

Bangladesh market snapshot

	Last closing
DSEX Index	4,683.21
% change	0.27%
DS30 Index	1,631.47
% change	-0.25%
DSES Index	1,072.14
% change	0.44%
Turnover (BDT mn)	3,472.90
Turnover (USD mn)	41.34
% change	-3.04%
Market Capitalization (BDT bn)	3,557
Market Capitalization (USD bn)	42.35
% change	0.17%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,186.69
% change	+0.43%
Nikkei 225	22,925.53
% change	+0.36%
FTSE 100	7,330.78
% change	+0.34%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.29
EUR	94.16
GBP	109.02
INR	1.19

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
29-Oct-2019	2.50-5.50	3.86
28-Oct-2019	2.75-5.50	4.02

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.78	+0.28%
Gold Spot, USD/t oz	1,497.88	+0.15%
Cotton, USD/lb	65.81	+0.17%

Source: Bloomberg

Economy

Govt stumbles in revenue collection in the first quarter

The National Board of Revenue (NBR) has failed to meet its revenue collection target for the first quarter of the current fiscal year, falling nearly Tk15,000 crores short. The growth in revenue collection was 2.62 percent during the first quarter of the 2019-20 fiscal year – the lowest in the last eight years. Ministry officials blamed the fall in both import and export of highly taxed items and lack of proper monitoring for the downtrend.

<https://tbsnews.net/bangladesh/govt-stumbles-revenue-collection-first-quarter>

Govt releases Tk 25.38b cash incentive for Oct-Dec period

The government has released the second installment of cash incentive amounting to Tk 25.38 billion for disbursement among the major exporters for the fiscal year (FY) 2019-20. The money will be distributed among the exporters for the October-December period in 2019. Of the total amount, the jute and jute products sub-sector will get Tk 1.25 billion. Other sectors will receive the remaining amount. In the current fiscal, the government has decided to release a total of Tk 73.25 billion as cash incentive to the exporters.

<https://today.thefinancialexpress.com.bd/trade-market/govt-releases-tk-2538b-cash-incentive-for-oct-dec-period-1572454054>

Govt to spend Tk 807m on free agri inputs

The government will to spend over Tk 807 million for providing farmers with free agriculture inputs for boosting production of wheat, maize, onion and some other winter and summer crops. Over 0.6 million marginalised farmers of 64 districts will get the inputs free of cost for cultivating the crops, which is expected to help the farmers earn over Tk 8.42 billion in return. Each of the farmers will get seeds, DAP and MOP fertilisers worth Tk 1,990 for cultivation of wheat on one bigha of land while Tk 1,318 for maize, Tk 802 for mustard, Tk 2,816 for sunflower and Tk 1,575 for peanut.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-okays-10-projects-at-a-cost-of-tk-11467b-1572372729>

Bank & NBFI

Industrial NPLs rise for habitual defaulters

Non-performing loans (NPLs) in the industrial sector soared 48.58 percent at the end of last fiscal year as habitual defaulters continued to show reluctance towards repayment of their rescheduled loans. The country's business sector also faced sluggishness last fiscal year, putting an adverse impact on industrial default loans. At the end of June, industrial default loans stood at Tk 57,201 crore, up from Tk 38,499 crore a year earlier, according to data from the Bangladesh Bank.

<https://www.thedailystar.net/business/news/industrial-npls-rise-habitual-defaulters-1821046>

Deposits in banks rising as NSC sales fall

Deposit growth in the country's banking sector improved a bit to 11.39 per cent year-on-year in August of the current fiscal year 2019-2020 after hovering at around 10 per cent for several months thanks to diversion of fund flow to the banking sector from the national savings certificates. As per the Bangladesh bank data, deposits in the banking sector stood at Tk 10,81,134.70 crore at the end of August of FY20, increasing by Tk 1,10,575.10 crore from Tk 9,70,559.6 crore at the end of August of FY19. The launch of the NSC online management system and the increased rate of source tax on savings tools have contributed to the sharp drop in NSC sales in the first two months of this fiscal year.

