

Bangladesh market snapshot

	Last closing
DSEX Index	4,838.52
% change	-0.60%
DS30 Index	1,665.50
% change	-0.59%
DSES Index	1,094.28
% change	-0.80%
Turnover (BDT mn)	11,120.30
Turnover (USD mn)	132.38
% change	11.10%
Market Capitalization (BDT bn)	3,890
Market Capitalization (USD bn)	46.31
% change	-0.64%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,519.95
% change	-3.43%
Nikkei 225	23,261.98
% change	-0.67%
FTSE 100	5,582.80
% change	-2.55%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.04
GBP	110.63
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
27-Oct-2020	1.00-5.25	2.79
25-Oct-2020	1.00-5.25	2.86

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	39.20	+0.20%
Gold Spot, USD/t oz	1,879.84	+0.14%
Cotton, USD/lb	70.30	+0.19%

Source: Bloomberg

Economy

Budget spend shrinks by Tk 1.0tn in FY'20

The government expenditure fell significantly in the last fiscal year as the COVID-19 crisis impacted development outlays. The total budget outlay reached Tk 3.98 trillion at the end of June 30, down by over Tk 1.0 trillion. The revised budget for the fiscal year 2020 was Tk 5.01 trillion, which is equivalent to 17.88 per cent of the gross domestic product. Operating expenditure was recorded at over 87 per cent while the development expenditure was just over 73 per cent. Annual development expenditure achieved just over 80 per cent of its revised target.

<https://today.thefinancialexpress.com.bd/first-page/budget-spend-shrinks-by-tk-10tn-in-fy20-1603907435>

Japan lifts foreign aid in Q1

The inflow of foreign aid to Bangladesh jumped by 55 per cent in the first quarter (Q1) of this fiscal after Japan released a big chunk of budget support to help the economy recover from the Covid-related devastations. The bilateral and multilateral development partners disbursed US\$1.45 billion worth of medium and long-term loans and grants in July-September period of the fiscal year 2020-21. The country received \$931.04 million worth of assistance from the external sources at the same time in FY2020.

<https://today.thefinancialexpress.com.bd/last-page/japan-lifts-foreign-aid-in-q1-1603907677>

Bank and NBFIs

Banks can now lend more to trade-based small enterprises

Banks and other financial institutions can now lend more to trade-based cottage, micro, small and medium enterprises (CMSMEs) as the central bank yesterday raised the annual ceiling of the loans for the sector by 10 percentage points. While unveiling the Tk 20,000 crore stimulus package for the CMSME sector in April, the central bank included trade-based micro and cottage firms as a huge number of people are employed in the sector. At the time, lenders were allowed to disburse 20 per cent of their total annual loans to trade-based CMSMEs. Now, they can set aside 30 per cent of the loans for the sub-sector as the CMSMEs have been hit hard by the coronavirus pandemic. As a result, banks can channel up to 30 per cent of the stimulus package to the sector.

<https://www.thedailystar.net/business/news/banks-can-now-lend-more-trade-based-small-enterprises-1985989>

Export loans get cheapest ever

The central bank has slashed interest rates on loans under Export Development Fund (EDF) scheme to help exporters weather the pandemic-related disruptions. The revised rates will allow exporters to borrow from the low-cost fund at a rate of 1.75 per cent instead of the previous 2.0 per cent. Such an interest rate on loans under the EDF will continue until March 31, 2021. Authorised dealer (AD)

banks will also get the similar benefit and access such loans from the central bank paying 0.75 per cent interest rate, down from 1.0 per cent.

<https://today.thefinancialexpress.com.bd/first-page/export-loans-get-cheapest-ever-1603907095>

<https://www.thedailystar.net/business/news/loans-export-dev-fund-be-cheaper-1985993>

Stock

Marico BD declares 200pc interim cash dividend

Marico Bangladesh Ltd has declared 200 per cent interim cash dividend based on six months financials for the period ended on September 30, 2020. The record date for the entitlement of dividend is November 17. Marico Bangladesh has reported earnings per share (EPS) of Tk 25.03 for July-September 2020 as against Tk 21.24 for the same period in 2019. In the six-month period from April to September 2020, its EPS was Tk 56.67 as against Tk 48.20 for April-September 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/marico-bd-declares-200pc-interim-cash-dividend-1603902214>

Unilever Consumer Care sees drop in Q3 profits

Unilever Consumer Care, formerly known as GlaxoSmithKline, witnessed a drastic year-on-year fall in profits in the July-September quarter of this year due to low sales amid the ongoing coronavirus pandemic. Besides, global supply chain disruptions have made it difficult to secure raw materials, leading to a shortage of finished goods. Sales receipts dropped by 10.39 per cent to Tk 94.17 crore between July-September quarter while profits fell 44.74 per cent to Tk 14.07 crore during the same period. The decline in profits is a result of decreased sales, rising cost of raw materials, increased customs duty on dry mix ingredients (DMI) and scrapping of the enterprise resource planning system.

<https://www.thedailystar.net/business/news/unilever-consumer-care-sees-drop-q3-profits-1985981>

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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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