

## Bangladesh market snapshot

|                                | Last closing |
|--------------------------------|--------------|
| DSEX Index                     | 4,008.29     |
| % change                       | 0.80%        |
| DS30 Index                     | 1,330.83     |
| % change                       | 0.53%        |
| DSES Index                     | 920.69       |
| % change                       | 0.37%        |
| Turnover (BDT mn)              | 3,481.39     |
| Turnover (USD mn)              | 41.45        |
| % change                       | 149.49%      |
| Market Capitalization (BDT bn) | 3,122        |
| Market Capitalization (USD bn) | 37.17        |
| % change                       | 0.46%        |

Source: Dhaka Stock Exchange

## International market snapshot

|                              | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 24,133.78    |
| % change                     | +1.51%       |
| Nikkei 225                   | 19,721.34    |
| % change                     | -0.31%       |
| FTSE 100                     | 5,846.79     |
| % change                     | +1.64%       |

Source: Bloomberg

## Exchange rate

| Currency | BDT    |
|----------|--------|
| USD      | 84.95  |
| EUR      | 91.93  |
| GBP      | 105.09 |
| INR      | 1.11   |

Source: Bangladesh Bank

## Money market

| Date        | Call Money Rate Range (%) | Weighted Average (%) |
|-------------|---------------------------|----------------------|
| 26-Apr-2020 | 3.85-5.00                 | 4.87                 |
| 13-Apr-2020 | 4.00-5.00                 | 4.95                 |

Source: Bangladesh Bank

## Commodities

|                            | Price    | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 19.34    | -3.25%   |
| Gold Spot, USD/t oz        | 1,697.36 | -0.97%   |
| Cotton, USD/lb             | 54.95    | -0.11%   |

Source: Bloomberg

## Economy

### 2.73pc negative growth in March

The economic downturn due to COVID-19 has severely affected the country's internal revenue collection that posted 2.73-per cent negative growth in March 2020. During the period under review, the National Board of Revenue (NBR) faced a shortfall of Tk 119.55 billion against its target. Income tax wing has faced a shortfall of Tk 53.10 billion, VAT Tk 37.51 billion and customs duty Tk 28.93 billion against their targets. The NBR has faced a revenue collection deficit of Tk 561.38 billion in the first three quarters of this fiscal year, said its provisional data.

<https://today.thefinancialexpress.com.bd/first-page/273pc-negative-growth-in-march-1588008521>

### Budget discussions begin Tuesday with harsh realities ahead

Formal discussions on the proposed budget for 2020-21 fiscal year will kick off on Tuesday through a meeting to prepare a fiscal policy for the country that will help the stagnant economy caused by the covid-19 to return to its previous shape, reports UNB. Prime Minister Sheikh Hasina will preside over the meeting which will take place at her official residence Ganobhaban at 11am, according to sources at the Prime Minister's Office (PMO). The government is likely to go for a 'recovery plan' in the next budget (2020-19) which will put emphasis on health, agriculture and mega projects.

<https://www.dhakatribune.com/business/2020/04/27/budget-discussions-begin-tuesday-with-harsh-realities-ahead>

### Next ADP to focus on virus, farm, safety net

The Planning Commission is working on framing the Annual Development Programmer, or ADP, for the fiscal year, 2020-21 with an eye on rebuilding the economy, unsettled by coronavirus and shutdown. Coronavirus, agriculture and social safety-net will get the highest priority in the next ADP. The commission has started framing the development programme for the next fiscal and aims to finalise it by the end of next month. The government has been forced to suspend all development work, daily movement and economic activities of the country since March 26 to slow the transmission of COVID-19, the illness caused by the deadly coronavirus.

<https://today.thefinancialexpress.com.bd/last-page/next-adp-to-focus-on-virus-farm-safety-net-1588008661>

## Bank and NBFI

### Banks can submit audited balance sheet by June 30

The central bank has relaxed rules, allowing all the scheduled banks to submit their audited balance sheet by June 30, mainly due to spread of the coronavirus outbreak countrywide. The banks are now allowed to submit their audited balance sheet to the central bank by June 30 instead of April 30, according to a notification, issued by the Bangladesh Bank (BB) on Monday.