<http://www.newagebd.net/article/89288/deposits-in-banks-rising-as-nsc-sales-fall>

Fuel and power**LPG business walks a tightrope**

The market of liquefied petroleum gas (LPG) is faced with a dilemma — the huge potential of a largely unexplored sphere on the one hand and a stiff competition among so many players leading to subsidized marketing on the other. The government has stopped giving new connection citing depleting reserves of natural gas while the need for fuels for domestic and industrial purposes have multiplied over the years, sending people to look for substantial alternatives. Yet, the market is not what it is expected to be as most of the companies are still selling their products at subsidized prices only to stay in the market and keep the rivals at bay.

<https://www.dhakatribune.com/business/2019/10/30/lpg-business-walks-a-tightrope>

Telecommunication**GP, Robi coy on settling dispute outside court**

The government's efforts to settle the audit claim dispute with telecom operators Grameenphone and Robi out of court have failed due to their non-cooperation. Now the issue lies with the court. The finance minister opined that Grameenphone and the Robi are interested to resolve the issue through court, which will help them deal with their boards easily.

<https://today.thefinancialexpress.com.bd/first-page/gp-robi-coy-on-settling-dispute-outside-court-1572457341>

Kamal: no administrators at GP, Robi

Finance Minister AHM Mustafa Kamal on Wednesday categorically said that no administrators would be appointed at Grameenphone (GP) and Robi for their unwillingness to clear disputed dues. Rather, the minister said the court would now handle the dispute over non-payment of the outstanding amount Tk13,476 crore the two private telecom operators owed the government. The finance minister said he had asked the GP and Robi management to pay a minimum sum to the government exchequer as 'a token of goodwill' but they had declined to pay, citing their respective board's reservations.

<https://www.dhakatribune.com/business/2019/10/30/kamal-no-administrators-at-gp-robi>

Mutual Fund

Unit-holders apply to alter fund manager

Over two-third unit-holders of two listed mutual funds (MFs) have applied to their trustee for changing the asset manager of the funds. The MFs are DBH 1st Mutual Fund and Green Delta Mutual Fund. LR Global Bangladesh is the asset manager of these two funds. The unit-holders, who have applied to change the asset manager, hold 72.50 per cent units of DBH 1st MF and 70.12 per cent units of Green Delta MF. In their prayers, they have urged Bangladesh General Insurance Company (BGIC), the trustee of the mutual funds, to appoint IDLC Asset Management as their fund manager.

<https://today.thefinancialexpress.com.bd/last-page/unit-holders-apply-to-alter-fund-manager-1572457575>

Capital Market

Unutilized BO accounts soaring on ailing stocks

Stock investors are becoming inactive due to ailing stocks and lack of confidence, so the number of unutilized and zero balance beneficiary owners' (BO) accounts is soaring. Some 4.96 lakh BO account holders, or 17.66 percent, have not utilized their accounts to trade shares last fiscal year, according to the Central Depository Bangladesh Limited (CDBL). The number was 4.24 lakh, or 15.33 percent, and 4.09 lakh, or 13.75 percent, in the previous years.

<https://www.thedailystar.net/business/news/unutilised-bo-accounts-soaring-ailing-stocks-1821016>

Stocks

Multinationals thrive in Bangladesh

The businesses of the multinational companies operating in Bangladesh are thriving, especially profits of the companies that produce Parachute coconut oil, Dettol, Harpic and Oxygen are on the rise. However, multinationals that manufacture cement, shoes and cigarette are witnessing a fall in their profit. Of these, business and profit of LafargeHolcim, Marico, Reckitt-Benckiser, Glaxo SmithKline (GSK), Grameenphone and Linde Bangladesh have increased. However, the profit of Bata Shoe, British American Tobacco (BAT) and Heidelberg Cement fell.

<https://tbsnews.net/companies/multinationals-thrive-bangladesh>

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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 %
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