

Bangladesh market snapshot

	Last closing
DSEX Index	5,033.75
% change	-1.89%
DS30 Index	1,799.42
% change	-1.65%
DSES Index	1,157.49
% change	-1.59%
Turnover (BDT mn)	3,686.42
Turnover (USD mn)	43.89
% change	-6.74%
Market Capitalization (BDT bn)	3,773
Market Capitalization (USD bn)	44.92
% change	-1.30%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial	26,860.20
Average % change	0.29%
Nikkei 225	21,643.53
% change	0.51%
FTSE 100	7,549.56
% change	0.25%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.84
GBP	105.65
INR	1.23

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
18-July-2019	0.75-5.00	2.32
17-July-2019	0.75-5.00	2.31

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.28	+1.30%
Gold Spot, USD/t oz	1,426.93	+0.11%
Cotton, USD/lb	63.76	+1.09%

Source: Bloomberg

Economy

NBR earns Tk 24.13b through ADR in two fiscal years

The National Board of Revenue (NBR) earned Tk 24.13 billion in the last two fiscal years by disposing of some 345 revenue-related cases through the Alternative Dispute Resolution (ADR) system. Four persons helped the revenue collecting authority dispose of the cases in 2017-18 and 2018-19 financial years. As per the existing law, the person who will help collect the revenue will get fees at a fixed rate. The NBR and the taxpayer will bear the fees equally. In 2018-19 fiscal year, the NBR had targeted to dispose of 200 cases through the ADR system. But the number of applications submitted to the NBR to this end was 231 involving Tk 16.32 billion.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-earns-tk-2413b-through-adr-in-two-fiscal-years-1563719397>

VAT listing a must for 174 businesses

The National Board of Revenue (NBR) has made VAT registration mandatory for businesses of some 174 categories, irrespective of their annual business turnover as specified in the VAT and Supplementary Duty Act 2012. In the new VAT law, which came into effect from July 01, 2019, the NBR incorporated a provision of VAT exemption ceiling for small businesses for the first time. According to the provision, the small businesses having an annual turnover below Tk 5.0 million are entitled to enjoy VAT exemption. Besides, the businesses with an annual turnover from Tk 5.0 million to Tk 30 million are eligible to enjoy a reduced rate of VAT, known as turnover VAT, paying only 4.0 per cent instead of the regular rates, ranging from 5.0 per cent to 15 per cent.

<http://today.thefinancialexpress.com.bd/first-page/vat-listing-a-must-for-174-businesses-1563730334>

BTC study backs signing free trade deal with Mercosur

Bangladesh Tariff Commission (BTC) has recommended the government to sign free trade agreement (FTA) with the Mercosur member states as it found trade potentials in the market. Bangladesh has enormous untapped trade potentials in the South American trading bloc of Argentina, Brazil, Paraguay, Uruguay and Venezuela with having very low possibility of losing revenue. It could be a potential export market for Bangladeshi products, especially readymade garment (RMG), textiles, pharmaceuticals, leathers and leather goods, tobacco and tableware if the FTA is signed.

<http://today.thefinancialexpress.com.bd/trade-market/btc-study-backs-signing-free-trade-deal-with-mercotur-1563724719>

EPB starts registering local exporters with EU database

The Export Promotion Bureau (EPB) of Bangladesh has started registering local exporters with the European Union database, known as REX (registered exporter) system, to facilitate issuance of statement on origin of goods and retain the GSP (generalised system of preference) facility in the European Union.

<http://today.thefinancialexpress.com.bd/trade-market/epb-starts-registering-local-exporters-with-eu-database-1563724749>

Bank & NBF

Bankers want it to be a judgemental call

Country's top bankers proposed amending the existing loan write-off policy so that they could rid themselves of bad loans that, according to them, were not recoverable. Under the proposal, the bankers will be empowered to write off the bad loans overlooking the existing time-bar. The central bank governor assured the senior bankers of revisiting the existing policy on loan write-off.

<http://today.thefinancialexpress.com.bd/first-page/bankers-want-it-to-be-a-judgemental-call-1563730009>

Lower lending rate to single digits

The central bank has once again instructed banks to lower their lending rate to single digits as per instruction of the government and as committed by the sponsors of the lenders. Banks should follow the directive on maintaining a 9 percent lending rate and 6 percent deposit rate in line with the promises made by the Bangladesh Association of Banks (BAB).

<https://www.thedailystar.net/business/banking/news/lower-lending-rate-single-digits-1775068>

Prime Bank, SIBL at loggerheads over FAS Finance FDR worth Tk30cr

Prime Bank Ltd (PBL) and Social Islami Bank Ltd (SIBL) are at loggerheads over encashment of a Tk30 crore FDR (Fixed Deposit Receipt) initiated by FAS Finance and Investment Limited (FFIL) as both the private banking companies have lent money to the leasing company against the same security instrument. The FFIL's FDR is now in the custody of SIBL while SIBL has confirmed lien to PBL over the FDR enabling FFIL to borrow Tk300 million from the latter bank. Following disclosure of a recent Bangladesh Bank inspection report on the weakening financial health of FFIL, the PBL first pursued the FFIL to get repaid. As repeated attempts for recovery of its funds failed, the PBL then requested the SIBL to extend facility to encash the FDR, which SIBL did not comply. At one stage, the PBL filed a written complaint with the central bank seeking immediate arbitration as per banking rule and regulations, which say that once a bank or non-bank financial institution (NBF) issues lien confirmation over a security instrument, it must oblige to encashment request. Meanwhile, FFIL bagged credit facility from both PBL and SIBL simultaneously.

<https://www.dhakatribune.com/business/banks/2019/07/21/prime-bank-sibl-at-loggerheads-over-fas-finance-fdr-worth-tk30cr>

Telecom

BTRC to finalise directives for mobile operators soon

The Bangladesh Telecommunication Regulatory Commission (BTRC) will soon finalise Equipment Identity Register (EIR) directives for mobile network operators (MNOs) in the country. After ending the second phase

of public consultations, the commission is now working to finalise the EIR directives. Earlier, the BTRC sought public views on draft directives on the EIR for MNOs in Bangladesh.

<http://www.theindependentbd.com/post/208434>

Stock

Bank Asia's agent banking deposits cross Tk 1,000cr

Bank Asia's deposits in agent banking have recently crossed the Tk 1,000 crore mark, further consolidating the bank's position in the sector. Bangladesh Bank has so far given agent banking licences to 21 banks but 19 has so far rolled out their service. Of them, Dutch-Bangla Bank and Bank Asia are leading the pack with a combined market share of 78 percent. Introduced in 2016, agent banking allows the underserved population to take limited scale banking and financial services by way of authorised agents.

<https://www.thedailystar.net/business/banking/news/bank-asias-agent-banking-deposits-cross-tk-1000cr-1775056>

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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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