

## Bangladesh market snapshot

	Last closing
DSEX Index	5,077.75
% change	2.24%
DS30 Index	1,814.62
% change	2.17%
DSES Index	1,164.72
% change	2.24%
Turnover (BDT mn)	3,170.67
Turnover (USD mn)	37.75
% change	-31.69%
Market Capitalization (BDT bn)	3,792
Market Capitalization (USD bn)	45.15
% change	1.69%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	26,860.20
% 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	94.74
GBP	105.45
INR	1.23

Source: Bangladesh Bank

## Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
22-July-2019	0.85-5.00	2.24
21-July-2019	0.75-5.00	2.31

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.33	+0.11%
Gold Spot, USD/t oz	1,417.53	-0.52%
Cotton, USD/lb	63.42	+0.09%

Source: Bloomberg

## Economy

### No VAT on pharma, petroleum products at consumers' end

The manufacturers of pharmaceutical products and suppliers of petroleum products have to pay VAT at 2.4 per cent and 2.0 per cent respectively following introduction of a VAT-inclusive calculation method by the National Board of Revenue (NBR). The retail prices of these two types of products at the consumers' level will be VAT inclusive as per the method explained in a guideline. The government kept these two special rates of VAT, 2.0 per cent and 2.4 per cent, unchanged for the products in the new VAT law.

<http://today.thefinancialexpress.com.bd/trade-market/no-vat-on-pharma-petroleum-products-at-consumers-end-1563902530>

### Gold, platinum prices up by Tk 100 per gram

The local jewellers have increased the prices of platinum and three categories of gold equally. The prices have been increased by Tk 100 on each gram of 23 carat of platinum, and 22, 21 and 18 carat of gold, effective from Wednesday. With the fresh hike, per bhori of 23 carat platinum will now be sold at Tk 65,025.8 while 22 carat gold at Tk 53,362.8, 21 carat gold at Tk 51,030, and 18 carat gold at Tk 46,014.48.

<https://thefinancialexpress.com.bd/trade/gold-platinum-prices-up-by-tk-100-per-gram-1563896637>

### Local firm to set up \$200m plant to make electric vehicle

Local automobile company Bangladesh Auto Industries Ltd (BAIL) is all set to make electric vehicles from next year with an initial investment of \$200 million. The facilities, civil work and utility connection of the proposed plant on a 100-acre of land at the Mirsarai economic zone in Chattogram will be completed by December this year. Of the planned \$200 million investment, 80 percent will be sourced locally, while the rest will enter the country as a foreign direct investment. The total investment for the project will reach \$1 billion within the next five years.

<https://www.thedailystar.net/business/news/local-firm-set-200m-plant-make-electric-vehicle-1776208>

## Bank & NBFIs

### E-wallet transaction limit doubles

Bangladesh Bank on Tuesday raised the transaction limit for E-wallet account from Tk50,000 to Tk100,000 a day to encourage cashless transaction in the economy. The facility, however, will not be applicable for mobile financial services (MFSs), according to a central bank circular. For personal E-wallet account, the maximum balance has been set at Tk400,000. Any individual could transact a maximum amount of Tk100,000 a day through the system, while the monthly transaction limit has been fixed at Tk400,000, the circular adds. The new limits of transaction through E-wallet will be effective immediately, the circular says.

<https://www.dhakatribune.com/business/regulations/2019/07/23/e->

[wallet-transaction-limit-doubles](#)**Bad loans put Janata in trouble**

State-run Janata Bank's provisioning shortfall has hit a whopping Tk 8,256 crore, the highest-ever deficit for any bank in the country, putting depositors' money at risk. And this happened because of a few big errant clients, including AnonTex and Crescent Group, who took hundreds of crores of taka as loans from the bank, but did not pay back.

<https://www.thedailystar.net/frontpage/news/bad-loans-put-janata-trouble-1776106>

**Farm credit target set at Tk 241b for FY '20**

The central bank set an agriculture credit target of Tk 241.24 billion for the banks to disburse during the current fiscal year (FY) of 2020. The amount has been estimated to be 10.66 per cent higher than that of the last fiscal year's target. Of the target, eight state-owned banks have been asked to disburse Tk 103.75 billion in the current fiscal while the targets for private commercial banks (PCBs) and foreign commercial banks (FCBs) are Tk 137.49 billion combined.

<http://today.thefinancialexpress.com.bd/last-page/farm-credit-target-set-at-tk-241b-for-fy-20-1563904597>

**HC questions legality of BB circular**

The High Court (HC) on Tuesday issued a rule questioning the legality of a Bangladesh Bank (BB) circular, which offered special privileges for loan defaulters. The court asked the BB and the Finance Ministry to explain within 10 days as to why the circular should not be declared illegal. On May 16, the BB issued the circular allowing defaulting borrowers to reschedule loans by paying a 2.0 per cent down payment for a maximum period of 10 years.

