

Bangladesh market snapshot

	Last closing
DSEX Index	5,223.41
% change	-0.08%
DS30 Index	1,841.67
% change	-0.21%
DSES Index	1,204.49
% change	-0.02%
Turnover (BDT mn)	5,425.51
Turnover (USD mn)	64.59
% change	14.72%
Market Capitalization (BDT bn)	3,881
Market Capitalization (USD bn)	46.20
% change	-0.18%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,202.73
% change	+0.93%
Nikkei 225	20,604.66
% change	-0.07%
FTSE 100	7,203.97
% change	+1.11%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.58
EUR	93.79
GBP	102.60
INR	1.18

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
20-Aug-2019	4.50-5.00	4.62
19-Aug-2019	4.25-5.00	4.62

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.22	-0.13%
Gold Spot, USD/t oz	1,501.65	-0.07%
Cotton, USD/lb	60.03	+0.15%

Source: Bloomberg

Economy

Leather goods exports rebound

Export of leather and leather goods from Bangladesh rebounded strongly after more than two years thanks to higher shipments to non-traditional markets and the US-China trade war. Shipments in July amounted to \$106.10 million, a 16.39 percent year-on-year growth. This is the only sector after garments which fetched \$1 billion last fiscal year.

<https://www.thedailystar.net/business/news/leather-goods-exports-rebound-1788844>

Bangladesh Bank seeks release of govt fund for incentive for remittance

Bangladesh Bank has requested the government to release fund for providing cash incentive against the inward remittance. The government in the budget for the fiscal year of 2019-2020 announced that 2 per cent cash incentive would be provided to the beneficiaries of inward remittance. Banks would start disbursing incentive against remittance after getting fund allocation from the central bank. The government in the budget allocated Tk 3,060 crore for the purpose in an expectation that the incentive would significantly increase the remittance flow through the legal channels and discourage the illegal channels like 'hundi' business.

<http://www.newagebd.net/article/82125/bangladesh-bank-seeks-release-of-govt-fund-for-incentive-for-remittance>

Bank and NBFIs

Defaulter Root Group to get fresh loans from Janata

In a baffling move, the central bank is set to allow precarious Janata Bank to reschedule default loans amounting to Tk 1,049 crore of little-known Root Group that ranks 49 out of the top 300 defaulters in the country. Root Group, a textile and fertiliser producer, will be permitted to regularise its bad loans by providing only 5 percent down payment -- at a time when it is being investigated by two wings of the Bangladesh Bank for charges of money laundering. Not only that, the state bank is preparing to extend fresh import financing worth Tk 750 crore to the group.

<https://www.thedailystar.net/business/banking/news/defaulters-root-group-get-fresh-loans-janata-1788847>

Engineering

Walton to export refrigerators, ACs to India

Local electronics manufacturer Walton is all set to export refrigerators and air-conditioners to India. Walton as an original equipment manufacturer will supply 1 lakh units of refrigerators and 20,000 residential air-conditioners to Hyundai Electronics. Hyundai will import the products through its partner Goldenarch Consumer Electronics Pvt Ltd.

<https://www.thedailystar.net/business/news/walton-export-refrigerators-ac-india-1788832>

Pharmaceuticals

Bangladesh pharmaceutical industry blooms bigger

Once largely dependent on imports and multinational companies to meet the local demand, Bangladeshi pharmaceutical industry is growing very fast meeting 98% of domestic demand and posting a 27% growth in export earnings. In 2018, the country's domestic pharmaceutical market size stood at Tk20,511.8 crore with 15.6% compound annual growth rate (CAGR) for the last five years. On top of that, the sector is expected to grow at 15% year-on-year to reach \$5.11 billion by 2023, propelled by high investment by local companies as they seek to grab a bigger share of the global market.

<https://www.dhakatribune.com/business/2019/08/22/bangladesh-pharmaceutical-industry-blooms-bigger>

Telecommunication

BTRC gets govt nod to issue show-cause notice for GP, Robi's licence cancellation

The posts and telecommunications ministry has allowed the Bangladesh Telecommunication Regulatory Commission to seek explanation from two mobile phone operators — Grameenphone and Robi — why their licences would not be revoked for not paying audit claims. The ministry gave the consent following a proposal from the telecom regulator as the mobile phone operators have refrained from paying audit claims made by the BTRC based on separate audits. The mobile operators have 76 per cent of the country's mobile phone subscribers under their belt.

<http://www.newagebd.net/article/82126/btrc-gets-govt-nod-to-issue-show-cause-notice-for-gp-robis-licence-cancellation>

Fuel and Power

Govt to import \$819.3m petroleum product

The government will import 14.35 lakh tonnes of petroleum product worth \$819.30 million during July to December this year under a government-to-government arrangement. According to the BPC proposal, the petroleum will be imported from Malaysia, Thailand, Indonesia, the United Arab Emirates, Kuwait and China. The premium, which is the cost of shipping and includes freight charges and insurance, for importing diesel will be \$2.95 per barrel, Jet fuel-1 \$3.95, petrol \$4.90 and furnace oil \$28.25 per tonne.

<https://www.thedailystar.net/business/news/govt-import-8193m-petroleum-product-1788835>

Capital Market

ACC launches probe against BSEC chairman

The Anti-Corruption Commission (ACC) has launched an investigation into allegations of embezzlement and money laundering against securities market regulator Bangladesh Securities and Exchange Commission (BSEC) Chairman M Khairul Hossain. During his eight-year tenure, 84 IPOs were approved and around half of them were alleged to be of low quality. A section of BSEC senior officials knowing everything about fake and concocted statements of companies in question kept

approving their IPOs, sometimes with higher premiums.

<https://www.dhakatribune.com/business/stock/2019/08/20/acc-launches-probe-against-bsec-chairman>

Stock

Grameenphone gets new CFO

Grameenphone has appointed Jens Becker as its new chief financial officer (CFO), effective from August 15. He is replacing Karl Erik Broten, the telecom company said in a statement yesterday. Prior to the appointment, Becker had been serving as CFO of T-Mobile in Poland. He was also the CFO at T-Online International AG.

<https://www.thedailystar.net/business/telecom/news/grameenphone-gets-new-cfo-1788817>

PLFS yet to submit list of assets, liabilities

The management of Peoples Leasing and Financial Services (PLFS) has failed to prepare the affidavit list of its assets and liabilities to smooth its liquidation process by on Wednesday, a deadline set by the High Court (HC). The HC granted PLFS's liquidation process on July 14 on the ground of failure in paying back depositors' money. In line with the HC order, the Bangladesh Bank (BB) appointed Md Asaduzzaman Khan, deputy general manager of the department of financial institutions and market, BB, as liquidator for the battered non-bank financial institution (NBFI).

<https://www.dhakatribune.com/business/2019/08/22/plfs-yet-to-submit-list-of-assets-liabilities>

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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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