

Bangladesh market snapshot

	Last closing
DSEX Index	5,380.96
% change	0.03%
DS30 Index	1,896.49
% change	0.14%
DSES Index	1,230.81
% change	0.06%
Turnover (BDT mn)	4,533.81
Turnover (USD mn)	53.97
% change	19.89%
Market Capitalization (BDT bn)	3,969.00
Market Capitalization (USD bn)	47.00
% change	0.06%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,548.22
% change	-0.67%
Nikkei 225	21,076.65
% change	-0.55%
FTSE 100	7,422.43
% change	0.08%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	96.33
GBP	107.67
INR	1.22

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range	Weighted Average (%)
24-June-2019	4.00-5.00	4.54
23-June-2019	4.00-5.00	4.56

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	65.82	1.18%
Gold Spot, USD/t oz	1,406.51	-1.19%
Cotton, USD/lb	65.70	-0.03%

Source: Bloomberg

Economy

Budget announcement causes price hike: survey

The prices of essential commodities tend to spiral following the announcement of national budgets, much to the distress of the poor and the ultra-poor, found a recent survey. Only one-fifth of the respondents of a survey conducted by Brac and research organisations iSocial and Unnayan Shamannay think the yearly budget announcements have nominal effect. But around two-thirds think the prices of essential commodities typically go up after the announcement. The survey, which started this year, is part of a seven-year research on comprehensively measuring the budget's impact on the poor and extreme poor.

<https://www.thedailystar.net/business/news/budget-announcement-causes-price-hike-survey-1762555>

Bank

BB report: Loan defaults hit Tk220,000 crore

The total monetary value for loan defaults in the country's banking sector stood at Tk220,000 crore, according to a report Bangladesh Bank submitted to the High Court on Monday. Of the total loan defaults, Tk110,000 crore is recoverable, Tk80,000 crore worth of loans are entangled in legal proceedings, while Tk30,000 crore has been written off, the report states. The defaulters took out these huge loan amounts from different banks using 10,476 different accounts over the last 20 years. On Monday, the central bank presented this information to the High Court bench of Justice FRM Nazmul Ahsan and Justice KM Kamrul Kader at a writ petition hearing. Attorney General Mahbubey Alam presented the sealed report. The names of individuals or organizations cited in the report as defaulters, were not disclosed publicly.

<https://www.dhakatribune.com/business/banks/2019/06/25/bb-report-loan-defaults-hit-tk220-000-crore>

Construction

Tax measures to hit steel industry, consumers hard

The price of mild-steel rod will go up Tk 10,350 per tonne if the proposed value-added tax and other fiscal measures for next fiscal year come into effect, steel millers said yesterday. As per the planned VAT and other tax measures spelled out in the Finance Bill 2019, the price of the key construction material will reach Tk 72,050 per tonne, according to Bangladesh Steel Manufacturers' Association (BSMA). At present, a tonne of standard MS rod sells for Tk 63,000. The association said the tax on rod has increased by 138 percent from Tk 1,950 to Tk 4,650 per tonne. "The steel sector is highly capital-intensive, so any additional tax will create extra burden on the sector," said Manwar Hossain, president of the BSMA, while addressing a post-budget press conference at National Press Club yesterday.

<https://www.thedailystar.net/business/news/tax-measures-hit-steel-industry-consumers-hard-1762537>

Capital Market

BSEC seeks tax on future reserves

The securities regulator has suggested imposing tax on the profit to be transferred as reserves from next year by the listed companies. However, tax will be applicable only to companies that will fail to disburse a minimum amount of cash dividend. The Bangladesh Securities and Exchange Commission (BSEC) proposal aims to encourage cash dividend disbursement. A large number of companies are reportedly retaining profits without disbursing dividend to shareholders. It has also urged the National Board of Revenue (NBR) to withdraw the proposal to levy a 15-per cent tax on stock dividend.

<http://today.thefinancialexpress.com.bd/first-page/bsec-seeks-tax-on-future-reserves-1561485352>

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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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