<http://today.thefinancialexpress.com.bd/first-page/hc-questions-legality-of-bb-circular-1563903989>

**BB asks banks to target bond market as source of fund**

The central bank has asked non-bank financial institutions (NBFIs) to create alternative sources of fund through boosting the bond market in Bangladesh. The advice was made at a meeting with chief executive officers (CEOs) and managing directors (MDs) of NBFIs at the Bangladesh Bank (BB) headquarters in Dhaka.

<http://today.thefinancialexpress.com.bd/trade-market/bb-asks-banks-to-target-bond-market-as-source-of-fund-1563902503>

**BB asks NBFIs not to dishonor depositors' cheques**

Bangladesh Bank (BB) on Tuesday asked non-bank financial institutions (NBFIs) not to dishonor any cheques of depositors for the sake of restoring public confidence in the NBFIs. BB Governor Fazle Kabir in a meeting at Bangladesh Bank headquarters with NBFIs also asked top executives of NBFIs to comply with the latest directive to shield the interest of depositors, and keep NBFIs in normal business.

<https://www.dhakatribune.com/business/banks/2019/07/23/bb-asks->

[nbfis-not-to-dishonor-depositors-cheques](#)

#### Telecom

##### **Satellite, submarine cable business may open to private sector**

The government is set to open up the satellite and undersea submarine cable business to the private sector as it looks to expand the capacity in preparation for a Digital Bangladesh. At present, two separate state-run companies -- Bangladesh Submarine Cable Company Limited (BSCCL) and Bangladesh Communication Satellite Company Limited -- run the undersea cable and cosmos communication business. The draft policy for the satellite business has already been finalised and forwarded to the finance ministry for approval. Once the approval comes through and some formalities are completed, the policy will be passed.

<https://www.thedailystar.net/business/news/satellite-submarine-cable-business-may-open-private-sector-1776205>

#### Textile

##### **BD slips one notch to sixth position: Study**

Bangladesh has slipped one point to the sixth position as a sourcing destination for US-based apparel and fashion companies in 2019 despite the fact that the majority of buyers surveyed have expressed interest to increase their sourcing from the country. Ongoing trade uncertainty coupled with a 20 per cent hike in sourcing cost from Bangladesh, Vietnam and India, the main alternative destinations to China, are being pointed out as the biggest concerns by the US fashion industry executives. <http://www.newagebd.net/article/79333/rmg-makers-want-reinstatement-of-025pc-source-tax-on-exports>

##### **BGMEA, BKMEA get Tk 9.14cr of labourer insurance**

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) received Taka 9.14 crore as insurance claim for labourers' death and emergency assistance. Of the total amount, Taka 8.88 crore was given as the insurance claim for the death of labourers of BGMEA and BKMEA member factories while Taka 26 lakh provided as emergency assistance for the outstanding salaries of recently closed Star Garments.

<http://www.theindependentbd.com/post/208631>

#### Capital Market

##### **BB prods banks to raise exposure to share mkt**

The central bank has asked some 20 banks to boost their investments in stocks to help revamp the country's ailing capital market. The banks have the scope for investing more in listed securities in line with the existing rules and regulations. The banks' exposure to the share market is still below 15 per cent instead of the permissible limit of 25 per cent of their total eligible capital components in the capital market.

<http://today.thefinancialexpress.com.bd/first-page/bb-prods-banks-to-raise-exposure-to-share-mkt-1563903934>

##### **BSEC to take action against two brokerage firms**

The stock market regulator has asked its department concerned to take stern action against two brokerage firms for mismatch between inflow and outflow of their clients' funds deposited in the consolidated customers' accounts. The securities regulator has instructed its enforcement department to take action against M Securities, a brokerage firm of the Dhaka Stock Exchange (DSE), as there is a deficit in the consolidated customers' account. The securities regulator will also take action against the First Lease Securities, a brokerage firm of the Chittagong Stock Exchange (CSE), for such a mismatch of funds. At the meeting, the BSEC also approved draft prospectuses of two unit funds. The unit funds are IDLC Asset Management Shariah Fund and Edge AMC Growth Fund. The initial size of the IDLC Asset Management Shariah Fund will be Tk 500 million.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-take-action-against-two-brokerage-firms-1563901949>

### Stock

#### **PLFS liquidator seeks asset list**

The liquidator of People's Leasing and Financial Services (PLFS) on Monday asked the existing management to provide him with affidavit information on the company's assets and liabilities by July 27. It means the management has three working days as July 26 and 27 comprise a weekend.

<https://www.thedailystar.net/business/news/plfs-liquidator-seeks-asset-list-1776193>

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<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
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Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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