

Bangladesh market snapshot

	Last closing
DSEX Index	4,440.30
% change	0.73%
DS30 Index	1,519.85
% change	0.84%
DSES Index	1,018.63
% change	1.09%
Turnover (BDT mn)	4,384.24
Turnover (USD mn)	52.19
% change	7.77%
Market Capitalization (BDT bn)	3,402
Market Capitalization (USD bn)	40.50
% change	0.72%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,186.27
% change	-0.03%
Nikkei 225	23,823.11
% change	-0.87%
FTSE 100	7,571.92
% change	-0.51%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.69
GBP	110.72
INR	1.20

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
21-Jan-2020	4.00-5.50	5.05
20-Jan-2020	3.60-5.50	5.04

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	62.34	-1.38%
Gold Spot, USD/t oz	1,558.34	-0.03%
Cotton, USD/lb	70.50	-0.89%

Source: Bloomberg

Economy

Banking sector poised to derail growth momentum for Bangladesh economy: IMF

The current vulnerable state of the banking sector steeped in default loans poses the biggest danger to sustenance of Bangladesh's tremendous growth momentum, said the International Monetary Fund. Bangladesh logged in 8.15 per cent GDP growth last fiscal year -- after three consecutive years of more than 7 per cent expansion -- and is on track to surpassing the number this year. As per latest central bank data, which is of September last year, default loans in the banking sector stood at Tk Tk 116,288 crore, which is an all-time high. Eight state-run banks accounted for more than 50 percent of the default loans: Tk 59,622 crore.

<https://www.thedailystar.net/business/bangladesh-banking-sector-economy-steeped-default-loans-poses-1857856>

Govt to focus on financing next planning blueprint

The government and donors will gather in the capital next week in a traditional parley to discuss national and global agenda, officials said on Wednesday. The Bangladesh Development Forum (BDF), scheduled for January 29-30, will dwell on the implementation of the upcoming 8th five year plan and the Sustainable Development Goals, known as SDGs.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-focus-on-financing-next-planning-blueprint-1579715515>

Freight charges fly by a third

Shipping freight charges have jumped by 33 per cent to \$200 after the implementation of new international carbon rule. The International Maritime Organisation, or IMO, introduced the global sulphur cap rule, which came into force from January 1, 2020. The feeder vessels, which ply in short distance between Chattogram-Singapore and Colombo, have raised the freight fares by over 33 per cent to \$200 on the Chattogram-Singapore route and \$190 to Chattogram-Colombo on each 20-foot equivalent units, TEUs. This applies to both laden and empty containers.

<https://today.thefinancialexpress.com.bd/first-page/freight-charges-fly-by-a-third-1579715396>

Capital Market

BB proposes Tk 10,000cr fund for stocks

The Bangladesh Bank has submitted to the finance ministry a set of proposals, including formation of a Tk 10,000-crore refinancing fund in line with some stockbrokers' demand to stabilise the ailing capital market. As per the BB proposal, the fund would be managed by the central bank directly and the banks, merchant banks and brokerage houses would get fund from the BB at the interest rates between 3 per cent and 5 per cent.

<https://www.newagebd.net/article/97388/bb-proposes-tk-10000cr->

[fund-for-stocks](#)**Prospectus of Ekush First Unit Fund approved**

At Wednesday's meeting, the securities regulator approved the draft prospectus of Ekush First Unit Fund. The initial size of the open-end mutual fund will be Tk 100 million, of which Tk 10 million will be contributed by its sponsor Ekush Wealth Management, also the asset manager of the fund. The remaining Tk 90 million will be collected from general investors through sales of units. The offer price of the fund's units will be Tk 10 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/prospectus-of-ekush-first-unit-fund-approved-1579713691>

Banks and NBFIs**Merchant banks to enjoy provision exemption for two more years**

Merchant banks will enjoy two more years of exemption from provisioning against portfolio losses, said the securities regulator. A press release by the Bangladesh Securities and Exchange Commission (BSEC) said on Wednesday that based on an application of Bangladesh Merchant Bankers Association, the commission extended the exemption period for another two years.

