

Bangladesh market snapshot

	Last closing
DSEX Index	4,972.13
% change	0.04%
DS30 Index	1,708.49
% change	-0.34%
DSES Index	1,125.82
% change	-0.08%
Turnover (BDT mn)	8,818.14
Turnover (USD mn)	104.98
% change	20.81%
Market Capitalization (BDT bn)	3,892
Market Capitalization (USD bn)	46.34
% change	3.27%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,763.13
% change	-1.92%
Nikkei 225	23,214.49
% change	-0.57%
FTSE 100	5,899.26
% change	+1.20%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.30
GBP	107.99
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
22-Sep-2020	1.50-5.25	2.82
21-Sep-2020	1.50-5.25	2.80

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	41.42	-0.84%
Gold Spot, USD/t oz	1,857.72	-0.30%
Cotton, USD/lb	65.03	-0.34%

Source: Bloomberg

Economy

Abysmal record in ADP execution

The performance of government ministries and agencies in project execution was below the mark in the first two months of the current fiscal compared to the same period last year. The public bodies implemented 3.89 per cent of Annual Development Programme (ADP) during July-August period of the fiscal year 2020-21, a 0.59 percentage points lower than the corresponding period of last fiscal. The ministries and agencies spent Tk 83.51 billion of the total Tk 2.14 trillion ADP outlay during the period. During the same period of FY2020, the government agencies spent Tk 96.26 billion, 4.48 per cent of the total Tk 2.15 trillion ADP.

<https://today.thefinancialexpress.com.bd/last-page/abysmal-record-in-adp-execution-1600884685>

Contracts signed with Japanese firms for Matarbari port project

Bangladesh yesterday signed two agreements with the joint ventures led by two Japanese firms to appoint consultants for the engineering and consultancy services for the Matarbari Port Development Project. Nippon Koei Joint Venture of Japan has been selected as the top-ranked consulting firm to render engineering-related services with a negotiated contract price of Tk 234 crore. A joint venture of Oriental Consultants Global Co Ltd, DDC Ltd and BCL Ltd has been selected as the consulting firm to render services related to the Roads and Highways Department (RHD)'s component of the project with a negotiated contract price of Tk 466 crore.

<https://www.thedailystar.net/business/news/contracts-signed-japanese-firms-matarbari-port-project-1966497>

Bank and NBFI

Rate cut lowers Q2 fixed deposits

The volume of fixed deposits with the banking system fell by 2.41 per cent in the second quarter ending in June compared to January-March, dwindled by lower interest rate. The amount of fixed deposits decreased by Tk 139.4 billion to Tk 5.67 trillion in the three months to June compared with the preceding quarter. The volume of savings deposits, on the other hand, grew by nearly 9.0 per cent to Tk 2.7 trillion in April-June period over January-March. The current share of fixed deposit to total deposits is nearly 45 per cent while savings accounts belong to over 21 per cent. The deposits of current and cash accounts also expanded by nearly 11 per cent during the period compared with the negative growth of the same in January-March.

<https://today.thefinancialexpress.com.bd/first-page/rate-cut-lowers-q2-fixed-deposits-1600884009>

Banks' zeal for govt debt instruments bringing down interest rate

The yield on government treasury bills and bonds continued to maintain a steep decline in recent months as lenders kept on a relentless pursuit of the government debt instruments in efforts to

get their idle funds invested. The interest rate on the 5-year Treasury bond, which is highly popular compared to other government debt instruments due to its maturity period, stood at 5.69 per cent this month, down from 8.86 per cent in January. The ongoing economic meltdown is mainly responsible for the downward trend of the yield on the government debt instruments. Good borrowers are now reluctant to take out money from banks given the existing dull state of business.

<https://www.thedailystar.net/business/news/banks-zeal-govt-debt-instruments-bringing-down-interest-rate-1966509>

Banks demand only Tk 4,142cr in 5 months

The scheduled banks have applied for Tk 4,142 crore in refinance against their disbursement of Tk 8,284 crore in loans from a major stimulus package meant for the large industries and services in five months of the refinance fund formation by the Bangladesh Bank. The banks have demanded refinance from the central bank against disbursement of loans to 3,126 large industries and service sectors so far. The banks' applications for refinance reflected that the actual disbursement from the fund would be above Tk 8,284 crore from the largest stimulus package.

