

## Bangladesh market snapshot

|                                | Last closing |
|--------------------------------|--------------|
| DSEX Index                     | 5,236.85     |
| % change                       | 0.26%        |
| DS30 Index                     | 1,850.01     |
| % change                       | 0.45%        |
| DSES Index                     | 1,206.85     |
| % change                       | 0.20%        |
| Turnover (BDT mn)              | 4,789.09     |
| Turnover (USD mn)              | 57.01        |
| % change                       | -11.73%      |
| Market Capitalization (BDT bn) | 3,884        |
| Market Capitalization (USD bn) | 46.24        |
| % change                       | 0.10%        |

Source: Dhaka Stock Exchange

## International market snapshot

|                              | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 26,628.90    |
| % change                     | -2.37%       |
| Nikkei 225                   | 20,710.91    |
| % change                     | +0.40%       |
| FTSE 100                     | 7,094.98     |
| % change                     | -0.47%       |

Source: Bloomberg

## Exchange rate

| Currency | BDT    |
|----------|--------|
| USD      | 83.02  |
| EUR      | 93.31  |
| GBP      | 101.93 |
| INR      | 1.16   |

Source: Bangladesh Bank

## Money Market

| Date        | Call Money Rate Range | Weighted Average (%) |
|-------------|-----------------------|----------------------|
| 21-Aug-2019 | 4.50-5.00             | 4.61                 |
| 20-Aug-2019 | 4.50-5.00             | 4.62                 |

Source: Bangladesh Bank

## Commodities

|                            | Price    | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 59.34    | -0.97%   |
| Gold Spot, USD/t oz        | 1,526.96 | +1.93%   |
| Cotton, USD/lb             | 58.21    | -1.24%   |

Source: Bloomberg

## Economy

### IMF projects 7.6pc GDP growth this fiscal year

The International Monetary Fund (IMF) has projected Bangladesh's economic growth to be 7.6 percent this fiscal year, which is 0.6 percentage points lower than the government's projection of 8.2 percent. Yet, the growth rate projected for Bangladesh is the highest in the South Asia region, according to the IMF's South Asian Update, which was released last week. India will have the second highest growth in the region at 7.2 percent, followed by Bhutan and Nepal at 6.3 percent and Sri Lanka at 4 percent. Pakistan will have the lowest economic growth in the region at 2.4 percent.

<https://www.thedailystar.net/business/news/imf-projects-76pc-gdp-growth-fiscal-year-1790212>

### NBR plans big to monitor store sales

The revenue authority plans to buy a total of 300,000 sales monitoring devices this fiscal year to bring all shops under an online network and cut the scope for VAT evasion. The government already gave approval to purchase 100,000 such electronic fiscal devices (EFDs) for Tk 316 crore (\$37.5 million) from a consortium led by Shenzhen-based SZTT Electronics. The National Board of Revenue (NBR) has awarded the contract to the consortium, which was the lowest bidder in a tender floated to buy the devices.

<https://www.thedailystar.net/business/news/nbr-plans-big-monitor-store-sales-1790227>

### Exporters seek cut in or scrapping of source tax on cash incentives

Exporters have demanded a reduction in or a withdrawal of source tax on cash incentives the government extends against export earnings to keep the country's export performance competitive in the global market. Different trade bodies have made the plea to the National Board of Revenue after the government increased the tax on export cash incentives to 10 per cent from the previous 3 per cent. The NBR is yet to make any decision on the issue.

<http://www.newagebd.net/article/82431/exporters-seek-cut-in-or-scrapping-of-source-tax-on-cash-incentives>

## Bank and NBFI

### Padma Bank struggles to return fixed deposits

The Bangladesh Inland Water Transport Authority Employees' Pension Fund had parked Tk 17 crore as fixed deposit with the Motijheel branch of Padma Bank on June 28 last year. The deposit matured this year and on June 27 the trustee board of the fund wrote to the bank to cash out the fixed deposit. But Padma, formerly known as Farmers Bank, has been unable to honour their request.

<https://www.thedailystar.net/business/news/padma-bank-struggles-return-fixed-deposits-1790206>

## Engineering

### Move to set up car assembling plant in Chattogram

The government is contemplating setting up of a state-of-the-art car assembling plant in the country aiming to tap the potential of the automobile sector. As part of the move, the Ministry of Industries (MoI) has already started the process to build a 'customized mixed vehicle assembly plant' at Barabkundu under Sitakundu upazila in Chattogram. Pragoti Industries Ltd, the sole state-run vehicle assembling entity which is under the MoI, started the process for setting up of the plant.

<http://today.thefinancialexpress.com.bd/last-page/move-to-set-up-car-assembling-plant-in-chattogram-1566664952>

## Walton products available on Amazon

Walton has recently teamed up with Amazon to expand its global reach by selling products of the Bangladeshi company through the platform of the American e-commerce giant. Initially Walton-branded laptops, computers, mobile phones and home appliances will be made available for the US market. Walton's target is to build up a strong position in the global market through the export of \$1 billion worth of products.

<https://www.thedailystar.net/business/news/walton-products-available-amazon-1790197>

## Pharmaceuticals

### New VAT calculation fallout

Pharmaceuticals industry insiders are worried that prices of drugs may increase after the changes in tax calculation method under the new VAT law. While trade prices (TP) of medicines at the manufacturers' level will go down, the payable VAT will go up due to this calculation method. The industry will have to revise their TP upward with the approval of the state-run Directorate General of Drug Administration (DGDA) to adjust the payable VAT on them.

<http://today.thefinancialexpress.com.bd/first-page/new-vat-calculation-fallout-1566664536>

## Textile

### Bangladesh gets \$2.5m export order from Canada exhibition

Bangladesh readymade garment (RMG) industry has received around \$2.50 million export order from the apparel sourcing exhibition, titled Apparel Textile Sourcing Canada (ATSC), held in Toronto of Canada recently. A total of 10 fabric, garment and home textile manufacturers from Bangladesh took part in the three-day tradeshow.

<https://thefinancialexpress.com.bd/economy/bangladesh-gets-25m-export-order-from-canada-exhibition-1566656636>

## Capital Market

### Four Z-category cos under DSE scanner

The country's premier bourse will inspect the business affairs of four 'Z' category companies which failed to declare dividends for a period of last five years. The companies whose business affairs will be examined are ICB Islamic Bank, Information Services Network, United Airways and

Beach Hatchery. As per the regulatory permission, the DSE will investigate the operational status and other relevant issues of the companies.

<http://today.thefinancialexpress.com.bd/stock-corporate/four-z-category-cos-under-dse-scanner-1566661552>

### **Stock brokers in a tight corner**

Most stock brokers have been incurring losses for many years owing to low turnover in the market and a lack of product diversity. This led many stock brokers to lay off many of their executives to cut cost during the years while the remuneration of the officials has not increased significantly. The top 100 brokers are logging profits whereas at least 150 stock brokers are incurring loss.

<https://www.thedailystar.net/business/news/stock-brokers-tight-corner-1790203>

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| <b>Recommendation Type</b> | <b>Holding period (if not otherwise mentioned)</b> | <b>Absolute Return Potential</b> |
|----------------------------|--|----------------------------------|
| Buy                        | 12 Months  | More than +15%                   |
| Neutral/ Hold              | 12 Months  | Between +15 % and -5 %           |
| Underweight                | 12 Months  | Less than -5 %                   |

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