

Bangladesh market snapshot

	Last closing
DSEX Index	5,469.63
% change	-0.12%
DS30 Index	1,917.36
% change	-0.23%
DSES Index	1,241.65
% change	-0.23%
Turnover (BDT mn)	5,226.39
Turnover (USD mn)	62.22
% change	-9.68%
Market Capitalization (BDT bn)	4,016
Market Capitalization (USD bn)	48.00
% change	-0.15%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,004.83
% change	-0.17%
Nikkei 225	20,958.25
% change	-0.81%
FTSE 100	7,367.62
% change	-0.42%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	95.77
GBP	107.53
INR	1.22

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
11-June-2019	4.00-5.00	4.56
10-June-2019	4.00-5.00	4.56

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	59.89	-0.13%
Gold Spot, USD/t oz	1,335.78	0.16%
Cotton, USD/lb	65.80	-0.12%

Source: Bloomberg

Economy

Kamal unpacks maiden budget today

The government releases the budget for fiscal year 2019-20 today (Thursday) setting higher growth target, despite a number of domestic challenges. People familiar with the budget preparation said there will be nothing new in the annual document as it is hardly bringing about any major reform. Finance minister AHM Mustafa Kamal is set to place the fiscal blueprint before Jatiya Sangsad with a record outlay of over Tk 5.23 trillion, up by Tk 590 billion from the original budget size of the outgoing fiscal.

<http://today.thefinancialexpress.com.bd/first-page/kamal-unpacks-maiden-budget-today-1560357660>

Budget likely to up SD on mobile use to 10pc

Use of mobile phone is likely to be costlier with a two-fold hike in the existing Supplementary Duty (SD) on voice and data services in the budget for the upcoming fiscal year (FY), 2019-20. Finance Minister A H M Kamal might propose the hike in his budget speech today (Thursday), raising the SD to 10 per cent on mobile phone services and mobile SIM or RIM cards. The upward revision, if implemented, would raise costs of voice call and data use.

<http://today.thefinancialexpress.com.bd/first-page/budget-likely-to-up-sd-on-mobile-use-to-10pc-1560357712>

Govt slashes bank borrowing by 26pc

The government has scaled down its bank borrowing target by more than 26 per cent for the outgoing fiscal year (FY), mainly due to the lower implementation of the annual development programme (ADP). The ministry of finance (MoF) has already lowered the government's bank borrowing target for the FY 2018-19 down to Tk 309.08 billion from the original Tk 420.29 billion, said an official familiar with the government debt management activities.

<http://today.thefinancialexpress.com.bd/first-page/govt-slashes-bank-borrowing-by-26pc-1560357752>

Reforms on cards

The new budget will provide directives on reforms in education and financial sectors and incentives for the stock market, the finance ministry said yesterday. "These are the interesting and acceptable things to the general people," it said in a statement on the eve of the unveiling of the national budget for fiscal 2019-20. The budget will be the first of Finance Minister AHM Mustafa Kamal, who took charge of the ministry in January this year. It is also the first one of the current government since retaining power in the national elections in December last year.

<https://www.thedailystar.net/business/bangladesh-national-budget-2019-20-reforms-on-cards-1756372>

Public enterprises incur BDT 4,325cr losses

After a span of five years, state-owned enterprises jointly incurred a loss in the outgoing fiscal year largely because of Bangladesh Power Development Board's (BPDB) higher use of subsidy. The government takes into account estimates of losses and profits made by 49 state-owned enterprises in a year before calculating the final outcome. In the outgoing fiscal of 2018-19, the combined loss came at Tk 4,325 crore.

<https://www.thedailystar.net/business/news/public-enterprises-incur-tk-4325cr-losses-1756363>

Trade deficit drops by 10.4pc in July-April

Country's trade deficit dropped by 10.44 per cent or \$1.59 billion in first 10 months of the fiscal year 2018-2019 compared with that in the same period of the last fiscal year due mainly to slowdown in import growth and notable growth in export earnings. Trade deficit eased to \$13.68 billion in July-April of FY19 from \$15.27 billion in the same period of FY18, showed Bangladesh Bank data released on Wednesday. Though the trade deficit eased in the period, the deficit was still high, said BB officials. Trade deficit was \$11.93 billion in July-March of the current FY19. According to the central bank, trade deficit eased in July-April as import grew by only 3.88 per cent against the export earning growth of 11.15 per cent in the period.