<https://www.newagebd.net/article/117104/banks-demand-only-tk-4142cr-in-5-months>

Fuel and Power

BPC cancels tender for Jan-June 2021

The state-run Bangladesh Petroleum Corporation (BPC) has cancelled the tender it had floated to import around 1.25 million tonnes of refined petroleum products in the first half (H1) of the year 2021 (January-June). The planned quantity of fuel import was 18.39 per cent higher than the corresponding period of current year (H1 of 2020). It floated the tender in the first week of this month, and cancelled it almost immediately.

<https://today.thefinancialexpress.com.bd/first-page/bpc-cancels-tender-for-jan-june-2021-1600883948>

Capital Market

Largest IPO proposal gets BSEC nod

The securities regulator on Wednesday approved the country's largest ever IPO (initial public offering) proposal of mobile phone operator Robi Axiata for raising more than Tk 5.23 billion from the capital market. Robi will utilise the IPO fund for network expansion along with bearing the expenses of the public offering. The company will offload over 523.8 million shares at an offer price of Tk 10 each. Of the shares, 387.7 million shares will be issued through IPO while the remaining 136.1 million to employees under the Employee Share Purchase Plan (ESPP) at an offer price Tk 10 each.

<https://today.thefinancialexpress.com.bd/first-page/largest-ipo-proposal-gets-bsec-nod-1600884194>

<https://www.thedailystar.net/business/news/robi-gets-nod-largest-ever-ipo-bangladesh-1966517>

BSEC okays Crystal Insurance Co's Tk 16cr IPO

The Bangladesh Securities and Exchange Commission on Wednesday approved the Crystal Insurance Company Limited's proposal to raise Tk 16 crore from the country's capital market through an initial public offering. Crystal Insurance Company will use the IPO fund to invest in the capital market and fixed deposit receipt in banks and meeting IPO expenses, according to its IPO prospectus.

<https://www.newagebd.net/article/117107/bsec-okays-crystal-insurance-cos-tk-16cr-ipo>

Stock

DBBL allowed floating Tk500cr bond

The Bangladesh Securities and Exchange Commission (BSEC) has given the go-ahead to Dutch-Bangla Bank Limited (DBBL) to issue an unsecured non-convertible subordinated bond worth Tk500 crore. However, the BSEC gave the approval on the condition of including the bond in the alternative trading board of both stock exchanges. Dutch-Bangla Bank Limited will strengthen its tier-two capital base with the money. The face value of each unit of the bond will be Tk1 lakh and it will be completely redeemable in seven years.

<https://tbsnews.net/economy/stock/dbbl-allowed-floating-tk500cr-bond-136867>

Aamra Networks gets nod for Tk100cr bond

The securities regulator has allowed Aamra Networks Limited to issue a non-convertible zero-coupon bond worth Tk100 crore. The other aspects of the bond are it is fully redeemable, unsecured and unlisted. Its coupon rate will be 8.68%-9.73%. The listed company will repay bank loans, implement a new project and meet the requirement for working capital from the money collected through the bond. The face value of the bond units will be Tk1 crore each.

<https://tbsnews.net/economy/stock/aamra-networks-gets-nod-tk100cr-bond-136861>

Oil companies to get Tk0.55 per litre of marine fuel

Three state-owned oil companies will get Tk0.55 in margin against the sale of each litre of low-sulphur furnace oil to foreign or local ships plying Bangladesh's waters – at the Chattogram and Mongla ports. Meanwhile, the bunker suppliers will receive Tk0.50 per litre to transport the fuel to the oceangoing ships. Bangladesh Petroleum Corporation (BPC), the government agency to import, distribute and sell oil and petroleum products, Wednesday set the margin. It also set the excise duty-free price of marine fuel at \$376 per tonne.

<https://tbsnews.net/bangladesh/energy/oil-companies-get-tk055-litre-marine-fuel-136795>

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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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