

Bangladesh market snapshot

	Last closing
DSEX Index	5,012.13
% change	-1.51%
DS30 Index	1,726.96
% change	-1.48%
DSES Index	1,138.11
% change	-1.32%
Turnover (BDT mn)	9,775.88
Turnover (USD mn)	116.38
% change	-11.44%
Market Capitalization (BDT bn)	3,796
Market Capitalization (USD bn)	45.18
% change	-1.15%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,147.70
% change	-1.84%
Nikkei 225	23,360.30
% change	+0.18%
FTSE 100	5,804.29
% change	-3.38%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.41
GBP	109.54
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-Sep-2020	1.50-5.25	2.70
17-Sep-2020	1.50-5.25	2.62

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	41.58	+0.34%
Gold Spot, USD/t oz	1,912.68	+0.01%
Cotton, USD/lb	65.65	+0.63%

Source: Bloomberg

Economy

Exports in 38 categories to enjoy cash incentive

The government on Monday announced cash incentives for the current fiscal year 2020-2021, keeping incentive against export of products under 38 categories announced for the fiscal year 2019-2020 unchanged. The cash incentive at existing rate would remain intact against the export of products specified in the BB's circular of September 22, 2019 and January 30, 2020. As per the Bangladesh Bank's circular issued in September last year, an additional 1 per cent special incentive was applicable against export of readymade garment products. Among others, incentive against export of consumer electronics, electrical home and kitchen appliances would remain intact along with a number of products manufactured in economic zones and hi-tech parks.

<https://www.newagebd.net/article/116914/exports-in-38-categories-to-enjoy-cash-incentive>

Bank and NBFIs

Term loans shrink as industries weaken

Disbursement of industrial term loans contracted 8.15 per cent year-on-year to Tk 74,257 crore in the last fiscal year due to the economic meltdown brought on by the coronavirus pandemic. The dismal figure exposed the stagnation the country's industrial sector has been confronting, prompting experts to call on the central bank to take immediate measures to boost the industrial sector by providing term loans to businesses. Term loans given out by banks stood at Tk 12,132 crore in the last quarter of FY20, down 45.43 per cent from a year ago. The recovery of term loans also registered negative growth for the first time in recent years because of the eroding capacity of businesses to repay. Lenders recovered term loans worth Tk 69,724 crore in FY20, in contrast to Tk 76,569 crore a year ago.

<https://www.thedailystar.net/business/news/term-loans-shrink-industries-weaken-1965333>

BB tightens monitoring on loan release to CMSMEs

The Bangladesh Bank on Monday asked all the scheduled bank to report on a weekly basis on disbursement of loans under the Tk 20,000-crore stimulus package meant for cottage, micro, small and medium entrepreneurs. The weekly reporting on disbursement was introduced with a view to observe the situation more closely.

<https://www.newagebd.net/article/116919/bb-tightens-monitoring-on-loan-release-to-cmsmes>

Fuel and Power

Import of 4.98m tons of petroleum fuel planned for 2021

The government plans to import 4.98 million metric tons (MT) of petroleum fuel in the calendar year 2021. Some 50 percent or 2.49 MT will be bought from eight countries on government to government (G-to-G) basis through negotiation while the remaining

50 percent will be procured from the international market through open bidding process. Bangladesh Petroleum Corporation (BPC)- the state petroleum marketing agency, will import 50 percent of different petroleum products in two phases- first for January - June period and second for July- December period.

<https://www.dhakatribune.com/business/2020/09/21/import-of-4-98m-tons-of-petroleum-fuel-planned-for-2021>

Textile

Nine apparel exporters in a tight spot as German retailer yet to clear dues

Nine small and medium-sized garment factories are in big trouble as a German retailer is not paying them on the pretext of being hit by the coronavirus pandemic although the buyer received the goods before the crisis began. Colloseum bought t-shirts, polo shirts and sweaters worth \$15 lakh from the Bangladeshi suppliers between December last year and February this year through its Hong Kong vendor Asia Today Ltd. The suppliers are Kappa Fashion Wear, Base Fashion Wear, Dynasty Sweater (BD), Bakhrabad Knitting Industries, Anzir Apparels, IRIS Fashions, Gramtech Knit Dyeing & Garment Industries Ltd, Seo Wan Bangladesh and Disney Sweater. The German retailer owes a few lakh dollars to some buying houses as well.

<https://www.thedailystar.net/business/news/nine-apparel-exporters-tight-spot-german-retailer-yet-clear-dues-1965325>

Capital Market

Regulator revises margin loan ratio

The Bangladesh Securities and Exchange Commission (BSEC) on Monday issued an order revising the margin loan ratio. As per the revised ratio, margin loan will be distributed at a ratio of 1:1 if the broad index exists up to the 4,000 mark. The margin loan ratio will be 1:0.75 if the DSE broad index is between 4,001 points and 5,000. The ratio will be 1:0.50 if the index is between 5,001 points and 6,000 points. And the ratio will be 1:0.25 if the index goes beyond 6,000 points. The revised margin loan ratio will come into force from October 1 and the existing ratio is 1:0.5.

<https://today.thefinancialexpress.com.bd/last-page/regulator-revises-margin-loan-ratio-1600709041>

<https://www.newagebd.net/article/116918/bsec-sets-margin-loan-limit-based-on-dsex>

Walton Hi-Tech makes debut trading tomorrow

Walton Hi-Tech Industries Ltd will make its shares trading debut tomorrow (Wednesday) on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under 'N' category. The DSE trading code for Walton Hi-Tech is "WALTONHIL" and DSE company code is 13,248 while the CSE scrip ID is 16,041 and scrip code is "WALTONHIL".

<https://today.thefinancialexpress.com.bd/stock-corporate/walton-hi-tech-makes-debut-trading-tomorrow-1600701263>

IPO subscription of Dominage Steel Building begins Oct 19

The initial public offering (IPO) subscription of Dominage Steel Building Systems Ltd is set to open on October 19, aiming to raise Tk 300 million from the capital market. The Dominage Steel Building will issue 30 million ordinary shares with an offer price of Tk 10 each using the fixed price method. The principal activities of the company are to build pre-engineered steel building like factories, warehouse, convention centre, workshops, CNG stations, showrooms, multi-storied building etc.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-dominage-steel-building-begins-oct-19-1600701357>

Regulator starts public hearing on online trading

The stock market regulator has for the first time started a public hearing on problems and possibilities of internet-based trading. The commission heard the views of the representatives of the intermediaries on the problems and possibilities of internet-based transactions. About 10% of transactions in the country are done through mobile. It is now helpful during the Covid-19 pandemic.

<https://tbsnews.net/economy/stock/regulator-starts-public-hearing-online-trading-135943>

Stock

BSEC orders special audit of Fareast Islami Life Insurance

Bangladesh Securities and Exchange Commission (BSEC) has appointed a chartered accountancy firm to conduct a special audit of Fareast Islami Life Insurance to find irregularities in the insurer's financial reports between 2016-18. The stock market regular has given A Wahab & Co, one of the oldest and reputed accountancy firms in the country, two months to complete the audit. However, the regulator found some irregularities and there are huge allegations against the company on not paying claims.

<https://www.thedailystar.net/business/news/bsec-orders-special-audit-fareast-islami-life-insurance-1965297>

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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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