

Bangladesh market snapshot

	Last closing
DSEX Index	3,963.35
% change	0.03%
DS30 Index	1,326.36
% change	-0.03%
DSES Index	918.21
% change	-0.06%
Turnover (BDT mn)	719.68
Turnover (USD mn)	8.57
% change	40.38%
Market Capitalization (BDT bn)	3,107
Market Capitalization (USD bn)	36.99
% change	0.01%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,156.10
% change	+0.50%
Nikkei 225	22,573.34
% change	+0.11%
FTSE 100	6,320.12
% change	+1.21%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	95.61
GBP	105.83
INR	1.12

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	42.41	-0.52%
Gold Spot, USD/t oz	1,770.09	+0.09%
Cotton, USD/lb	59.55	+0.19%

Source: Bloomberg

Economy

NBR's tax receipt move on the skids

The government's revenue collection in the current fiscal year is likely to contract for the first time since the country's independence in 1971. The slump in tax collection as the fallout of the coronavirus pandemic may result in lower taxation to GDP or gross domestic product ratio. Until May of the 2020 fiscal, receipt by the National Board of Revenue or NBR shrank 2.43 per cent from the same period a year earlier, according to provisional data. In the 11 months to May, the NBR collected Tk 1.88 trillion tax revenue against its target of Tk 2.68 trillion. Last year, the board collected Tk 1.93 trillion during this period.

<https://today.thefinancialexpress.com.bd/first-page/nbrs-tax-receipt-move-on-the-skids-1592935018>

Budgetary grants raised to Tk 12,680cr to fight pandemic

The budgetary grants rose more than four times to Tk 12,680 crore in the next fiscal year on the back of a large block allocation to meet urgent health and social protection expenses. The grants were Tk 2,983 crore in the revised budget and Tk 2,317 crore in the original budget in the current fiscal year. The fund would be used to buy equipment for the health sector, recruit doctors, nurses and other healthcare professionals.

<https://www.thedailystar.net/business/news/budgetary-grants-raised-tk-12680cr-fight-pandemic-1919605>

Tax raise on damages for acquired land likely

Income tax on the compensation amount of immovable properties acquired by the government is likely to be tripled in the upcoming fiscal year. In the proposed Finance Bill-2020, the rate of Advance Income Tax or AIT has been raised to 6.0 per cent from the existing 2.0 per cent if the property is situated in any city corporation, municipality or cantonment board. With this, the people may have to pay three times the tax on the damages of what they would receive from the government or other agencies against the acquisition of their immovable properties, mainly land.

<https://today.thefinancialexpress.com.bd/last-page/tax-raise-on-damages-for-acquired-land-likely-1592935376>

Bank and NBFIs

Credit cards use depressing as pandemic rules the roost

A good number of nations have cancelled international flights partially or entirely since February in order to tackle the spread of the novel coronavirus. Consumers paid around \$35 billion for flights across the globe just before the coronavirus-induced pandemic. But they were unable to fly due to the lockdowns. Clients used credit cards to pay more than 50 per cent of the bills for the flights, creating a difficult situation for the airlines company to refund the money as well.

<https://www.thedailystar.net/business/news/credit-cards-use->

[depressing-pandemic-rules-the-roost-1919621](#)

Bangladesh Bank sets limit on income transferred to FC accounts by foreigners

The Bangladesh Bank has set a limit on the percentage of income that foreign employees can transfer to their foreign currency (FC) accounts so that authorised dealer banks can monitor the amount being sent abroad. From now on, foreign nationals can transfer 75 percent of their monthly incomes to their FC accounts. The amount can be remitted in its entirety to the home countries of the foreigners. Earlier, foreign employees were allowed to transfer 100 percent of their monthly incomes to FC accounts but could only remit up to 75 percent of that amount.

<https://www.tbsnews.net/economy/banking/bangladesh-bank-sets-limit-income-transferred-fc-accounts-foreigners-97189>

Forex traders get relaxation in licence renewal

The Bangladesh Bank on Tuesday relaxed the licence renewal condition for money changers whose businesses had been hit hard by the coronavirus outbreak in the country. BB would process the licence renewal applications from money changers without taking into consideration the annual business targets. Prior to the relaxation, a money changer in the city corporation areas of Dhaka and Chittagong was required to complete a minimum volume of foreign exchange transactions worth \$0.5 million in a year to be eligible for licence renewal. The minimum required annual volume of foreign exchange transactions is \$0.35 million for other areas.

<https://www.newagebd.net/article/109233/forex-traders-get-relaxation-in-licence-renewal>

HSBC structures BD's first-ever sustainability linked loan for Square Group

The Hong Kong and Shanghai Banking Corporation (HSBC) in Bangladesh has arranged the country's first ever Sustainability Linked Loan for Square Group. The total facility of USD118 million (approximately BDT 1,000 Crore) worth of sustainable finance has been structured to align Square Group business to better long-term renewable energy usage.

<https://today.thefinancialexpress.com.bd/stock-corporate/hsbc-structures-bds-first-ever-sustainability-linked-loan-for-square-group-1592930338>

Fuel and Power

BERC amendment bill: A tool to make energy costlier

With the reasoning to maintain harmony between energy prices in the domestic and international markets, the Ministry of Power, Energy and Mineral Resources on Tuesday placed the Bangladesh Energy Regulatory Commission (Amendment) Bill, 2020 in the parliament. The bill will empower the BERC to make any change in tariff more than once per financial year. Currently, the law permits the commission to make any change in tariff only once per year. If this bill is approved in parliament,

then the government will be able to increase the gas and electricity prices multiple times a year.

