

Bangladesh market snapshot

	Last closing
DSEX Index	4,810.22
% change	-1.07%
DS30 Index	1,704.54
% change	-1.18%
DSES Index	1,111.36
% change	-1.11%
Turnover (BDT mn)	3,278.18
Turnover (USD mn)	39.03
% change	2.15%
Market Capitalization (BDT bn)	3,633
Market Capitalization (USD bn)	43.26
% change	-0.91%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,346.01
% change	0.70%
Nikkei 225	21,551.98
% change	0.45%
FTSE 100	7,166.34
% change	-0.00%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.71
EUR	93.47
GBP	107.15
INR	1.19

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
9-Oct-2019	3.75-5.50	4.86
7-Oct-2019	4.00-5.50	5.00

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.51	1.41%
Gold Spot, USD/t oz	1,489.01	-4.98%
Cotton, USD/lb	63.88	+2.46%

Source: Bloomberg

Economy

Current account returns to green zone

The country's trade gap with the rest of the world narrowed during the first two months of the current fiscal year, aided by a surplus in current account balance. Negative growth in both export and import during the period helped reduce the gap and ease pressure on current account with additional support from higher inflow of remittances. This way, the current account returned to the green zone after three years of negative balance. The surplus reached \$313 million in the July-August period of FY 2019-20 against a deficit of \$7.0 million in the same period of the previous fiscal, according to the central bank's figures released on Thursday.

<https://thefinancialexpress.com.bd/economy/current-account-returns-to-green-zone-1570766854>

World Bank warns of curtailing BB autonomy

After projecting lower growth rate, the World Bank (WB) has said curbing the central bank's autonomy poses risk to the economy. "Reform reversals such as easing of loan classification standards, ceilings on lending rates and reduced autonomy of Bangladesh Bank (BB) pose additional risks," the bank said in its development update unveiled on Thursday at its Dhaka office. The global lender said the escalating trade tensions in major economies, vulnerable financial sector governance, weak government revenues, exchange rate appreciation, and slower export growth may hold back the country's higher growth.

<https://thefinancialexpress.com.bd/economy/world-bank-warns-of-curtailing-bb-autonomy-1570765951>

Govt opts for costlier WB loans

The government is going to take out US\$1.87 billion in costlier loans from the World Bank (WB) to implement six projects, officials said. The decision on securing the hard-term loans from the bank's Scale-up Facility came after it borrowed up to the hilt from the bank's low-cost lending package, they said. The interest rate of the hard-term loan is about 3.0 per cent. In addition, the bank will charge 0.25 per cent in commitment fees while 0.25 per cent in upfront fees. The repayment period of the loan will be 30 years with a nine-year grace period. On the other hand, borrowing from the International development Association carries 2.0 per cent interest rate and the maturity period of the loan is 36 years with a six-year grace period.

<https://thefinancialexpress.com.bd/economy/govt-opts-for-costlier-wb-loans-1570852772>

Banking

Bank accounts with over Tk 1cr triple in 10 years

The number of bank accounts having more than Tk 1 crore in deposit has increased almost three times along with a five times rise in the deposited money in those accounts over the last 10 years, thanks to

rising income inequality. Economists said that such rise in high net-worth population indicated that the rich were becoming richer and the poor poorer, raising concern over possible social grievance and deterioration in the law and order situation. According to Bangladesh Bank data, the number of accounts with Tk 1 crore in deposit has increased by 288.5 per cent to 56,650–76,286 at the end of March this year. The number of such accounts was 19,636 in March, 2009.

<http://www.newagebd.net/article/87510/bank-accounts-with-over-tk-1cr-triple-in-10-years>

Fuel and Power

Energy ministry urges NBR to reinstate VAT exemption

Power energy and mineral resources ministry has requested the National Board of Revenue to reinstate VAT exemption to international oil companies on production and supply of natural gas, petroleum oil and other petroleum products. If the exemption facility is not reinstated, Bangladesh Oil, Gas, Mineral Corporation (Petrobangla) will have to bear the additional burden of VAT as per the conditions stated in the Production Sharing Contract signed with the IOCs, it said in a letter to the revenue board.

<http://www.newagebd.net/article/87486/energy-ministry-urges-nbr-to-reinstate-vat-exemption>

Azerbaijani oil co bilks its suppliers

The departure of Azerbaijan's state-run oil and gas company Socar AQS from Bangladesh has thrown half a dozen local and international energy service providers into trouble. Socar left the country without finishing the drilling job it was assigned for, a senior Petrobangla official said. The Azerbaijani firm also kept its dues to the international oil and gas service providers unpaid. This is the first such incident in which an international oil company left drilling job half way through without making payments to the relevant service providers. The companies that have yet to get payments from Socar against their services

<http://today.thefinancialexpress.com.bd/first-page/azerbaijani-oil-co-bilks-its-suppliers-1570897732>

IPO of Ashuganj Power's bond may face cancellation

The initial public offering (IPO) of state-owned Ashuganj Power Station Company Ltd's bonds may face cancellation for under-subscription. According to data from different sources, including the issue manager, the company has so far been able to raise Tk35 crore out of Tk100 crore through IPO, which mean 35% of the total the total amount. As per public issue rules of the Bangladesh Securities and Exchange Commission (BSEC), minimum subscription requirement for IPO is 65%. The securities market regulator approved Ashuganj Power Station's IPO on July 2. The subscription date was September 23 to October 6 this year.

<https://www.dhakatribune.com/business/2019/10/12/ipo-of-ashuganj-power-s-bond-may-face-cancellation>

Stock

BSEC may create database of bond defaulters

The Bangladesh Securities and Exchange Commission may create a database of defaulters of bonds and debentures and would give banks and non-bank financial institutions access to the database so that they could bar the defaulters from receiving loans from them. BSEC officials said that Bangladesh Bank recently recommended that the BSEC create the database covering information about bonds and debentures. The BB's recommendation came after a committee formed over long-term financing and capital market development at a meeting on September 19 came up with a proposal that the central bank should include defaulters of bonds and debentures in its CIB database.

<http://www.newagebd.net/article/87487/bsec-may-create-database-of-bond-defaulters>

MNCs not spared from bearish onslaught

Most of the listed multinational companies (MNCs) lost share prices ranging between 1.0 per cent and 5.4 per cent in last week amid the price correction witnessed by most of the local companies. The Dhaka Stock Exchange (DSE) continued declining trend in all sessions executed in last week following investors' panic sales. As a result, the DSE broad index DSEX witnessed moderate correction and hit 35-month low. The impact of the declining market trend was also reflected in the prices of the shares of listed MNCs.

<http://today.thefinancialexpress.com.bd/stock-corporate/mncs-not-spared-from-bearish-onslaught-1570893389>

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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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