

Bangladesh market snapshot

	Last closing
DSEX Index	5,133.26
% change	1.10%
DS30 Index	1,836.19
% change	1.07%
DSES Index	1,173.73
% change	1.11%
Turnover (BDT mn)	4,679.30
Turnover (USD mn)	55.71
% change	22.95%
Market Capitalization (BDT bn)	3,845
Market Capitalization (USD bn)	45.77
% change	1.31%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,860.20
% change	0.29%
Nikkei 225	21,643.53
% change	0.51%
FTSE 100	7,549.56
% change	0.25%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.16
GBP	105.50
INR	1.23

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
24-July-2019	1.75-5.00	3.67
23-July-2019	1.00-5.00	3.02

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.46	+0.11%
Gold Spot, USD/t oz	1,418.90	+0.31%
Cotton, USD/lb	64.54	+0.55%

Source: Bloomberg

Economy

Private credit growth target may be 15pc

The central bank may set a 1.5 percentage points lower private sector credit growth target for the second half of the year amid the shrinking demand for credit. For instance, private sector credit growth hit a six-year low of 11.29 percent in June. The central bank though was hoping it would be 16.50 percent when it had set the target earlier in January in its monetary policy for the first half of 2019.

<https://www.thedailystar.net/business/banking/news/private-credit-growth-target-may-be-15pc-1777996>

NBR misses revised revenue target by Tk 50,000cr

The National Board of Revenue (NBR) logged Tk 230,000 crore in tax in the just concluded fiscal year but failed to reach the target for the seventh consecutive year. The tax authority was initially given the task of raising Tk 296,201 crore for fiscal 2018-19 and the target was revised down to Tk 280,000 in the face of sluggish growth of collection. NBR managed to attain 82 percent of the revised target last fiscal year, falling short of Tk 50,000 crore.

<https://www.thedailystar.net/business/news/nbr-misses-revised-revenue-target-tk-50000cr-1777981>

BIDA's tax-reform recipe to NBR

The Bangladesh Investment Development Authority (BIDA) has requested the National Board of Revenue (NBR) to initiate some tax reforms as suggested in an action plan, prepared to help improve the country's position in the Ease of Doing Business (EODB) index. The reforms include reducing corporate tax audits, automating the submission of tax returns, simplifying and expediting VAT refund process, building awareness on new VAT act, and circulating the tax administration and law manual with clear explanation of rules and guidelines on tax audit.

<https://thefinancialexpress.com.bd/economy/bangladesh/bidas-tax-reform-recipe-to-nbr-1564198839>

Bangladesh's position remains unchanged

Bangladesh was placed 116th out of 129 countries in this year's Global Innovation Index, unchanged from last year's ranking. The country scored 23.31 in 100 in a survey of innovative capacity of the countries by the World Intellectual Property Organisation (WIPO). In South Asia, India was placed 52nd, Sri Lanka 89th, Pakistan 105th and Nepal 109th.

<https://www.thedailystar.net/business/news/bangladeshs-position-remains-unchanged-1777963>

NBR to engage more IT firms to develop VAT software

The National Board of Revenue (NBR) is going to engage more IT firms in developing software for businesses to help them maintain accounts and keep records of value-added tax (VAT). Currently, there have been only 11 firms, which are eligible for developing the

software and approved by the NBR. The revenue regulator took the initiative in a bid to expedite implementation new the Value Added Tax and Supplementary Duty Act, 2012

<https://www.dhakatribune.com/business/regulations/2019/07/27/nbr-to-engage-more-it-firms-to-develop-vat-software>

Businesses demand withdrawal of AT on raw materials import

Businesses on Saturday demanded withdrawal of advance tax (AT) on import of raw materials to keep prices of finished products affordable. They also demanded rebate facility, like 15 per cent VAT rate, for other VAT rates — 5 per cent, 7.5 per cent and 10 per cent. Currently, the National Board of Revenue allows VAT rebate only if businesses pay VAT at 15 per cent.

<http://www.newagebd.net/article/79880/businesses-demand-withdrawal-of-at-on-raw-materials-import>

Bank & NBF

Liquidity shortage pushes up private banks' deposit rates

The ongoing liquidity crunch has forced many private commercial banks to raise their deposit rates, particularly that of term deposits. The hike has made the government move to lower the lending rates to single digit almost untenable. The deposit rates started creeping up from September last year and the same have gathered pace in recent months. Some private commercial banks (PCBs) are now offering a maximum interest 11.50 per cent, which is higher than the yield rate of the national savings tools. Most PCBs are now charging interest on lending for medium- and large-scale industries at rates ranging between 11.50 per cent and 15.50 per cent instead of 9.0 per cent, the rate their sponsors had promised earlier.

