

Bangladesh market snapshot

	Last closing
DSEX Index	3,962.05
% change	-0.02%
DS30 Index	1,326.71
% change	-0.01%
DSES Index	918.76
% change	-0.02%
Turnover (BDT mn)	512.66
Turnover (USD mn)	6.10
% change	32.73%
Market Capitalization (BDT bn)	3,107
Market Capitalization (USD bn)	36.98
% change	0.00%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,024.96
% change	+0.59%
Nikkei 225	22,548.81
% change	+0.50%
FTSE 100	6,244.62
% change	-0.76%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	94.91
GBP	104.94
INR	1.11

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
21-Jun-2020	4.25-5.50	5.00
18-Jun-2020	4.25-5.50	5.00

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.07	-0.02%
Gold Spot, USD/t oz	1,748.26	-0.35%
Cotton, USD/lb	59.56	-0.48%

Source: Bloomberg

Economy

Tax receipts keep falling as pandemic lingers

Revenue collection fell massively for the second consecutive month in May as incomes and demand for goods and services crashed because of the lengthy shutdown put in place to battle the Covid-19 pandemic. The general closure, from March 26 to May 31, forced the National Board of Revenue (NBR) to post a negative growth in collection. In May, it generated Tk 13,530 crore, which was 33 per cent down from Tk 20,110 crore a year ago. The collection had crashed 50 per cent year-on-year to Tk 9,975 crore in April. The biggest revenue collector for the state logged Tk 188,500 crore in the July-May period of the current fiscal year, down 2 per cent from Tk 193,202 crore a year ago.

<https://www.thedailystar.net/business/news/tax-receipts-keep-falling-pandemic-lingers-1919033>

74pc returnee migrants fail to bring remittance home: Study

The majority of returnee migrant workers surveyed failed to bring remittances home from their job destination countries, a study revealed on Monday. It also showed that the workers who were in the deportation camps at the employing countries faced different forms of rights violation. About 74 per cent of returnee workers had left behind a significant amount of remittances in the destination countries when they returned home. On average, affected migrants lost Tk 175,000 (minimum Tk 9,500 and maximum Tk 500,000), the study showed. Some 26 per cent of the returnees said they did not have any outstanding payment due.

<https://today.thefinancialexpress.com.bd/last-page/74pc-returnee-migrants-fail-to-bring-remittance-home-study-1592847265>

Duty-free benefit may bring in Chinese investments

Granting duty-free access to 5,161 additional Bangladeshi products to the Chinese market from July 1 is encouraging news for the country at this time of the coronavirus pandemic. Now, 8,256 Bangladeshi products will be exempted from tariffs in the world's second largest economy, but Bangladesh is not yet sure whether its apparels would be allowed duty-free access to a market of 140 crore consumers. If its garments are not given easy access, experts say Bangladesh's benefits will be minimal.

<https://www.tbsnews.net/economy/trade/duty-free-benefit-may-bring-chinese-investments-96769>

Bank and NBFI

BB relaxes rules to assist exporters

The central bank has relaxed regulations, allowing banks to discount usance export bills in foreign exchange with their own source of funds, to facilitate exporters. Under the relaxations, the authorised dealer (AD) banks are now allowed to discount usance export (direct and deemed) bills in foreign exchange with their own sources, provided that the fund is not committed to using

otherwise. The banks will be able to use their unutilised foreign currency fund in discounting such export bills.

<https://today.thefinancialexpress.com.bd/trade-market/bb-relaxes-rules-to-assist-exporters-1592843451>

Bangladesh Bank tightens monitoring on banks, NBFIs

The Bangladesh Bank has tightened its monitoring over the banks and nonbanks financial institution regarding disbursement of loans to cottage, micro, small and medium enterprises under the stimulus package. The BB on Monday in a circular asked all the banks and NBFIs to submit fortnightly reports on disbursement of the stimulus package to its SME and special programmes department. Earlier in another circular, the central bank asked the schedule banks to submit reports on disbursing stimulus to the CMSMEs on a monthly basis.

<https://www.newagebd.net/article/109135/bangladesh-bank-tightens-monitoring-on-banks-nbfis>

75 firms get BB nod to borrow funds from stimulus package

Seventy-five companies, including some large groups, have secured approval from the central bank to receive low-cost loans under the stimulus package dedicated to big borrowers in the industrial and service sector. Banks have begun applying to the central bank from May 4, seeking consent so that the companies can get the funds as they set off to make a turnaround from the ongoing economic fallout brought on by the coronavirus pandemic. The companies, which include Bangladesh Steel Re-Rolling Mills (BSRM), the largest steel-maker in the country, GPH Ispat, another steel-maker, Runner Automobiles and Shanta Holdings, have bagged approval to borrow nearly Tk 2,080 crore from the Tk 30,000-crore stimulus package.

