

Bangladesh market snapshot

	Last closing
DSEX Index	4,145.38
% change	0.39%
DS30 Index	1,400.88
% change	0.23%
DSES Index	965.95
% change	0.21%
Turnover (BDT mn)	4,371.82
Turnover (USD mn)	52.05
% change	17.66%
Market Capitalization (BDT bn)	3,221
Market Capitalization (USD bn)	38.34
% change	0.10%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,584.77
% change	+0.43%
Nikkei 225	22,792.76
% change	+0.34%
FTSE 100	6,104.88
% change	-0.31%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	98.86
GBP	108.48
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
26-Jul-2020	2.50-5.50	4.32
23-Jul-2020	3.00-5.50	4.36

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.46	+0.12%
Gold Spot, USD/t oz	1,949.47	+0.37%
Cotton, USD/lb	61.30	+0.23%

Source: Bloomberg

Economy

Remittance hits record high in July

The monthly inflow of remittance hit an all-time high in July ahead of Eid-ul-Adha, with the figure reaching almost \$2 billion in the first three weeks. The country received \$1.96 billion in remittance from expatriates from July 1 to 23. In June, the last month of fiscal year 2019-20, \$1.83 billion came in. In the recent months, migrants from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Malaysia and the US, among other countries, have been sending a higher amount of money. The inflow of remittance in July would reach around \$2.5 billion if the trend continues in the last week.

<https://tbsnews.net/economy/remittance-hits-record-high-july-112366>

<https://www.newagebd.net/article/112268/monthly-remittance-hits-record-196b-in-3-weeks-of-july>

BB releases monetary policy tomorrow

The central bank unveils its monetary policy for this fiscal year tomorrow (Wednesday) aiming to help revamp the economic activities through the implementation of stimulus packages. Bangladesh Bank will announce the monetary policy statement (MPS) for the fiscal year 2020-21 on its website to withstand the adverse impact of the Covid-19 pandemic on the economy. The next MPS will be an expansionary instead of the existing accommodative one to help the banks manage their funds smoothly amid the Covid-19 pandemic.

<https://today.thefinancialexpress.com.bd/first-page/bb-releases-monetary-policy-tomorrow-1595873037>

Govt updating laws to snare foreign investors

The government is streamlining five laws as part of its efforts to attract foreign direct investment or FDI, which may shift in the post-pandemic era. The laws are the Foreign Exchange Regulation Act, 1947, the Bank Company Act, 1991, the Negotiable Instrument Act, 1881, the Bankruptcy Act, 1997, and the Artha Rin Adalat Ain, 2003. Global corporations are considering shifting their investments from China as soon as the Covid-19 goes away.

<https://today.thefinancialexpress.com.bd/first-page/govt-updating-laws-to-snare-foreign-investors-1595872991>

Japan to dispense \$1.0b in budget aid

Bangladesh for the first time is expected to secure US\$1.0 billion worth of budget support from Japan next week. The support would help the government weather the impact of the COVID-19 on the economy. The possible \$1.0 billion budgetary support could be disbursed in two tranches in fiscal year 2020-21 and in FY2021-22.

<https://today.thefinancialexpress.com.bd/first-page/japan-to-dispense-10b-in-budget-aid-1595872730>

Bank and NBFI**Small businesses to get up to Tk50 lakh in collateral-free loans**

The central bank has launched a credit guarantee scheme for the cottage, micro and small enterprises allowing banks to issue up to Tk50 lakh in collateral-free loans from the stimulus package. A central bank circular issued on Monday said guarantees against cottage, micro and small (CMS) loans ranging from Tk2 lakh to Tk50 lakh would be issued under the scheme. The formal announcement on the scheme formation came after the Bangladesh Bank board on July 23 approved the Tk2,000-crore credit guarantee scheme. As per the circular, the banks are allowed to issue guarantee only against the loans which will be sanctioned under the Tk20,000-crore stimulus package that the government announced for the cottage, micro, small and medium entrepreneurs.

<https://tbsnews.net/economy/banking/small-businesses-get-tk50-lakh-collateral-free-loans-112336>

<https://www.newagebd.net/article/112269/small-enterprises-to-get-up-to-tk-50-lakh-in-loans-without-collateral>

Fuel and Power**Furnace oil consumption rises on strong power demand**

Consumption of furnace oil has increased after the easing of the nationwide lockdown as electricity generation is on the rise to meet the mounting domestic demand. The country expects to import around 280,000 tonnes of furnace oil in August, up by 12 per cent than in July, due to strong demand from its power sector. Electricity demand has been increasing in the country with the easing of lockdown restrictions. It has almost doubled its furnace oil import since June to around 220,000 tonnes per month, compared with 100,000 tonnes per month in April and May, as businesses resumed operations, albeit limited in scale following the three-month long lockdown due to the coronavirus pandemic. The country's import of furnace oil is expected to increase steadily into September.

<https://today.thefinancialexpress.com.bd/last-page/furnace-oil-consumption-rises-on-strong-power-demand-1595873512>

Stocks**Reckitt Benckiser's profit jumps 53pc in Q2**

Reckitt Benckiser Bangladesh's profit after tax jumped more than 53 per cent in April-June, 2020 quarter due to strong revenue growth driven by increased demand of personal hygiene products during pandemic. The personal care products manufacturer's profit after tax rose to Tk 158 million in April-June, 2020 which was Tk 103 million in the same quarter of the previous year. In six months for January-June, 2020, the company's profit after tax was Tk 271.73 million as against Tk 176.14 million for January-June, 2019. Accordingly, the company's earnings per share (EPS) jumped to Tk 33.47 for April-June, 2020 as against Tk 21.82 for April-June, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/reckitt-benckisers-profit-jumps-53pc-in-q2-1595867318>

<https://www.thedailystar.net/business/news/reckitt-benckiser-profits-peoples-heightened-hygiene-habits-amid-pandemic-1937369>

IPDC registers solid half-yearly performance

First private sector non-banking financial institution of the country IPDC Finance Ltd conducted its half-yearly investors' meet to discuss the financial highlights, benchmarks, and key strategies ahead. In the first half of the year 2020, IPDC's customer deposit increased by 8.7% compared to December 2019, revenue grew by 24.9% as against first half of 2019 while its default loan rate remained steady at one of the industry lowest of 1.59%. It maintained a solid capital adequacy ratio of 17.28%.

<https://www.dhakatribune.com/business/2020/07/27/ipdc-registers-solid-half-yearly-performance>

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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.

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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