Single-digit interest rates)

The Bangladesh Bank (BB) committee has submitted its report to the BB governor, mentioning some challenges for bringing down interest rates on both lending and deposit to the single digit level. The committee has mentioned some challenges that might surface following implementation of 9.0 per cent interest rate on all types of loans, excepting credit cards.

<https://today.thefinancialexpress.com.bd/first-page/bb-bodys-report-cites-some-hurdles-1579630200>

Economy

Dhaka to seek investment for next 5-year plan

Bangladesh will seek investment from development partners in different sectors including education, health, energy, human resources and infrastructure development under the upcoming eighth five-year plan. The investment proposal will be placed at the Bangladesh Development Forum (BDF) beginning on January 29 in Dhaka. Prime Minister Sheikh Hasina will inaugurate the two-day event that will focus on the five-year plan covering 2021-2025.

<https://tbsnews.net/economy/dhaka-seek-investment-next-5-year-plan-38207>

ECNEC revises project cost, timeline once again

The Executive Committee of the National Economic Council (ECNEC) revised the BSCIC industrial park project on the third occasion increasing the project cost and also extending the implementation time. The Bangladesh Small and Cottage Industries Corporation (BSCIC) has failed to complete the industrial park establishment work in nine years at Sirajganj. The ECNEC meeting revised the "Setting up of BSCIC industrial park at Sirajganj project" ballooning the cost to Tk 7.19 billion, 90 per cent hike from the original cost of Tk 3.78 billion.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-revises-project-cost-timeline-once-again-1579630432>

Job growth rate too slow to meet 2030 target

Discussants at a dialogue held in Dhaka on Tuesday suggested the government not judging the country's macroeconomic scenario only by the growth rate but also by the generation of new jobs. The suggestion came in the light of inadequate generation of employment opportunities in recent years against the target set for the same until 2030. With the current employment growth rate, the government cannot attain its target of creating 30 million fresh jobs by 2030, said a study report, prepared by the Centre for Policy Dialogue (CPD) and presented at the dialogue.

<https://today.thefinancialexpress.com.bd/first-page/job-growth-rate-too-slow-to-meet-2030-target-1579630117>

Govt admits rejection of TU reg application high

The government has finalised its response to the complaints made by worker delegates of some countries against Bangladesh about non-observance of International Labour Organisation conventions, acknowledging that the rate of rejection of applications for trade union registration is still high. The response to the complaints about violating ILO conventions related to freedom of association, right to organise and to bargain collectively and labour inspection would be sent to the ILO by January 30.

<https://www.newagebd.net/article/97316/govt-admits-rejection-of-tu-reg-application-high>

Telecommunication

Telcos fined Tk 4.71cr over illegal call termination

The telecom regulator is set to slap all four mobile operators with fines after their SIMs were found being used in illegal call termination. Call termination refers to the routing of calls from one carrier or provider to another. In Bangladesh diverting international calls from designated gateways is illegal. Of the total fine of Tk 4.71 crore, state-run Teletalk alone accounted for Tk 4.36 crore.

<https://www.thedailystar.net/business/news/telcos-fined-tk-471cr-over-illegal-call-termination-1857370>

Textile

Allow 100pc FDI sans any discrimination

Visiting apparel sector leaders from Sri Lanka have requested Bangladesh to allow 100 per cent foreign direct investment (FDI) without any discrimination between local and foreign companies in offering supports. They also expressed their interest to invest in Bangladesh's textile and garment industry to collectively utilise the existing strengths of both the countries and grab global market.

<https://today.thefinancialexpress.com.bd/trade-market/allow-100pc-fdi-sans-any-discrimination-1579629388>

Food and Allied

Govt to protect interest of salt producers

Industries Minister Nurul Majid Mahmud Humayun on Tuesday assured the salt producers of providing all government supports to protect their interest. The ministry remains alert so that no one can import edible salts in the name of industrial salt, he told a press briefing on the ministry's achievement and activities related to Bangabandhu's birth centenary programmes at his ministry in the city.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-protect-interest-of-salt-producers-1579629352>

Boro output may drop this season

Cold wave coupled with dense fog has caused a delay in Boro farming in the country this year, raising concerns over achieving the target of its cultivation and production. Market experts, however, predicted that production of this major food crop might decline this season due to foggy

weather condition and persistent low prices of paddy in the domestic market. Farmers planted Boro seedlings on 0.942 million hectares of land as of January 19 this year which was 1.322 million hectares during the corresponding period of last year, a decline by about 0.4 million hectares. The government has set a target to produce 20.04 million tonnes of rice from 4.68 million hectares of land this year.

<https://today.thefinancialexpress.com.bd/trade-market/boro-output-may-drop-this-season-1579629291>

Capital Market

Ministry body draws up work plan (Stock mkt streamlining)

A stock market monitoring committee of the Ministry of Finance (MoF) prepared a work-plan on Tuesday to consult with the government bodies and stakeholders concerned to make the bourses sustainable. The special committee, headed by additional secretary of the Financial Institution Division Maqsura Noor, held a meeting on the day. It opined that streamlining of the stock market is dependent on combined work of all stakeholders concerned of public and private sectors. According to an official who attended the meeting, the committee will soon sit with the officials of the National Board of Revenue (NBR), the Bangladesh Investment Development Authority (BIDA), and bodies which represent the investors.

<https://today.thefinancialexpress.com.bd/last-page/ministry-body-draws-up-work-plan-1579630729>

Solving bank troubles, GP-regulator issues key for DSE

Bangladesh's stock market can be revived by strengthening the banking sector and settling the tussle between Grameenphone and the telecom regulator, said Hong Kong-based investment firm Asia Frontier Capital (AFC). The AFC focuses on high growth Asian frontier economies by managing the AFC Asia Frontier Fund, through which it invests in Bangladesh's capital market. Improving stock market sentiment requires some very simple decisions but the question remains over whether the political will exists, it said in its annual publication "AFC Asia Frontier Fund: 2019 Review and Outlook For 2020".

<https://www.thedailystar.net/business/news/solving-bank-troubles-gp-regulator-issues-key-dse-1857367>

Stocks

HC slaps travel ban on top brass (ILFSL)

The High Court (HC) has imposed a travel ban on the shareholder-directors and top executives, including PK Halder, of International Leasing and Financial Services Ltd (ILFSL). The ILFSL authorities have also been asked not to transfer their movables and immovables like stocks, cash and car to any person or entity until the disposal of the case. At the same time, the court appointed Ibrahim Khaled, former central bank deputy governor, as an independent director and chairman of the trouble-torn non-banking financial institution (NBFI).

<https://today.thefinancialexpress.com.bd/first-page/hc-slaps-travel-ban-on-top-brass-1579630294>

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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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