<https://www.thedailystar.net/business/news/75-firms-get-bb-nod-borrow-funds-stimulus-package-1919041>

Fuel and Power

NBR sets sight on addl Tk 20b from furnace oil import

The National Board of Revenue's (NBR) Customs Wing is eyeing an additional Tk 20 billion import duty with the withdrawal of fiscal incentives on furnace oil import. In the Finance Bill 2020, the finance minister proposed imposition of 12 per cent import duty on furnace oil. The measure came into effect from June 11, 2020 as per Provisional Collection of Taxes Act 1931. The government has lost revenue worth Tk 101.76 billion since 2011 due to offering tax exemption on furnace oil import.

<https://today.thefinancialexpress.com.bd/last-page/nbr-sets-sight-on-addl-tk-20b-from-furnace-oil-import-1592847169>

Textile

Govt urges garment owners to stop sacking

The government on Monday reiterated its call on garment factory owners to refrain from terminating any workers amid the coronavirus pandemic.

Some 80 factories, mostly garment, had terminated around 25,000 workers from June 01 to June 15, despite the government's repeated call not to do so. The ministry also asked for paying lawful benefits and other allowances to the workers, who had already lost their jobs during the virus outbreak.

<https://today.thefinancialexpress.com.bd/first-page/govt-urges-garment-owners-to-stop-sacking-1592846930>

Tannery

Tanners to get loans for buying rawhide

Industries minister Nurul Majid Mahmud Humayun on Monday assured the tanners of providing financial supports to facilitate buying rawhides during the upcoming Eid-ul-Azha. The minister made the assurance against the backdrop of the tanners' demand for special loans for purchasing the rawhides. The government would soon fix the prices of rawhide and salt-mixed rawhide considering the interests of the tanners and the seasonal rawhide traders amid the outbreak of coronavirus pandemic in the country.

<https://today.thefinancialexpress.com.bd/last-page/tanners-to-get-loans-for-buying-rawhide-1592847225>

Capital Market

No more obligation in submitting monthly shareholding report

From now on, listed companies and mutual funds will not be required to submit monthly shareholding reports to the Bangladesh Securities and Exchange Commission (BSEC). However, the shareholding report must be submitted to the BSEC within 15 days at the end of each quarter. The BSEC on Monday issued a notification in this regard.

<https://www.tbsnews.net/economy/stock/no-more-obligation-submitting-monthly-shareholding-96727>

No source tax on govt securities, BB urges MoF

The central bank has recommended the Ministry of Finance (MoF) not to impose the proposed source tax on the government securities, whose trading is set to start in the stock market within a couple of months. If the proposed tax measure is executed, trading of the government-approved securities, particularly in the secondary market, may fall drastically. It will hamper development of the bond market in the country. The government, in its Finance Bill 2020, has announced imposing a 5.0 per cent source tax on profit of investment in the government securities, covering both treasury bills (T-bills) and bonds, from the upcoming fiscal year (FY), 2020-21.

<https://today.thefinancialexpress.com.bd/first-page/no-source-tax-on-govt-securities-bb-urges-mof-1592846874>

IPO subscription of Express Ins extended until July 2

The public subscription of Express Insurance Ltd has been extended until July 2 with the permission of securities regulator. The IPO (initial public offering) subscription of the non-life insurer, which took place between

June 14 and June 18, will now continue until July 02. The non-life insurer will raise a fund worth Tk 260.79 million from the capital market using the fixed price method.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-express-ins-extended-until-july-2-1592842805>

Stocks

Runner Automobile's EPS tumbles 98pc in Jan-Mar

Earnings per share (EPS) of Runner Automobiles plunged nearly 98 per cent year-on-year in the January-March, 2020 quarter as sales in March was battered by Covid-19 outbreak. The automobile company's standalone EPS stood at Tk 0.02 for the January-March, 2020 quarter which was Tk 0.93 in the same quarter of the previous year. The company's consolidated EPS also fell to Tk 0.55 for the January-March, 2020 as against Tk 0.77 in the same period last year.

<https://today.thefinancialexpress.com.bd/stock-corporate/runner-automobiles-eps-tumbles-98pc-in-jan-mar-1592842894>

Olympic biscuit sales up by 14% in 3 quarters of FY20

Olympic Industries Limited, the leading biscuit manufacturer in the country, has reported a 14 percent jump in sales in the three quarters of the 2019-20 financial year. But in the third quarter, sales growth was slow due to the countrywide general holidays at the end of March to curb coronavirus spread. The company reported biscuit sales of Tk1,196.11 crore, an increase from Tk1,052 crore in the same period of the previous fiscal year. Its net profit also increased by 11 percent compared to the three quarters of the previous year, and stood at Tk154.49 crore. Its earnings per share was Tk7.73.

<https://www.tbsnews.net/economy/stock/olympic-biscuit-sales-14-3-quarters-fy20-96733>

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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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