

Bangladesh market snapshot

	Last closing
DSEX Index	4,513.89
% change	1.66%
DS30 Index	1,543.43
% change	1.55%
DSES Index	1,035.49
% change	1.66%
Turnover (BDT mn)	5,143.96
Turnover (USD mn)	61.24
% change	17.33%
Market Capitalization (BDT bn)	3,451
Market Capitalization (USD bn)	41.08
% change	1.44%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,989.73
% change	-0.58%
Nikkei 225	23,827.18
% change	+0.13%
FTSE 100	7,585.98
% change	+1.04%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	93.57
GBP	110.96
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
22-Jan-2020	4.00-5.50	5.09
21-Jan-2020	4.00-5.50	5.05

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.69	-2.18%
Gold Spot, USD/t oz	1,571.53	+0.55%
Cotton, USD/lb	69.40	-0.90%

Source: Bloomberg

Banks and NBFIs

Bank debt tops Tk 500 billion

The government's net bank borrowing crossed Tk 500 billion until middle of this month, compelled by the need for meeting budget deficit, officials said. Falling trend in sales of national savings certificates coupled with a shortfall in revenue collection has led to higher debt from the banking sector during the period, they noted. Meanwhile, the government's combined net bank borrowing reached Tk 508.42 billion at the end of January 15 of the current fiscal year, according to a Bangladesh Bank (BB)'s confidential report.

<https://today.thefinancialexpress.com.bd/public/first-page/bank-debt-tops-tk-500-billion-1579802502>

Unpaid loans by bank directors hit Tk 1.73tn

The unpaid loans taken by the owners of Bangladesh's banks have topped Tk 1.73 trillion, which is more than 11 percent of the total credit disbursed by them. The bank directors have borrowed the money mostly from other banks, according to Bangladesh Bank accounts disclosed by Finance Minister AHM Mustafa Kamal in parliament on Wednesday. They have taken over Tk 1.71 trillion from the other banks and more than Tk 16.15 billion from their own organisation as of September, 2019.

<https://today.thefinancialexpress.com.bd/public/trade-market/unpaid-loans-by-bank-directors-hit-tk-173tn-1579801608>

Economy

Ministry asks government organisations to follow PM order on buying goods from SoEs

The industries ministry has asked all ministries and agencies to follow the prime minister's instruction on purchase of goods produced by state-owned enterprises for public sector development projects. The ministry on December 19 in a letter to the heads of the ministries, divisions and other government agencies reminded them of prime minister Sheikh Hasina's instruction issued in March 2010 as many of the agencies were not following the instruction.

<https://www.newagebd.net/article/97676/ministry-asks-government-organisations-to-follow-pm-order-on-buying-goods-from-soes>

Delhi rejects Dhaka's plea for lifting anti-dumping duties

India has turned down a Bangladesh's request to withdraw anti-dumping duty imposed on the exports of Bangladesh's jute goods, hydrogen peroxide, and fishing net. The giant neighbour made the refusal at the commerce secretary-level meeting held recently in New Delhi. Indian businesses alleged Bangladesh is exporting such goods at much lower prices than the production costs. Bangladeshi exporters denied the allegation and have long been requesting the Indian authority to lift the duty, which is adversely affecting exports to India. The imposition of the anti-dumping duty has dealt a serious blow to exports to India. Exports of the items have declined sharply since

India slapped the anti-dumping duty and the trend is continuing, according to officials.

<https://today.thefinancialexpress.com.bd/public/first-page/delhi-rejects-dhakas-plea-for-lifting-anti-dumping-duties-1579888697>

Europe-bound shipping route round the corner

A Chattogram-Europe shipping route via Chennai is set to be launched by the middle of February, adding a new chapter to the country's sea-borne trade. This will help slash shipping times for Bangladesh-made goods, people familiar with the development said. Higher lead time is considered a key constraint to conducting foreign trade smoothly.

<https://today.thefinancialexpress.com.bd/first-page/europe-bound-shipping-route-round-the-corner-1579970128>

Airlines unhappy with revenue board over 15% VAT

The International Air Transport Association (IATA) is unhappy with the revenue board for imposing 15 percent value-added tax (VAT) on aviation charges. The decision contradicts international law and is likely to hurt Bangladesh's growing aviation industry, the association said. The IATA, a global trade association of airlines with more than 250 members, requested the National Board of Revenue (NBR) to withdraw 15 percent VAT on international air transport. The NBR imposed VAT on landing, route navigation, security, boarding bridge, embarkation, and license charges. In February 2015, the NBR sent a notice to the Civil Aviation Authority of Bangladesh to pay its unpaid VAT from 2009-10.

<https://tbsnews.net/international/airlines-unhappy-revenue-board-over-15-vat-38785>

Fuel and Power

REB's goal goes haywire

The state-run Rural Electrification Board, or REB, has failed to ensure full electricity coverage in the countryside during the last three years. This has prompted the company to seek another two years to reach the goal. While a total of 361 upazilas have come under the full electrification network, 100 per cent have yet to be covered, according to the REB. In January 2017, the government had provided Tk 167.56 billion to the board under two separate projects for bringing rural Bangladesh under electrification. But the REB has so far completed less than half of the work under the two projects. The duration of the projects ended in December 2019.

<https://today.thefinancialexpress.com.bd/first-page/rebs-goal-goes-haywire-1579970079>

Textile

Buyers offer Bangladesh lower RMG prices despite rise in green factories

Global brands and buyers are gradually offering lower prices for readymade garment products to Bangladeshi factories although the number of green factories has increased considerably in the country in the last few years, according to the Bangladesh Garment Manufacturers and Exporters Association. The BGMEA on Saturday gave a presentation

at a discussion on 'RMG Industry: Green Growth' held at the public relations and media centre of the trade body at Gulshan in the capital. BGMEA president Rubana Huq said that although the buyers were not giving additional prices for products, the entrepreneurs were investing additional money to make their units green to create sustainable businesses.

<https://www.newagebd.net/article/97674/buyers-offer-bangladesh-lower-rmg-prices-despite-rise-in-green-factories>

Over 500 RMG units get listed as green factories

More than 500 garment factories in the country have registered themselves for opting green or environment-friendly production facilities, and these units are proceeding towards ensuring long-term sustainability. At present, Bangladesh has a total of 108 LEED (Leadership in Energy and Environmental Design) green factories, certified by the US Green Building Council (USGBC), with the highest of 26 platinum-ranked units.

<https://today.thefinancialexpress.com.bd/last-page/over-500-rmg-units-get-listed-as-green-factories-1579970203>

Capital Market

Number of active BO accounts dips

Some 234,503 beneficiary owners' (BO) accounts were closed in last 12 months since January 23, 2019 due to non-payment of maintenance fees, regulatory move and depressed capital market outlook. The number of active BO accounts stood at 2,578,283 as of January 23, 2020 which was 2,812,785, just a year ago on January 23, 2019.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/number-of-active-bo-accounts-dips-1579887076>

Food and Allied

Rice prices rise by Tk 2.0-3.0 per kg

Prices of some medium and finer varieties of rice rose by Tk 2.0-3.0 per kilogram (kg) at the city retails in last one and half weeks, battering the consumers. Brridhan-28, Miniket and Jeerashail witnessed the hike which the traders attributed mainly to the current off-season for the three varieties. Brri-28 was selling at Tk 45-47 per kg at the retail markets during the period while Jeerashail and Miniket at Tk 55-68 a kg based on their quality.

<https://today.thefinancialexpress.com.bd/trade-market/rice-prices-rise-by-tk-20-30-per-kg-1579963820>

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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 %
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