<https://today.thefinancialexpress.com.bd/last-page/banks-can-submit-audited-balance-sheet-by-june-30-1588008843>

#### **BB sets up Tk 100b refinance scheme for CMSMEs**

The central bank has formed a new refinance scheme worth Tk 100 billion to facilitate CMSMEs sector as it is facing a setback due to the coronavirus outbreak. The tenure of the revolving refinance scheme has been fixed at three years. Under the guideline, the banks will provide the loans from their own resources to the industries or business entities concerned on the basis of bank-client relationship. The working capital will be given at 9.0 per cent interest rate. Of the interest, 4.0 per cent will be borne by the borrowers and the rest of 5.0 per cent by the government.

<https://today.thefinancialexpress.com.bd/last-page/bb-sets-up-tk-100b-refinance-scheme-for-cmsmes-1588008885>

#### **Bangladesh Bank to provide half of Tk 20,000cr stimulus package for SMEs**

Bangladesh Bank will provide half of the Tk 20,000 crore stimulus package announced by the government for the cottage, micro, small and medium enterprises sector -- to deal with the economic fallout caused by the coronavirus pandemic. The decision was taken considering the liquidity crisis of the banks, the central bank said in a circular issued to commercial banks Monday. The duration of the refinance scheme is three years. Lenders will have to sign a participation agreement with the central bank to take out the fund under the scheme.

<https://www.thedailystar.net/bangladesh-bank-provide-half-tk-20000-crore-stimulus-package-for-sme-1897333>

#### **Bangladesh Bank to inject Tk 50,742cr in government stimulus packages**

The Bangladesh Bank would inject Tk 50,742.5 crore into the money market in the form of refinance scheme out of the government-announced stimulus packages to support the businesses and farmers to overcome the impact of coronavirus pandemic. The government has so far announced stimulus packages worth around Tk 75,742 crore for different businesses which are bank-loan dependent.

<https://www.newagebd.net/article/105251/bangladesh-bank-to-inject-tk-50742cr-in-government-stimulus-packages>

#### **Agri loan interest cut to 4pc for 15 months**

The Bangladesh Bank on Monday set the interest rate on the agricultural loans at 4 per cent for 15 months amid the coronavirus outbreak in the country. The reduced rate would be applicable to the existing loans as well as to the loans to be disbursed. As per the newly issued circular, the central bank would pay 5 per cent of the 9-per cent interest and the farmers would have to bear the rest 4 per cent.

<https://www.newagebd.net/article/105255/agri-loan-interest-cut-to-4pc-for-15-months>

## Fuel and Power

### Low demand shuts most oil-fired power plants

Most of the 'expensive' oil-fired power plants are shut now due to lower electricity demand amid the ongoing countrywide shutdown to combat coronavirus pandemic. According to the state-run Bangladesh Power Development Board (BPDB), all diesel-fired power plants, having the total generation capacity of 1,140 megawatts (MW), are now shut along with a good number of furnace oil-fired ones.

<https://today.thefinancialexpress.com.bd/first-page/low-demand-shuts-most-oil-fired-power-plants-1588008381>

## Capital Market

### Poor paid-up capital of DSE brokers haunt investors

Paid-up capital of a significant number of brokerage firms of Dhaka Stock Exchange (DSE) still remain poor compared to stipulated capital requirements set to avert the risk of doing business. Of 250 brokerage firms, the paid-up capitals of six are still below Tk 10 million, while 15 brokerage firms have paid-up capital worth Tk 10 million each. According to DSE information, 93 brokerage firms are doing business with paid-up capitals ranging from above Tk 10 million to Tk 50 million each.

<https://today.thefinancialexpress.com.bd/stock-corporate/poor-paid-up-capital-of-dse-brokers-haunt-investors-1588002540>

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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.

| <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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