

Bangladesh market snapshot

	Last closing
DSEX Index	5,160.75
% change	0.52%
DS30 Index	1,844.30
% change	0.26%
DSES Index	1,186.53
% change	0.85%
Turnover (BDT mn)	4,377.72
Turnover (USD mn)	52.12
% change	7.83%
Market Capitalization (BDT bn)	3,862
Market Capitalization (USD bn)	45.97
% change	0.37%

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	94.04
GBP	104.65
INR	1.23

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
28-July-2019	3.25-5.00	4.50
25-July-2019	2.75-5.00	4.39

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.04	+0.52%
Gold Spot, USD/t oz	1,424.80	-0.14%
Cotton, USD/lb	63.95	-0.40%

Source: Bloomberg

Economy

'5.0pc tax for up to Tk 0.5m investment in savings certificates'

Finance Minister AHM Mustafa Kamal has said five per cent tax at source will be applicable from July for investment of up to Tk 500,000 in all types of savings certificates. Tax at source at 5 per cent rate against all types of savings certificates, including family savings certificates, up to Tk 500,000 will be applicable and an SRO will be issued soon in this regard making it effective from July 1, 2019.

<https://thefinancialexpress.com.bd/economy/bangladesh/50pc-tax-for-up-to-tk-05m-investment-in-savings-certificates-1564399297>

Credit growth unlikely to rise

Private sector credit growth, which fell to a six-year low of 11.3 percent last fiscal year, is unlikely to rise in the coming months owing to a liquidity crisis, rising bad loans and the growing incidents of money laundering. Besides, businesspeople are also facing barriers to taking up investment plans or expanding existing units because of a lack of electricity supply, bureaucratic red-tape and corruption. This means both demand and supply sides are going through a crisis, bringing the private sector credit growth to 11.29 percent in 2018-19 against the target of 16.50 percent.

<https://www.thedailystar.net/business/news/credit-growth-unlikely-rise-1778962>

Powdered milk imports soar on rising demand

Powdered milk imports are spiralling on the back of increased demand from a section of consumers on health concerns related to locally produced liquid milk and higher use by sweetmeat, confectionery and ice cream makers. In the first five months of the year, milk and cream imports rose 23 percent year-on-year to 75,881 tonnes. The BBS data reveals that import growth of milk and cream in 2018 was 19 percent.

<https://www.thedailystar.net/business/news/powdered-milk-imports-soar-rising-demand-1778992>

Private ICDs to hike tariffs from August 1

Private inland container depots (ICDs) are set to increase their charges for handling consignments by 20-25 percent from tomorrow, in a development that will raise the cost for importers and exporters by more than Tk 100 crore annually. Almost 90 percent of the total export goods are stuffed into containers at the 19 private ICDs, also known as off-docks, located in and around the port city, before shipment through the Chattogram port, while 21 percent of the import containers are sent from the port to the ICDs, from where the import goods are delivered.

<https://www.thedailystar.net/business/news/private-icds-hike-tariffs-august-1-1778968>

NBR opens 3.20 lakh new income tax files in 6 months thru survey

The National Board of Revenue (NBR) has opened 3.20 lakh new income tax files in the first six months of the year widening its net

through tax survey. Our survey teams had collected data of 4.44 lakh people in the first six month of the year . . . after a thorough scrutiny have found 3.20 lakh of them are eligible or would be eligible in near future for paying tax,' NBR member for tax survey and inspection M Mefta Uddin told.

<http://www.newagebd.net/article/80054/nbr-opens-320-lakh-new-income-tax-files-in-6-months-thru-survey>

Bank & NBF

One-third of NBFIs in dire straits

Financial health of at least one-third of Non-Bank Financial Institutions (NBFIs) is alarming. The regulatory lapses paved the way for imprudent lending by the NBFIs, which are now shouldering a huge accumulation of bad loan coupled with a tendency of becoming defaulters against bank credits and fall in deposit mobilization. The Bangladesh Bank has appointed 'Observers' at three of the ailing NBFIs — BIFC, First Finance and PLFS — so that their business can turn around while others went scot-free. Either observers were withdrawn from the NBFIs in question, or not reappointed.