<https://www.tbsnews.net/bangladesh/energy/berc-amendment-bill-tool-make-energy-costlier-97243>

15 cos bid for 50MW solar plant in Feni

Fifteen Engineering Procurement Construction (EPC) companies have submitted bids for getting work on setting up of a 50-megawatt (MW) state-owned solar power plant at Sonagazi in Feni district. The companies, mainly from China, have either submitted bids by their own or through joint-venture to secure the jobs of design, supply, installation, testing, commissioning, operation, and maintenance. The Electricity Generation Company of Bangladesh (EGCB) is setting up the plant, largest so far in the public sector, and has already secured US\$ 74 million from the World Bank to finance the project. 40 EPC companies had procured the bid documents, but 15 of them have submitted bids on the last date (June 15).

<https://today.thefinancialexpress.com.bd/trade-market/15-cos-bid-for-50mw-solar-plant-in-feni-1592929451>

Transportation

Automobile industry stakeholders want 1-year duty waiver on spare parts

To support hard-hit vehicle owners, automobile industry stakeholders have requested the government waive all duties and taxes on importing spare parts in the upcoming fiscal year. If the government responds to the call, it will help vehicle owners operate at a reduced cost.

<https://www.tbsnews.net/economy/industry/automobile-industry-stakeholders-want-1-year-duty-waiver-spare-parts-97219>

Automobile sector counts Tk 6,000cr loss in 3 months

The country's automobile sector leaders on Tuesday said that the sector had incurred revenue losses worth Tk 6,000 crore in the last three months as both sales and production had come to a halt due to the coronavirus pandemic. The sector had been incurring revenue losses worth Tk 2,000 crore each month due to COVID-19.

<https://www.newagebd.net/article/109248/automobile-sector-counts-tk-6000cr-loss-in-3-months>

Capital Market

Walton Hi-Tech allowed to raise capital from public

The securities regulator has allowed Walton Hi-Tech Industries to raise capital from public floating IPO (initial public offering) under the book building method. As per the BSEC's approval, Walton Hi-Tech Industries will issue above 1.54 million shares through IPO at an offer price Tk 252 each with 20 per cent discount on cut-off price. The cut-off price was fixed at Tk 315 each. Under the book building method, general investors get IPO shares at 10 per cent discount on the cut-off price. Considering the market situation and investors' interest, Walton Hi-Tech Industries

recently offered 10 per cent additional discount and the regulator on Tuesday approved the company's offer of issuing IPO shares at Tk 252 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/walton-hi-tech-allowed-to-raise-capital-from-public-1592930388>

Country's first perpetual bonds get BSEC nod

Both City Bank and Jamuna Bank got the greenlight from the Bangladesh Securities and Exchange Commission (BSEC) to begin issuing perpetual bonds of Tk 400 crore each to strengthen their additional tier-1 capital base. Having been granted approval during a meeting at the BSEC office yesterday, these are the first perpetual bonds in Bangladesh's history. The perpetual bonds will be unsecured and feature a floating rate while the coupon rate is 11-14 per cent.

<https://www.thedailystar.net/business/news/countrys-first-perpetual-bonds-get-bsec-nod-1919597>

Bourses asked to launch integrated online platform

The securities regulator has directed both the bourses to launch an integrated online platform for data gathering and information submission and dissemination. Both the stock exchanges will have to submit a report to the securities regulator regarding the commencement of digital submission and dissemination platform within 15 working days. The order has been issued in line with the theme of 'Digital Bangladesh'.

<https://today.thefinancialexpress.com.bd/stock-corporate/bourses-asked-to-launch-integrated-online-platform-1592930421>

BSEC prescribes 5-year tax holiday for foreign firms relocating to Bangladesh

The Bangladesh Securities and Exchange Commission (BSEC) has written to the National Board of Revenue (NBR) to give a five-year tax holiday facility to reputed foreign companies if they relocate to Bangladesh and get listed on local bourses. The letter said a trend is apparent that many industries and investments are relocating from various countries, predominantly China and Hong Kong, to other countries because of various global issues. Bangladesh can take the opportunity, and the BSEC is requesting granting the companies a five-year tax holiday if they come here with prior approval from the commission and get listed on the local stock exchanges.

<https://www.tbsnews.net/economy/bsec-prescribes-5-year-tax-holiday-foreign-firms-relocating-bangladesh-97195>

Stocks

Omera becomes first local LPG cylinder maker to export its products

In a first for Bangladesh, Omera Cylinder Ltd, a local manufacturer of liquefied petroleum gas (LPG) containers, has recently begun exporting its products to international markets. Omera made the foray into global markets after it shipped the first consignment of LPG cylinders to a few companies in Africa earlier this week. Omera also hopes one day, the

company will not only meet domestic demand for LPG cylinders, but also that of potential buyers from across the world.

<https://www.thedailystar.net/business/news/omera-becomes-first-local-lpg-cylinder-maker-export-its-products-1919589>

Securities regulator fines Crown Cement directors

The Bangladesh Securities and Exchange Commission (BSEC) has fined the directors of MI Cement Factory Ltd, popularly known as Crown Cement, for breaching the securities rules. The securities regulator took the decision during a meeting on Tuesday evening. Under the penalisation, directors of the Crown Cement will have to pay Tk10 lakh each. However, the nominated and independent directors will be out of the punishment purview. Crown Cement showed the current account balance with its sister concerns Tk70.40 crore in the first quarter of the 2018-19 financial year. But the BSEC investigation found that the amount was not the current balance, rather it was Crown Cement's cost-free loan to the sister concerns.

<https://www.tbsnews.net/economy/stock/securities-regulator-fines-crown-cement-directors-97180>

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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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