

Bangladesh market snapshot

	Last closing
DSEX Index	4,080.94
% change	0.10%
DS30 Index	1,374.59
% change	0.20%
DSES Index	946.42
% change	0.11%
Turnover (BDT mn)	2,625.15
Turnover (USD mn)	31.25
% change	6.08%
Market Capitalization (BDT bn)	3,175
Market Capitalization (USD bn)	37.80
% change	0.21%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,469.89
% change	-0.68%
Nikkei 225	22,751.61
% change	-0.58%
FTSE 100	6,123.82
% change	-1.41%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	98.13
GBP	108.00
INR	1.14

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
22-Jul-2020	2.25-5.50	4.29
21-Jul-2020	2.25-5.50	4.29

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.34	+0.07%
Gold Spot, USD/t oz	1,902.02	+0.77%
Cotton, USD/lb	60.10	-2.94%

Source: Bloomberg

Economy

LDC graduation assessment could be delayed

Bangladesh may continue to receive duty-free benefits on exports to developed and developing countries for longer than expected as the United Nations Centre for Development Policy (UN CDP) could delay the country's assessment for graduation from a least developed country (LDC) by three to five years. The UN CDP was scheduled to evaluate certain LCDs, including Bangladesh, for promotion to the developing country category in 2021. The assessment could now be carried out in 2024, however, if this is not feasible for any reason, then the UN CDP may consider alternative measures, some of which have already been proposed by LDCs in light of Covid-19.

<https://www.thedailystar.net/business/news/lcd-graduation-assessment-could-be-delayed-1936337>

Money laundering risk increases in Bangladesh

Bangladesh is among the top forty countries around the world in terms of the risk for money laundering and terrorist financing (ML/TF), according to an annual report by non-profit Swiss foundation Basel Institute on Governance. The country has moved seven notches down from its last year's position to rank the 38th among 141 countries on the Basel Anti-Money Laundering (AML) Index 2020 (9th edition). Sadly, the country fell 44 notches from its position in 2017. The country ranked the 45th last year and 82nd in 2017. Here, lower rank indicates a higher risk for money laundering. Bangladesh's money laundering risk score is higher than the global average risk score of 5.22 this year. The country achieved a 5.88 risk score in the 9th edition of the index while the country scored 5.80 in the previous edition.

<https://tbsnews.net/economy/money-laundering-risk-increases-bangladesh-110755>

8th Five Year Plan: COVID-19 forces govt to alter its approach

The government is going to change the main macroeconomic structure of the 8th Five Year Plan to protect people amid the fast-changing scenario in Bangladesh economy due to COVID-19 crisis. The Planning Commission is conducting a study for assessing the impacts of COVID-19 pandemic on the economy and its findings will be reflected on the 8th Five Year Plan. In the 8th Five Year Plan, emphasis will be given on two major issues, expediting prosperity and inclusive growth in addition to giving attention to disseminating the results of growth to everyone equally.

<https://thefinancialexpress.com.bd/economy/8th-five-year-plan-covid-19-forces-govt-to-alter-its-approach-1595588213>

Bank and NBFIs

Bangladesh Bank forms Tk2,000cr credit guarantee scheme for small businesses

The Bangladesh Bank on Thursday approved formation of a Tk2,000

crore credit guarantee scheme to support cottage, micro and small enterprises that lack adequate assets to pledge for bank loans. This scheme will be adequate to issue guarantee against working capital loans amounting to Tk8,320 crore. The board had approved the scheme so that the banks do not feel uncomfortable while disbursing loans to the cottage, micro and small and medium enterprise (CMSME) sector due to a lack of collateral.

<https://tbsnews.net/economy/banking/bangladesh-bank-forms-tk2000cr-credit-guarantee-scheme-small-businesses-110737>

BB orders banks to postpone loan recovery from flood-hit farmers

Bangladesh Bank has ordered all banks to postpone recovery of loans from flood-hit farmers until the situation improves. The central bank has also ordered disbursement of new farm loans readjusting demand and considering the real picture in the areas where crops have been damaged by the deluge. Bangladesh Bank said the banks will have to give the farmers rescheduling facility by relaxing down-payment provisions. It asked the banks to encourage certain projects of the farmers, such as poultry and cattle farming, and cattle feed production, for their rehabilitation. The banks will have to inform the central bank about the progress in implementing the orders by Oct 31.

<https://thefinancialexpress.com.bd/economy/bb-orders-banks-to-postpone-loan-recovery-from-flood-hit-farmers-1595594449>

Fuel and Power

Nepal allows electricity trade with Bangladesh, India

The government of Nepal has given its nod to the Nepal Electricity Authority (NEA) to trade electricity with Bangladesh and India. It is mandatory for the NEA to get the approval of the government for inter-country electricity trade. NEA was given permission for inter-country trade so that it could keep record of electricity trade and price. The NEA has also been given approval for electricity trade so that documents can be exchanged through electronic medium.

<https://www.dhakatribune.com/business/2020/07/23/nepal-allows-trade-electricity-with-india-bangladesh>

Textile

RMG buyers placing orders, but at heavy bargain prices

The work orders for the country's struggling readymade garment (RMG) industry have started coming in, though not in a large amount, at heavy bargain prices. The price on average witnessed 14 per cent fall as reflected from the orders confirmed so far this month (July) for delivering during the period from July to December this year. The industry has so far booked orders that would constitute only 35 per cent of its total production capacity for the first half of the current fiscal year (FY 2020-21). In July, the industry has received 56 per cent work orders compared to that of the last year.