<https://www.dhakatribune.com/business/economy/2019/07/29/one-third-of-nbfis-in-dire-straits>

BIFC losses mount as no progress in loan recovery

Losses of struggling Bangladesh Industrial Finance Company keep mounting with the non-bank financial institution making no progress in recovering its non-performing loans, especially those from the largest defaulter. As per the BIFC's half-yearly financial report released on Monday, the company incurred Tk 38.05 crore in losses against the Tk 35.94 crore in losses in the same period last year. BIFC has remained non-operational for months with depositors waiting hopelessly for getting back their money from the NBF. The financial situation of BIFC has worsened due mainly to non-payment of the Tk 639.65-crore outstanding loans received by Mannan.

<http://www.newagebd.net/article/80050/bifc-losses-mount-as-no-progress-in-loan-recovery>

Pharmaceuticals

Pharma ingredient makers demand more tax benefits

Bangladesh API and Intermediaries Manufacturers Association has demanded more tax benefits in line with a cabinet decision and the National Active Pharmaceutical Ingredients (API) and Laboratory Reagents Production and Export Policy for the sector. The NBR has been showing reluctance to offer the benefits saying that such wholesale tax exemption would affect the overall revenue collection and the commerce ministry did not obtain vetting from the NBR regarding inclusion of the tax benefits in the policy. So far, the revenue board has only offered VAT exemption on import of raw materials for the sector. It has yet to issue any SRO exempting the entrepreneurs in the sector from paying income tax, AIT and allowing other benefits.

<http://www.newagebd.net/article/80051/pharma-ingredient-makers->

[demand-more-tax-benefits](#)

Fuel & Power

Diesel imports drop by 15.38pc in H1

The country's diesel consumption is on the decline as diesel-fired power plants are using less-than-expected fuel after the start of LNG imports. Loss of state-run Bangladesh Petroleum Corporation (BPC) is also sliding with the fall in import of the expensive fuel. Overall diesel imports fell by 15.38 per cent to 2.26 million tonnes in the first six months of the current year compared to that of the corresponding period of last year. All the three dual-fuel power plants are now running on re-gasified LNG (liquefied natural gas) instead of diesel with the availability of RLNG.

<http://today.thefinancialexpress.com.bd/last-page/diesel-imports-drop-by-1538pc-in-h1-1564422044>

Telecom

BTRC puts bar on fake handset connectivity from August 1

The Bangladesh Telecommunication Regulatory Commission on Monday said clone mobile phone handset would be barred from network connectivity from August 1. In a notice the telecom regulator said if any mobile phone handset was found with clone or a wrong IMEI number, a unique number to mark a handset, it would be disconnected through National Equipment Identity Register.

<https://www.dhakatribune.com/business/regulations/2019/07/29/btrc-puts-bar-on-fake-handset-connectivity-from-august-1>

Textile

IDCOL seeks \$166m loan to make textile sector energy efficient

IDCOL will be seeking \$100 million in loans from the Green Climate Fund (GCF), secure a further \$66 million through borrower co-financing to finance energy efficiency initiatives in the Bangladeshi textile sector. Improving energy efficiency in the Bangladesh's textile industry is considered the key to retaining global competitiveness as well as helping the country to meet its climate change objectives.

<https://www.dhakatribune.com/business/2019/07/29/idcol-seeks-166m-loan-to-make-textile-sector-energy-efficient>

Stock

City Bank to issue Tk 4.0b perpetual bonds

The board of directors of the City Bank Ltd. has decided to raise Tk 4.0 billion through issuance of perpetual bonds. The bank will raise the fund to meet capital requirement under Basel III and to strengthen the regulatory capital base of the bank in line with the Bangladesh Bank guideline on risk-based capital adequacy.

<http://today.thefinancialexpress.com.bd/stock-corporate/city-bank-to-issue-tk-40b-perpetual-bonds-1564417886>

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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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