<http://today.thefinancialexpress.com.bd/first-page/liquidity-shortage-pushes-up-private-banks-deposit-rates-1564245454>

Bangladesh Bank raises maximum limit of US dollar for travellers

The central bank has increased the maximum limit of cash US dollar for travellers' to \$12,000 from the existing level of \$5,000 and \$7,000 for a calendar year. The revised limit of foreign exchange for private travel abroad will come into effect from January 2020. Currently, the banks are allowed to release foreign exchange to an adult Bangladeshi national residing in Bangladesh during a calendar year upto \$5,000 or equivalent for travel to South Asian Association for Regional Cooperation (SAARC) member countries and Myanmar, and \$7,000 or equivalent for travel to other counties.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-bank-raises-maximum-limit-of-us-dollar-for-travellers-1564118498>

Fuel & Power

Bid on to manage extension of rental power plants' tenure

Owners of many private oil-fired power plants, including the rental and quick rental ones, are lobbying hard with the government high-ups for extending the tenure of their plants. If granted, the extension would be

against the government's declared policy of shutting those down on expiry of their respective contracts. Some gas-fired rental power plant owners are also seeking extension of their plants' tenure. Besides, sponsors of some plants have also sought conversion of their units into Independent Power Producers (IPPs) along with the time extension. Tenures of several such power plants have already expired, and many others are nearing expiry.

<http://today.thefinancialexpress.com.bd/first-page/bid-on-to-manage-extension-of-rental-power-plants-tenure-1564245663>

Telecom

New SIM tax affects MNP service

Changing mobile operators by customers through the mobile number portability (MNP) service has slowed down significantly due to imposition of increased tax on SIM replacement in the budget for the current fiscal year (2019-2020). SIM tax is applicable to the issuance of new SIM card, replacement of existing SIM card and replacement of SIM card while changing operator through MNP service. Although the tax rate on SIM card in FY19 was Tk 100, the National Board of Revenue in January, 2019 waived the tax only for the replacement of SIM card for MNP purpose.

<http://www.newagebd.net/article/79728/new-sim-tax-affects-mnp-service>

Grameenphone says BTRC's NOC suspension over audit claim unacceptable

Grameenphone chief executive officer Michael Foley on Thursday said that the suspension of no-objection certificate issuance by the Bangladesh Telecommunication Regulatory Commission to the mobile operator would hit the country's economy and deprive customers of quality service. The BTRC on Monday halted issuance of any sort of NOCs to two mobile phone operators — Grameenphone and Robi — as part of its efforts to realise Tk 12,579.95 crore from GP and Tk 867 crore from Robi in audit claims. Grameenphone said they would follow Arbitration Act, 2001 in resolving the disputed Tk 12,579.95 crore audit claim made by the BTRC in April this year.

<http://www.newagebd.net/article/79639/grameenphone-says-btrcs-noc-suspension-over-audit-claim-unacceptable>

Textile

BGMEA moves to form RSC to take over Accord operations

BGMEA has started a move to set up a special purpose company namely 'RMG Sustainability Council (RSC)' aiming to take over Accord activities after the expiry of its tenure. The aim of the formation of the company is also to oversee the issues related to workplace safety, labour standards and others, they added. To this end, they said, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is processing the memorandum of association and article of association while it will apply for registration to the authority concerned to form the special purpose company early next month.

<http://today.thefinancialexpress.com.bd/trade-market/bgmea-moves-to-form-rsc-to-take-over-accord-operations-1564240184>

Tannery

Leather park to be set up at Belpukur in Rajshahi

A modern leather and tannery industrial park will be established in Rajshahi aiming to improve socio-economic condition of the region through flourishing the leather sector. A site of 100 acres of land has already been selected in Belpukur and Baneshwar areas for the purpose, reports BSS. Regional office of the Bangladesh Small and Cottage Industries Corporation (BSCIC) is working in this regard.

<http://today.thefinancialexpress.com.bd/trade-market/leather-park-to-be-set-up-at-belpukur-in-rajshahi-1564242159>

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Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
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Neutral/ Hold	12 Months	Between +15 % and -5 %
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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
Md Zarif Ibne Arif	Research Associate	zarif.arif@ucb.com.bd	+880 1701 205 072
Md. Nazmus Sakib	Research Associate	nazmus.sakib@ucb.com.bd	+880 1701 205 073
Anik Mahmood Ibne Anwar	Research Associate	anik.mahmood@ucb.com.bd	+880 1701 205 074
Shadman Sadique Kamal	Research Associate	shadman.kamal@ucb.com.bd	+880 1701 205 096

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	tahmid@blomberg.net rahman.tahmidur@ucb.com.bd	+880 1726 995 520

Office Premises

Head Office

6, Dilkusha C/A
1st Floor
Dhaka- 1000
Bangladesh

Corporate Office

Bulus Center (Level-2)
Plot-CWS(A)-1, Road No-34
Gulshan Avenue
Dhaka-1212
Bangladesh

DSE Extension Office

Room # 633, 9/E DSE Annex
Building (5 th Floor)
Motijheel C/A, Dhaka 1000
Bangladesh

Chattogram Office

Ayub Trade Center
1269/B SK Mujib Road (4th
Floor)
Agrabad C/A, Chattogram
Bangladesh

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