

Bangladesh market snapshot

	Last closing
DSEX Index	4,879.96
% change	-0.15%
DS30 Index	1,701.34
% change	0.09%
DSES Index	1,128.88
% change	0.21%
Turnover (BDT mn)	5,853.13
Turnover (USD mn)	69.02
% change	7.04%
Market Capitalization (BDT bn)	3,933
Market Capitalization (USD bn)	46.82
% change	-0.26%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,263.48
% change	-0.75%
Nikkei 225	25,527.37
% change	-0.42%
FTSE 100	6,351.45
% change	+0.27%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.53
GBP	112.57
INR	1.14

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
18-Nov-2020	1.00-5.25	1.87
17-Nov-2020	1.00-5.25	1.83

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.96	+1.72%
Gold Spot, USD/t oz	1,870.99	+0.24%
Cotton, USD/lb	72.96	+1.80%

Source: Bloomberg

Economy

Tax revenue loss: Bangladesh 3rd highest in South Asia

Bangladesh is losing more than \$703.40 million in taxes per year, causing it to experience the third highest revenue loss in South Asia. The loss amount is 3.5% of the collected tax revenue of Bangladesh, which is 0.9 percentage points higher than the global average (2.6%) and two percentage points higher than the Asian average (1.5%). Corporate tax abuse causes 95.85% of the tax losses in Bangladesh per year, and the rest (14.14%) is due to private offshore tax evasion.

<https://tbsnews.net/economy/tax-revenue-loss-bangladesh-3rd-highest-south-asia-161068>

Bank and NBFI

Banks' excess liquidity doubles

Banks have faced excess funds in the recent period in the wake of a slower trend of investment against the large volume of money injection by the central bank into the financial sector. The implementation of the stimulus packages initiated by both the central bank and the government and an upward trend of remittances are mainly responsible for the excess liquidity in the banking sector. The excess liquidity in the banking sector stood at Tk 160,979 crore as of August, up from 105 per cent year-on-year.

<https://www.thedailystar.net/business/news/banks-excess-liquidity-doubles-1999021>

BB relaxes rules for businesses to pay for fees abroad

Bangladesh Bank eased the rules for the cross-border payment of fees for the services availed by businesses from external sources. It widened the scope of the payments of fees for services such as audit, certification, commissioning, testing and valuation- a move that will reduce the hassles of firms. From now on, businesses will be able to pay for the fees up to one per cent of their annual turnover. Earlier, they had to get our approvals to remit the money for the services other than payments for training and consultancy. However, this will exclude the payments requiring permission from the authorities, including Bangladesh Investment Development Authority, for the remittances of royalty, technical knowledge or assistance, and franchise fees.

<https://www.thedailystar.net/business/news/bb-relaxes-rules-businesses-pay-fees-abroad-1998009>

Credit card spending falls as consumers tighten belts

Spending through credit cards declined in September as consumers are still feeling the heat of the slower-than-expected economic recovery, while the threat of a second wave of coronavirus infections looms large. Total card loans held by lenders stood at Tk 1,245 crore in September, down 19.78 per cent a month earlier. Transaction through credit cards, however, rose 23.68 per cent year-on-year. The volume stood at Tk 1,006 crore in September last

year.

<https://www.thedailystar.net/business/news/credit-card-spending-falls-consumers-tighten-belts-1998037>

Telecommunication

Mobile phone subscribers on the rise

The number of mobile phone subscribers rose 2.4 per cent year-on-year to 16.81 crore in October. In October's uptick, 9 lakh new users were added in one month, boosting the number well past its pre-pandemic high of 16.61 crore registered in February. Similarly, the number of internet users rose 10.25 per cent year-on-year to 11.07 crore in October. It was 9.95 crore in the same month last year. However, the number of internet users dropped slightly compared to September, when it touched an all-time high of 11.11 crore. Currently, 10.21 crore subscribers use the internet through handheld devices, while the rest rely on services provided by internet service providers and public-switched telephone network operators.

<https://www.thedailystar.net/business/news/mobile-phone-subscribers-the-rise-1998017>

Capital Market

DSE profits hit 13-year low of Tk 27cr in FY20

The Dhaka Stock Exchange's net profit nosedived to around Tk 27 crore in the last financial year 2019-20, the lowest after FY2006-07, due to the cost of its Nikunja Tower building and poor trading during the COVID-19 outbreak. The DSE's profits plummeted by 75 per cent to Tk 27 crore in FY20 from Tk 96 crore in FY19. Its profits in FY20 were the lowest after FY07 when it fetched just Tk 8.89 crore.

<https://www.newagebd.net/article/122231/dse-profits-hit-13-year-low-of-tk-27cr-in-fy20>

At least Tk9 crore a must for new brokerage licence

A local firm, if not disqualified on some common specific grounds, must invest at least Tk9 crore in total in the form of paid-up capital, security deposit and registration fee to get a stock brokerage licence. The amount goes as high as Tk16 crore if the applicant company is a foreign-owned one while local-foreign joint ventures are required to invest at least Tk13 crore for availing a brokerage licence from local bourses, says the Bangladesh Securities and Exchange Commission (Trading Right Entitlement Certificate) Rules 2020. However, the new licence holders will only get a TREC or brokerage licence, not any share or membership of the bourse concerned, according to a gazette for the rules to outline the way for awarding new stock brokerage licences to non-members of the bourses has been published last week.

<https://tbsnews.net/economy/stock/least-tk9-core-must-new-brokerage-licence-160339>

Stock

IFAD Group to set up Tk 433cr industrial complex at Bangabandhu Shilpa Nagar

IFAD Group is keen to invest Tk 433.5 crore to set up an industrial complex at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) as it looks to make a foray into the growing motorbike and automotive component segments. The group placed its investment plan to the Bangladesh Economic Zones Authority (Beza) on Monday, seeking 30 acres land at the sprawling industrial city in Mirsarai, Chattogram. IFAD intends to set up three factories in the proposed industrial complex: a manufacturing and assembly plant for motorcycles, a factory for automotive components, and a blending plant for machine lubricants. Thirty per cent of the project cost, or Tk 130 crore, would come from the company's retained earnings and the remaining 70 per cent, or Tk 303.5 crore, would be borrowed from banks.

<https://www.thedailystar.net/business/news/ifad-group-set-tk-433cr-industrial-complex-bangabandhu-shilpa-nagar-1998021>

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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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