

Bangladesh market snapshot

	Last closing
DSEX Index	4,171.21
% change	0.35%
DS30 Index	1,401.79
% change	-0.05%
DSES Index	964.66
% change	0.08%
Turnover (BDT mn)	3,995.22
Turnover (USD mn)	47.56
% change	-10.14%
Market Capitalization (BDT bn)	3,233
Market Capitalization (USD bn)	38.49
% change	0.18%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,539.57
% change	+0.61%
Nikkei 225	22,408.29
% change	+0.05%
FTSE 100	6,131.46
% change	+0.04%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.37
GBP	109.68
INR	1.13

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
28-Jul-2020	3.00-5.50	4.53
27-Jul-2020	2.75-5.50	4.32

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.80	+0.11%
Gold Spot, USD/t oz	1,965.33	-0.28%
Cotton, USD/lb	61.55	-0.10%

Source: Bloomberg

Economy

BB cuts key policy rates

The central bank unveiled on Wednesday an expansionary monetary policy for the current fiscal year aiming to speed up recovery of the pandemic-hit economy. As part of the expansionary policy stance, the Bangladesh Bank slashed overnight repurchase agreement (repo) rate by 50 basis points to 4.75 per cent while cut reverse repo rate to 4.00 per cent from 4.75 per cent. The central bank cut the policy rates to ensure the availability of cheaper funds for banks and greater flow of funds into the economy. Besides, the bank rate has been re-fixed at 4.0 per cent from 5.0 per cent to rationalise it with the current interest rate regime.

<https://today.thefinancialexpress.com.bd/first-page/bb-cuts-key-policy-rates-1596045914>

<https://www.thedailystar.net/business/news/bb-throws-kitchen-sink-downturn-its-latest-monetary-policy-1938533>

Foreign firms get 3 more months to borrow from parent cos

The Bangladesh Bank has extended by three months the validity of a policy relaxation that allows foreign-owned companies operating in Bangladesh to get short-term working capital loans from their parent companies or shareholders abroad. As per the extended validity, the foreign-owned companies will get the scope till December 31 this year. In May, the central bank granted the policy relaxations for five months ending on September 30. The central bank extended the validity of the facility based on the ongoing coronavirus situation in the country.

<https://www.newagebd.net/article/112424/foreign-firms-get-3-more-months-to-borrow-from-parent-cos>

Revised incentive package for investors underway

The country's investment promotion agencies are pulling their socks up to improve the country's investment climate, a prerequisite for snaring foreign investors. Analysts are of the opinion that the country has made a "significant progress" in improving the investment climate in recent times, but a lot needs to be done to win trust of overseas investors. Investment climate has improved a lot compared to the last decade and the agency is planning for more to enhance the country's competitiveness.

<https://today.thefinancialexpress.com.bd/first-page/revised-incentive-package-for-investors-underway-1596046109>

Telecommunication

Robi now has the largest 4.5G network in Bangladesh

Robi has become the first mobile phone operator in Bangladesh to have established more than 11,000 active 4.5G sites, thus building the largest high-speed network. The operator has reached the milestone by taking the 4.5G network to every upazila. The 4.5G network of the second-largest operator now covers 80 per cent of the population. Robi is the only operator that uses U900/L900

spectrum technology, which allows it to offer better coverage indoor.

<https://www.thedailystar.net/business/news/robi-now-has-the-largest-45g-network-bangladesh-1938513>

Tannery

Rawhide export allowed for select businesses and for limited time

The government has decided to allow the export of rawhide and wet blue or leather that is halfway through processing this year but imposed some conditions. It aims to create demand in the local market and ensure proper prices for citizens who sacrifice animals and small traders during this Eid-ul-Azha. Select businesses would be allowed to export and specific timeslots would be allotted to them to ship the rawhide, said the commerce ministry notice. They would not be allowed to export all year round. Last year, nearly one crore pieces of rawhide worth Tk 100 crore were thrown away by citizens and small seasonal traders as they deemed the prices to be too low. A section of tanners was blamed for a trickle-down effect they had on the seasonal business.

<https://www.thedailystar.net/business/news/rawhide-export-allowed-select-businesses-and-limited-time-1938505>

Capital Market

BSEC fines 3 listed cos, mkt operators Tk 248m

The securities regulator has taken stern actions against three listed companies and some market operators by imposing an aggregate amount of penalty worth around Tk 248 million for their unlawful activities. The securities regulator imposed penalties for the first time on three directors of C & A Textiles at an amount that is higher than the amount they gained by selling their shares unlawfully.

<https://today.thefinancialexpress.com.bd/last-page/bsec-fines-3-listed-cos-mkt-operators-tk-248m-1596046741>

MPS for enhancing depth of stock mkt

The BB laid emphasis on listing of fundamentally good companies in its monetary policy statement (MPS) unveiled on Wednesday for the fiscal year (FY) 2020-21. It said the securities regulator, merchant banks and stock exchanges should take coordinated initiatives to ensure the listing of good companies for enhancing the market capitalisation. The bourses' market cap to GDP ratio still remains insignificant compared to that of other countries including neighbouring ones. Criticising the low market cap to GDP ratio, experts repeatedly said the country's capital markets are not expanding in tandem with the growth of the economy. The DSE's market cap to GDP ratio is only 12 per cent while the ratios of the neighbouring countries are up to 74 per cent.

<https://today.thefinancialexpress.com.bd/stock-corporate/mps-for-enhancing-depth-of-stock-mkt-1596047716>

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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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