

Bangladesh market snapshot

	Last closing
DSEX Index	5,383.90
% change	-0.22%
DS30 Index	1,896.72
% change	0.12%
DSES Index	1,231.43
% change	-0.15%
Turnover (BDT mn)	3,382.02
Turnover (USD mn)	40.26
% change	-24.11%
Market Capitalization (BDT bn)	3,970
Market Capitalization (USD bn)	47.26
% change	-0.22%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,465.54
% change	1.35%
Nikkei 225	21,333.87
% change	1.72%
FTSE 100	7,410.84
% change	-0.43%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	94.59
GBP	106.12
INR	1.21

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-June-2019	3.90-5.00	4.55
19-June-2019	4.00-5.00	4.56

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	62.65	+1.34%
Gold Spot, USD/t oz	1,381.95	+1.59%
Cotton, USD/lb	67.20	+0.06%

Source: Bloomberg

Economy

FY20 budget friendly to affluent businesspeople not to business

Economists and politicians on Sunday said that the proposed budget for the financial year of 2019-20 was friendly to large-scale businesspeople not to business. They also raised questions about accuracy of the budget saying that a number of inconsistencies were found in the budget documents. Finance minister AHM Mustafa Kamal on June 13 placed the national budget for FY20 before parliament.

<http://www.newagebd.net/article/76309/fy20-budget-friendly-to-affluent-businesspeople-not-to-business>

Current account deficit shrinks 35pc to \$5b

Bangladesh's current account deficit continues to pose risks to macroeconomic stability despite its 35 percent fall in the first 10 months of the outgoing fiscal year. The gap stood at \$5 billion between July last year and April this year, according to central bank data. The current account records a nation's transactions with the rest of the world -- specifically its net trade in goods and services. The government should explore solutions immediately on how to stop the large deficit in the current account, or else it will face a wide range of crisis to keep the economy stable in the years ahead, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

<https://www.thedailystar.net/business/news/current-account-deficit-shrinks-35pc-5b-1761562>

Legalise gold stocks by June

The tax benefit granted to gold traders and jewelers to legalise undeclared stocks of the bullion and other precious metals will not be extended beyond June 30, said the National Board of Revenue yesterday. He spoke at the inaugural ceremony of the Gold Fair at the InterContinental Dhaka hotel. The three-day fair is also being held at the divisional cities simultaneously. The fair aims to simplify the legalising procedure of precious metal and dispel the fear of jewelers on tax payment.

<https://www.thedailystar.net/business/news/legalise-gold-stocks-june-1761565>

Economists sceptical about high GDP growth rate

Terming the official data 'inconsistent', speakers at a panel discussion on Sunday said there remains 'mismatch' between the government GDP growth projection and major economic indicators. They also called for ensuring credible and timely data that could eventually help policymakers move towards evidence-based decision-making.

<http://today.thefinancialexpress.com.bd/trade-market/economists-sceptical-about-high-gdp-growth-rate-1561307191>

Salary spike leaves little effect on graft

The salary hike has hardly made any visible progress in checking corruption among the government employees, an anti-graft campaign

group said. Some 14.26 per cent of the national budget is spent on salaries and allowances of the public administration, but graft remains in place, the Transparency International Bangladesh (TIB) said in a study. The government announced the eighth national salary scale in 2015.

<http://today.thefinancialexpress.com.bd/first-page/salary-spike-leaves-little-effect-on-graft-1561312766>

Bank

Higher bank borrowing to crowd out pvt investment

Higher bank borrowing target to meet the budget deficit will worsen the private investment drought as money market faces an acute shortage of funds spawned by rising troubled loans, speakers warned on Sunday. They said the recapitalisation of banks at the cost of public resources cannot be justified since this money in turn ends up in the pockets of top defaulters. They were critical of providing power subsidies, saying such incentives breed corruption and perpetuate the inefficiency of the electricity sector.

<http://today.thefinancialexpress.com.bd/first-page/higher-bank-borrowing-to-crowd-out-pvt-investment-1561312647>

Steel

Proposed VAT, tax hike to hit steel industry hard

The price of rod is likely to go up by 10,350/- per MT, if the proposed VAT and tax is implemented as per 2019-20 budget proposal. Bangladesh Steel Manufacturers' Association (BSMA) said at present Tk 1400/- per MT VAT is applicable on MS rod sales and Tk 200/- on retail sales. But as per new proposal it will be Tk 9050/- per MT (5 per cent on billet price of around Tk 35000/- per MT, Tk 2000/- on billet sales, Tk 2000/- on MS rod sales, 5 per cent on retail sales price of around 65000/-); increase is Tk 7600/- per MT.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-introduce-health-insurance-pm-1560966896>

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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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