<http://www.newagebd.net/article/75129/trade-deficit-drops-by-104pc-in-july-april>

Bank**Banks' provision shortfall soars**

Overall shortfall in provision against bank loans swelled by nearly 34 per cent or Tk 22.47 billion in the first quarter (Q1) of the current calendar year. The aggregate amount of provisioning shortfall rose to Tk 88.62 billion during the January-March period of 2019 from Tk 66.15 billion three months before, revealed the central bank's latest statistics. "The volume of provision shortfall increased significantly during the period under review mainly due to higher growth of non-performing loans (NPLs) in the banking sector," a senior official of the Bangladesh Bank (BB) told the FE on Wednesday.

<http://today.thefinancialexpress.com.bd/last-page/banks-provision-shortfall-soars-1560358464>

State banks weighed down by bad loans

Default loans in state-run commercial banks soared 10.64 percent, or Tk 5,184 crore, in the first quarter of the year -- in the strongest sign yet of the lenders' apathy towards cleaning up their acts. At the end of March, the total amount of default loans in the six banks -- Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development -- stood at Tk 53,879 crore, which is 48.60 percent of total default loans in the banking sector.

<https://www.thedailystar.net/business/bangladesh-budget-2019-20-state-banks-weighed-down-bad-loans-1756369>

Agent banking accounts rise to 2.9m

Agent banking is gaining more popularity across the country as about 2.9 million (29 lakh) accounts were opened and over Tk 37.34 billion (Tk 3,734 crore) was deposited in six years till March this year, reports BSS. According to the quarterly data of January-March, 2019, of Bangladesh Bank (BB), deposit collection through the agent banking was Tk 37.3450 (Tk 3,734.50 crore), which was 20 per cent higher from Tk 31.1241 billion (Tk 3,112.41 crore in the October to December quarter of 2018). At the end of January to March quarter, the number of agent banking accounts across the country also increased by 18 per cent or around 0.45 million (4.50 lakh) compared to the previous quarter.

<http://today.thefinancialexpress.com.bd/trade-market/agent-banking-accounts-rise-to-29m-1560354254>

Telecommunication**Telcos not allowed to erect new tower**

As telecom operators do not have the right to erect new mobile phone towers, they must sell or lease their towers to companies having tower-sharing licences, according to the new tower-sharing policy. The Bangladesh Telecommunication Regulatory Commission (BTRC) has prepared the new policy and now sought consent from the country's telecom operator before finalising it. According to BTRC, it will finalise the tower-sharing guidelines soon.

<http://www.theindependentbd.com/post/203098>

Jute**Govt lifts ban on export of uncut raw jute**

The government has withdrawn the ban on export of certain categories of raw jute, including uncut Bangla tossa rejection (BTR) and Bangla white rejection (BWR). The textiles and jute ministry issued a circular in this regard on May 29 this year under the section 13 of the Jute Ordinance 2017, according to a statement of the ministry. On January 18 last year, the government imposed a ban on the export of uncut BTR and BWR varieties of jute for an indefinite period in response to the requests by the local industries for ensuring quality jute.

<https://www.thedailystar.net/business/news/govt-lifts-ban-export-uncut-raw-jute-1756357>

Capital Market**BSEC approves draft prospectus of new open-end fund**

The securities regulator has approved the draft prospectus of the CWT Emerging Bangladesh First Growth Fund. The endorsement came at a meeting of the Bangladesh Securities and Exchange Commission (BSEC) at its office in the city on Wednesday. The fund is open-ended with unlimited size. The initial size of the Growth Fund will be Tk 100 million. The sponsor of the fund will contribute Tk 10 million while the remaining Tk 90 million will be collected from general investors through sales of fund units.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-draft-prospectus-of-new-open-end-fund-1560354600>

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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 %
Underweight	12 Months	Less than -5 %

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