<https://today.thefinancialexpress.com.bd/first-page/rmg-buyers-placing-orders-but-at-heavy-bargain-prices-1595696409>

<https://www.newagebd.net/article/112102/bgmea-survey-claims-only-35pc-of-industry-capacity-booked-for-h2>

Transportation

Fair Group announces car assembly tie-up with Hyundai

Fair Technology yesterday announced it has entered into an exclusive partnership with South Korean automotive manufacturer Hyundai Motors to set up a car assembly plant in Bangladesh within the second half of next year. Bangladesh is still a reconditioned car dominant market as only 25 per cent of cars sold here are new. As per Fair Technology's market study, some 25,000 to 30,000 cars are sold every year in Bangladesh- and most of them are second-hand ones brought in from Japan, where due to the superior road conditions the wear-and-tear is minimal.

<https://www.thedailystar.net/business/news/fair-group-announces-car-assembly-tie-hyundai-1936385>

Tannery

Govt moves to pull the plug on rawhide price manipulation

The government has taken initiative to pull the plug on anarchy that has been going on for several years regarding the collection of rawhide on Eid-ul-Adha – Islam's second-largest religious festival. On top of fixing the price, this time the commerce ministry has undertaken a comprehensive monitoring plan for: the purchase and sale of rawhide at fixed prices, their collection, storage, stocking and salt application. After determining the scope of work at the workshop, it was decided that these activities be monitored for the next five days from Eid day.

<https://tbsnews.net/economy/trade/govt-moves-pull-plug-rawhide-price-manipulation-111481>

Capital Market

BSEC cautious about Robi's IPO approval

The securities regulator is likely to approve the IPO (initial public offering) proposal of the country's second largest mobile operator Robi Axiata streamlining its demands in line with the existing rules. Robi has urged the securities regulator and the government to fulfill a set of demands including an exemption from public issue rules so that the company can issue shares to its employees after listing with stock exchanges. The securities regulator is trying to enhance the depth of the capital market through the listing of large companies and other ones having good fundamentals. the demands of Robi may be streamlined in a bid to find out a rational way of approving its IPO proposal for the sake of issuer and the general investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-cautious-about-robis-ipo-approval-1595689135>

Stocks

Marico Bangladesh declares 300pc interim cash dividend

Marico Bangladesh, a fast-moving consumer goods multinational

company, has declared 300 per cent interim cash dividend for April-June, 2020 quarter. The record date for entitlement of interim dividend is on August 16, 2020. The multinational company's revenue stood at Tk 3.01 billion for April-June, 2020 quarter which was Tk 2.74 billion in the same quarter in 2019 despite ongoing Covid-19 pandemic. The net profit after tax of the company stood at Tk 991.65 million for April-June, 2020 as against Tk 848.79 million in the same quarter in the previous year, registering an increase of 16.83 per cent.

<https://thefinancialexpress.com.bd/stock/marico-bangladesh-declares-300pc-interim-cash-dividend-1595565420>

BATBC stands tall when most make steep fall

British American Tobacco's profit grew a whopping 69 per cent in the second quarter of 2020 on the back of lower operating costs whereas most companies bled because of the coronavirus pandemic. Operating expenses were Tk 35.8 crore in the April-June quarter, down 84.2 per cent from a year earlier. Subsequently, earnings per share of the multinational company rose to Tk 16.48 from Tk 9.73 during the same three-month period a year earlier. In the first half, the EPS had risen to Tk 33.35 from Tk 21.17 during the same period of in 2019.

<https://www.thedailystar.net/business/news/batbc-stands-tall-when-most-make-steep-fall-1935421>

LR Global now files review petition to defer its removal

LR Global (Bangladesh) Asset Management, as a part of its stretched litigation, has now filed a review petition against the Appellate Division verdict that cleared the way for firing LR as the asset manager of DBH First Mutual Fund and Green Delta Mutual Fund based on majority unitholders' will and the securities regulator's order. The asset manager has been dillydallying the transfer of management of the two closed-end mutual funds since Bangladesh General Insurance Company (BGIC), the trustee of the two funds, began to act upon majority unitholders' instruction to remove LR Global and appoint IDLC Investment to manage the funds.

<https://tbsnews.net/economy/stock/lr-global-now-files-review-petition-defer-its-removal-110734>

Sonali Paper trading resumes today

The share trading of Sonali Paper & Board Mills will resume today (Sunday) as the securities regulator has approved the company's re-listing with the stock exchanges. The company's share trading will resume on the main boards of both the bourses subject to one year lock-in to be imposed on the shares of the company's existing directors. After remaining in the over-the-counter (OTC) market since 2009, the trading of the shares of Sonali Paper & Board Mills was supposed to resume on July 2 with a price of Tk 273 per share.

<https://today.thefinancialexpress.com.bd/stock-corporate/sonali-paper-trading-resumes-today-1595689416>

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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 %
Underweight	12 Months	Less than -5 %

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