

Bangladesh market snapshot

	Last closing
DSEX Index	4,794.92
% change	0.02%
DS30 Index	1,650.99
% change	0.24%
DSES Index	1,107.53
% change	0.65%
Turnover (BDT mn)	9,379.90
Turnover (USD mn)	111.67
% change	0.12%
Market Capitalization (BDT bn)	3,617
Market Capitalization (USD bn)	43.06
% change	0.53%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,930.33
% change	+0.69%
Nikkei 225	22,996.97
% change	+0.33%
FTSE 100	6,001.89
% change	-0.19%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.06
GBP	111.02
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-Aug-2020	3.50-5.25	4.71
19-Aug-2020	3.50-5.25	4.73

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	44.33	-0.05%
Gold Spot, USD/t oz	1,935.15	-0.27%
Cotton, USD/lb	64.38	+0.16%

Source: Bloomberg

Economy

All hands on deck to get China-funded projects back on track

The government would hold talks with Chinese officials tomorrow as part of its desperate efforts to give impetus to the mega projects held up by the coronavirus pandemic. With the reopening of the economy, the government has jumped back to work and is looking to run the major projects in full swing. Now, the finance ministry has decided to hold a virtual meeting with the Chinese embassy in Dhaka and project officials tomorrow to find ways to put them back on track again. The ministry has set an agenda to discuss the Padma rail link project, the single-point mooring (SPM) with double pipeline project, the multilane road tunnel under the Karnaphuli project and the expansion and strengthening of the power system network under the Dhaka Power Distribution Company area.

<https://www.thedailystar.net/business/news/all-hands-deck-get-china-funded-projects-back-track-1949929>

SMEs are in dire need of a lifeline from banks

Businesses are recovering but the small and medium enterprises (SMEs) are being left behind. Subsequently, easy and generous financing for them, particularly the micro, small and women entrepreneurs, has become urgent and imperative. A large number of the micro, cottage and small businesses have remained missing from formal financing and the government-announced Tk 20,000 crore stimulus package for the sector. The SMEs suffered Tk 92,000 crore in losses during the shutdown. A majority of the micro and small businesses do not have access to bank finance because they operate informally and cannot prepare documents in line with the requirements of formal financial institutions.

<https://www.thedailystar.net/business/news/smes-are-dire-need-lifeline-banks-1949925>

Govt drafts employment policy, eyes 3 crore new jobs by 2030

The government has drafted the National Employment Policy 2020 with the aim of absorbing the surplus labour through creating jobs for three crore people by 2030. The labour ministry has prepared the draft, saying that the objective of the policy would be establishing an unemployment-free and poverty-free society through creating job opportunities and skilled workforce. The policy would be finalised incorporating the recommendations to be made by different stakeholders.

<https://www.newagebd.net/article/114316/govt-drafts-employment-policy-eyes-3-crore-new-jobs-by-2030>

Bank and NBFIs

Apr-June loans in default up by Tk 3,606cr

The amount of defaulted loans in the country's banking sector increased by Tk 3,606 crore in the April-June quarter of the year 2020 as an impact of the central bank's denial to allow regularising defaulted loans on the financial statement of 2019. Even though the

banks were barred from downgrading any loan because of the borrowers' failure to repay loans this year, the classified loans in the country's banking sector increased to Tk 96,116 crore at the end of June this year from Tk 92,510 crore three months ago. At the end of June this year, the ratio of the toxic loans in the country's banking sector increased to 9.16 per cent against the Tk 10,49,725 crore outstanding loans. Three months ago, the NPL ratio in the country's banking sector was 9.03 against Tk 10,24,498 crore outstanding loans.

<https://www.newagebd.net/article/114334/apr-june-loans-in-default-up-by-tk-3606cr>

Nagad looks to turn into a digital bank

Nagad – a state run Mobile Financial Service (MFS) provider that started operation one and a half years ago – now plans on transforming into a digital bank. The digital financial service platform of the Bangladesh Post Office, which quickly became popular by securing second position in the domestic MFS market within a short time with around 3.5 crore users, is now talking with the Bangladesh Bank to obtain a licence to commence banking operations.

<https://tbsnews.net/economy/banking/nagad-looks-turn-digital-bank-123334>

Bangladesh Bank allows outward remittance for online edn, webinar solutions

The Bangladesh Bank on Sunday asked the banks to facilitate overseas payments relating to educational and webinar solution expenses. The BB's circular on education expenses said that it was observed that the foreign education institutions had been admitting students and imparting online lessons amid the ongoing situation due to the coronavirus pandemic. To facilitate the students, the central bank granted permission to the banks to allow outward remittance on account of study abroad under online teaching arrangements. Regarding the online meeting or webinar expenses, the central bank said that office meetings of the government and corporate sectors were being held virtually through webinar solutions due to the ongoing coronavirus pandemic. To facilitate payments for availing webinar solution services, the central bank on the day allowed sending money abroad for actual payments against relevant invoices of webinar solution services and supporting documents regarding payment of applicable taxes.

<https://www.newagebd.net/article/114318/bangladesh-bank-allows-outward-remittance-for-online-edn-webinar-solutions>

Capital Market

Listed cos seek code revision

The Bangladesh Association of Publicly Listed Companies (BAPLC) has urged the securities regulator to revise some corporate governance codes, including the appointment of managing director (MD) or chief executive officer (CEO) at listed companies. As per the existing corporate governance code, the MD or CEO of a listed company will not hold the

same position in another listed company. In its recommendation, the BAPLC said the MD or CEO of a listed company will not hold the same position in another listed company, except in the companies of same group. It also said the existing provision regarding appointment of MD or CEO will discourage the big group of companies to bring their shares in the capital market.

<https://today.thefinancialexpress.com.bd/first-page/listed-cos-see-code-revision-1598204432>

BSEC serves show-cause notice on Dhaka bourse

The securities regulator has asked Dhaka Stock Exchange (DSE) to explain the reasons that caused technical glitches on its website hampering trading activities. DSE has already received a reply from their chief technology officer (CTO) regarding technical glitch on the website. The DSE, however, informed that due to maintenance and up-gradation of the website of DSE, the view of the website was temporarily interrupted.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-serves-show-cause-notice-on-dhaka-bourse-1598200341>

Stock

Express Insurance H1 net profit up 13%

Express Insurance Limited reported a 13 percent increase in net profit at Tk 3.24 crore in the first half of this year. However, the company will commence trading of its shares at the Dhaka Stock Exchange from Monday under the 'N' category. In the first six months of this year, earnings per share of the company was Tk 0.50 while the net asset value per share stood at Tk 15.08. In the second quarter (Q2) of this year, Express Insurance's net profit surged by 118 percent to Tk 1.74 crore despite countrywide 66-day general holidays to curb coronavirus spread.

<https://tbsnews.net/economy/stock/express-insurance-h1-net-profit-13-123211>

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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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