<https://tbsnews.net/economy/merchant-banks-enjoy-provision-exemption-two-more-years-38479>

Loan defaulters' list placed in parliament

Finance Minister AHM Mustafa Kamal has presented a list of individuals and companies who have defaulted on their loans. The list comprises a total of 8,238 defaulters with a debt of Tk96,986.38 crore until November last year. The minister presented the list before the House on Wednesday. It was prepared based on updated data by the Credit Information Bureau (CIB) of the Bangladesh Bank. As much as Tk25,836.04 crore of that amount has been paid back till November last, the minister replied to a query of lawmaker Ahsanul Islam Titu. According to the minister's 107-page list, Rimex Footwear Ltd is the top defaulter with nearly Tk1,800 crore.

<https://tbsnews.net/economy/outstanding-loans-bank-directors-hit-tk-171616-cr-minister-38491>

Fuel and Power**Pertamina to invest \$0.5 billion in Bangladesh's lubricant market**

Pertamina, an Indonesian state-owned oil, gas and petrochemical company, is going to invest half a billion dollars in the lubricant market of Bangladesh. The company announced the investment on Wednesday at a programme organised to celebrate the start of its journey in Bangladesh.

<https://tbsnews.net/economy/pertamina-invest-05-billion-bangladeshs-lubricant-market-38517>

Food and Allied

PM reiterates fair price of crops

Prime Minister and Leader of the House Sheikh Hasina on Wednesday reiterated her government's commitment to ensuring fair price of crops and other agricultural products in the interest of the farmers. To ensure the fair price of food grains, the prime minister said, the Food Planning and Monitoring Committee of the government fixed the prices of food grains (rice, paddy and wheat) with 10-15 percent profit on production cost, considering the interest of farmers. To this end, she said, the government in 2019 decided to procure wheat per kg at Tk28, while Boro and Aman paddy per kg at Tk26, boiled rice per kg at Tk36 and non-boiled rice per kg at Tk35.

<https://www.dhakatribune.com/bangladesh/parliament/2020/01/23/pm-reiterates-fair-price-of-crops>

Local edible oil exporters in a tight spot

India has imposed restrictions on edible oil import in its market, which has started taking toll on Bangladesh's exports to the neighbouring country, officials say. Officials said the Directorate General of Foreign Trade, DGFT, of India on January 8 published a notification amending its import policy, which shifted products like refined bleached deodorised palm oil and palmolein from "free" category to the "restricted" one. Due to the amendment, they said, every consignment of the edible oil has to enter the country obtaining prior approval from the DGFT, which is largely time-consuming and a discouraging. Bangladeshi manufacturers mainly export edible oil to the north-eastern states of India.

<https://today.thefinancialexpress.com.bd/trade-market/local-edible-oil-exporters-in-a-tight-spot-1579714545>

Textile

No earnings, no cash incentives for SME RMG factories: BB

The small- and medium-sized clothing factories with zero export earnings in the previous fiscal year will not be eligible for the additional four percent cash incentive this year, said the Bangladesh Bank. The central bank on Wednesday issued a circular in this regard. The SME exporters whose export volume is below \$5 million are currently enjoying the incentive as per a central bank directive issued in September 2019. But the banks were confused about implementing the instruction as the minimum earning limit was not set. Earlier, an export-oriented garment factory with up to \$3.5m in export earnings was considered a SME.

<https://tbsnews.net/economy/rmg/no-earnings-no-cash-incentives-sme-rmg-factories-bb-38463>

BD finalises reply to ILO complaints

Bangladesh has finalised its reply to complaints about 'non-observance' of top ILO conventions related to worker rights, officials said. This response is part of a move to avoid the formation of a commission of inquiry against the country. Despite multiple steps to simplify trade union registration process, it said, the rate of registration rejection is still high. The government has decided to send the reply to the International

Labour Organisation (ILO) by January 30, a top labour ministry official confirmed.

<https://today.thefinancialexpress.com.bd/trade-market/bd-finalises-reply-to-ilo-complaints-1579714453>

Insurance

Shibli re-appointed chair of SBC

Professor Shibli Rubayat UI Islam, Dean, Faculty of Business Studies, Dhaka University, was re-appointed as the Chairman of Sadharan Bima Corporation for three years, said a statement. The government issued a gazette notification on his appointment recently.

<https://today.thefinancialexpress.com.bd/stock-corporate/shibli-re-appointed-chair-of-sbc-1579713868>

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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 %
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