

Bangladesh market snapshot

	Last closing
DSEX Index	4,085.80
% change	0.38%
DS30 Index	1,372.09
% change	0.54%
DSES Index	948.32
% change	0.45%
Turnover (BDT mn)	2,528.91
Turnover (USD mn)	30.11
% change	5.16%
Market Capitalization (BDT bn)	3,172
Market Capitalization (USD bn)	37.76
% change	0.29%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,840.40
% change	+0.60%
Nikkei 225	22,828.75
% change	-0.24%
FTSE 100	6,269.73
% change	+0.13%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	97.08
GBP	107.39
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-Jul-2020	2.25-5.50	4.27
19-Jul-2020	2.00-5.50	4.30

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.17	-0.34%
Gold Spot, USD/t oz	1,857.50	+0.85%
Cotton, USD/lb	63.07	+0.19%

Source: Bloomberg

Economy

FY '20 revenue rises by Tk 30b on fresh data

The revenue board has managed to collect Tk 30 billion more for the public exchequer in the last fiscal year, reducing the extent of shortfall it suffered due to the COVID-19 pandemic. The National Board of Revenue (NBR) has collected Tk 2.18 trillion against its revised target of Tk 3.0 trillion for FY 2019-20. Tk 30 billion more was collected than that of the aggregate tax revenue collection which was revealed in the first week of July. As of July 7, it was reported that the NBR collected Tk 2.15 trillion in tax revenue facing a 3.79 per cent negative growth in the last FY compared to that of the previous FY. The NBR also lagged behind its revised target by 27.32 per cent.

<https://today.thefinancialexpress.com.bd/first-page/fy-20-revenue-rises-by-tk-30b-on-fresh-data-1595354127>

<https://www.thedailystar.net/business/news/revenue-collection-did-not-stutter-badly-last-fiscal-year-feared-1934337>

Tk 18.31b cash incentives for exporters

The government has released a sum of Tk 18.31 billion in favour of the Bangladesh Bank for the payment of cash incentives/subsidy to local exporters. It is the first instalment of cash incentives/subsidy for the July-September quarter of the current fiscal year (FY), 2020-21. Of the amount, Tk 1.25 billion will go to the jute sector while Tk 17.06 billion to other sectors. A special 1.0 per cent cash incentive support fund for the readymade garment (RMG) industry has also been included in the 1st instalment. The government has yet to announce the rates of cash incentive/subsidy for the current fiscal.

<https://today.thefinancialexpress.com.bd/trade-market/tk-1831b-cash-incentives-for-exporters-1595349573>

Bank and NBFI

BB to declare Tk 20b credit insurance scheme for SMEs

Bangladesh Bank is going to announce a Tk20 billion credit guarantee insurance scheme for the small and medium enterprises (SMEs). The scheme will be introduced as the commercial banks are reluctant to disburse loans among the SMEs in accordance with the interest rate cap at 9 per cent. The government has already announced a subsidized stimulus package for the pandemic-hit SMEs, but the banks still have not come forward for the small businesses. The government will increase the amount of insurance scheme if this Tk20 billion becomes successful.

<https://today.thefinancialexpress.com.bd/last-page/bb-to-declare-tk-20b-credit-insurance-scheme-for-smes-1595354757>

BB makes lending easier to foreign companies

Banks and non-bank financial institutions have been allowed to give out local currency loans to foreign companies against overseas guarantees without taking prior approval from the central bank. The central bank eased the rule yesterday given the ongoing

coronavirus pandemic. The new rule will be in force until June 30, 2021. The rule relaxation aims at facilitating easy access to loans against external guarantees. No fees will be payable against the guarantees.

<https://www.thedailystar.net/business/news/bb-makes-lending-easier-foreign-companies-1934321>

BB instructs banks to have separate windows for govt bills, bonds

Bangladesh Bank on Tuesday asked all scheduled banks and non-banking financial institutions to open separate windows to facilitate transactions of treasury bills and bonds within the next three months. The central bank's initiative comes at a time when the government has been borrowing heavily from the banking system against treasury bills and bonds to address the budget deficit. In the previous 2019-2020 fiscal year, the government borrowed more than Tk85,000 crore by issuing treasury bills and bonds from the banks and other entities. For the current FY21 fiscal, the government plans to borrow Tk84,980 crore against treasury bills and bonds.

<https://www.dhakatribune.com/business/banks/2020/07/21/bb-instructs-banks-to-have-separate-windows-for-govt-bills-bonds>

<https://www.newagebd.net/article/111762/banks-asked-to-open-separate-window-for-govt-bills-bonds>

Fuel and Power

BPC shelves plan to rent private tanks to store oil

The Bangladesh Petroleum Corporation (BPC) has finally put off a plan of arranging private sector storage facilities on rental basis to store its oil. The state-run corporation planned to store as much oil as it can to take benefit of the downward oil prices in international market. The BPC's own storages are almost full now. If it could store more oil in private tanks, it could purchase more oil products at current low price from international market. The BPC initiated the process to get private tankers on rental basis for four months. Despite repeated attempts to ensure oil storage facility from the private sector over the past four months, the BPC could not ensure a single facility to date. To cope with lower storage facility, the entity is importing only four oil cargoes this month instead of the 12 scheduled ones.

<https://today.thefinancialexpress.com.bd/last-page/bpc-shelves-plan-to-rent-private-tanks-to-store-oil-1595354538>

Capital Market

Govt move to enact single act

The government has moved to bring the activities of the securities regulator and operations of the capital market under a single act to be enacted by the parliament on completion of relevant processes. As part of the move, the Financial Institutions Division (FID) of the ministry of finance (MoF) has drafted an act accommodating the Securities and Exchange Ordinance, 1969 and the Bangladesh Securities and Exchange Commission Act, 1993. The draft of the accommodated act has included some new provisions regarding the operations of newly-formed clearing

corporation and the formation of prosecution unit for the tribunal on capital market.

<https://today.thefinancialexpress.com.bd/stock-corporate/govt-move-to-enact-single-act-1595348818>

Stocks

City Bank launches 'Digital Loan' on pilot basis with bKash

City Bank has launched a collateral-free Digital Loan, whereby users can request and receive loans of up to Taka 10,000 instantly through bKash. This is a pilot initiative targeting a limited group of selected bKash users. Under the pilot initiative, bKash users can request a loan from City Bank from the bKash App, receive the loan disbursement into their bKash accounts as well as repay the loan from their bKash accounts. City Bank has launched this pilot initiative with the approval of Bangladesh Bank, and aims to expand access to finance to unbanked populations and contribute towards the journey of financial inclusion. Upon successful completion of the project, City bank will commercially launch the Digital Loan to eligible bKash users, subject to approval from Bangladesh Bank for commercial launch.

<https://thefinancialexpress.com.bd/trade/city-bank-launches-digital-loan-on-pilot-basis-with-bkash-1595323552>

<https://www.thedailystar.net/business/news/the-future-lending-here-and-it-thanks-city-bank-and-bkash-1934333>

BSEC to freeze shares of Shurwid directors

The securities regulator has decided to freeze the shares of the directors of Shurwid Industries for submitting compliance reporting without completing the distribution of dividend for the year ended on June 30, 2019. The securities regulator will also conduct a special audit of the financial statement of Shurwid Industries.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-freeze-shares-of-shurwid-directors-1595349118>

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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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