

Bangladesh market snapshot

	Last closing
DSEX Index	5,280.05
% change	-0.73%
DS30 Index	1,875.52
% change	-0.56%
DSES Index	1,207.49
% change	-0.72%
Turnover (BDT mn)	5,129.12
Turnover (USD mn)	61.06
% change	20.78%
Market Capitalization (BDT bn)	3,909
Market Capitalization (USD bn)	46.53
% change	-0.53%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial	26,783.49
Average % change	-0.08%
Nikkei 225	21,553.48
% change	-0.05%
FTSE 100	7,536.47
% change	-0.17%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.48
EUR	94.67
GBP	105.20
INR	1.23

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
07-July-2019	2.00-5.00	3.52
04-July-2019	2.00-5.00	3.70

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.73	+0.89%
Gold Spot, USD/t oz	1,392.82	-0.34%
Cotton, USD/lb	64.00	+1.14%

Source: Bloomberg

Economy

Inflation cools in FY'19 after steep increase

After a sharp rise, the average inflation rate fell to 5.48 per cent in the just-concluded fiscal year. The inflation rate is 0.08 percentage points lower than the government's 5.6 per cent target in 2018-19 fiscal. But the average inflation rate in FY'18 was higher at 5.78 per cent. After the steep rise since January this year, the point-to-point inflation rate in June dropped to 5.52 per cent. In May, the point-to-point inflation rate was recorded at 5.63 per cent.

<http://today.thefinancialexpress.com.bd/first-page/inflation-cools-in-fy19-after-steep-increase-1562694492>

Govt's July-May net borrowing up 8.0pc

The government's net borrowing from state-owned savings instruments rose by about 8.0 per cent in the first 11 months of the just-concluded fiscal year compared to the corresponding period of the previous fiscal. Net sales of savings tools in the July-May period of FY 2018-19 stood at Tk 467.31 billion, up from Tk 433.63 billion in the same period of FY 2017-18.

<http://today.thefinancialexpress.com.bd/last-page/govts-july-may-net-borrowing-up-80pc-1562694899>

Govt borrowing beyond monthly auction

The government is increasingly borrowing from the banking system going beyond the regular monthly calendar of auctions. Primary dealers (PDs) said the government had borrowed money six-times over the past six months, hurried and unusual in recent years. This signifies that the public sector is failing to finance its widening budget deficit as a result of poor revenue mobilisation.

<http://today.thefinancialexpress.com.bd/first-page/govt-borrowing-beyond-monthly-auction-1562694434>

Tainted money whitening offers have little effect

The existing black money whitening facility through voluntary disclosure of undisclosed income drew a poor response in the last three fiscal years (FYs), as only Tk 1.96 billion money was legalised in that period. In the just-concluded FY, 2018-19, some 85 people availed the facility. They legalised a sum worth Tk 1.26 billion by paying Tk 130 million in income tax. In FY 2017-18, some 90 people availed the facility, while the number was 48 in FY 2016-17.

<http://today.thefinancialexpress.com.bd/first-page/tainted-money-whitening-offers-have-little-effect-1562694368>

ADP execution 94pc in FY'19

The overall annual development programme (ADP) implementation rate rose to 94 per cent in the fiscal year (FY) that just went by. The government's high spending rate in June propelled execution of the development programme.

<http://today.thefinancialexpress.com.bd/first-page/adp-execution-94pc-in-fy19-1562694558>

Fuel and Power

Proposed land-based LNG terminal to double BD's regasification capacity

The government is working towards setting up a land-based LNG terminal, which will double the country's regasification capacity to 15 million tonnes per year by June 2023. Presently, two LNG import terminals having floating, storage, regasification units (FSRUs) with a capacity of 3.75 million tonnes per year each are operating at Moheshkhali.

<http://today.thefinancialexpress.com.bd/first-page/proposed-land-based-lng-terminal-to-double-bds-regasification-capacity-1562694805>

Textile

Apparel exports to US, Canada post double-digit growth

Bangladesh's apparel exports to major markets namely US and Canada posted a double-digit growth in the last fiscal year while that of European destinations showed a comparatively slow pace. Garment makers, however, said the ongoing trade war between the US and China helped in achieving such a higher growth in apparel export especially to the US market.

<http://today.thefinancialexpress.com.bd/last-page/apparel-exports-to-us-canada-post-double-digit-growth-1562694983>

Vietnam a step closer to beating Bangladesh in apparel exports

In a blow to apparel exporters, the EU, Bangladesh's largest export destination, has extended duty-free access to Vietnam, eliminating the competitive edge that the country held over its biggest rival in the trade. As a least-developed country Bangladesh enjoyed duty-free benefit to the EU since its independence, whereas Vietnam had to pay 12 percent duty. Now, Southeast Asian country has obtained the same privilege as Bangladesh thanks to the signing of a free trade agreement (FTA) with the EU on June 30.

<https://www.thedailystar.net/business/news/vietnam-step-closer-beating-bangladesh-apparel-exports-1769221>

Ceramics

Gas price hike to raise ceramic production cost

The recent gas price hike will increase the cost of ceramics production by 10 percent, which will be a huge blow to the local ceramic manufacturers and consumers. The government has increased gas prices by 37.89 percent for industrial use, 43.97 percent for captive power and 7.5 percent for compressed natural gas (CNG), which became effective from yesterday.

<https://www.thedailystar.net/business/news/gas-price-hike-raise-ceramic-production-cost-1769215>

Stocks

General shareholders may lose Tk 193cr

The general shareholders of People's Leasing and Financial Service (PLFS) that is staring at liquidation are likely to lose their entire amount, further raising the stakes for the government to penalise those responsible for driving the company into the ground. As of May 31, retail investors held 68 percent of the non-bank financial institution's stock, according to the Dhaka Stock Exchange. If the liquidation goes through- which will be a first in Bangladesh's financial sector- the general shareholders stand to lose about Tk 193.52 crore and institutional investors Tk 25.75 crore.

<https://www.thedailystar.net/business/news/general-shareholders-may-lose-tk-193cr-1769224>

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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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