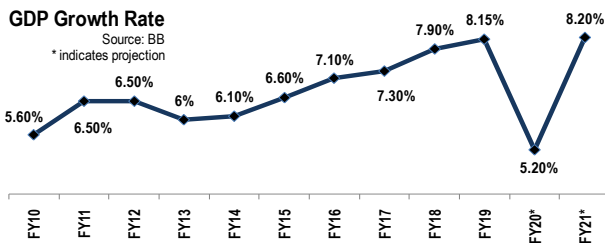


GDP growth target slashed to 5.2% for FY2019-20

The Finance Minister (FM) has revised the GDP growth target down to 5.2% from 8.2% for the outgoing FY2019-20 on the back of devastating impact of the Coronavirus pandemic. The GDP growth projection has fallen below the 6%-mark in the outgoing fiscal for the first time since FY2010-11. In FY2018-19, GDP registered 8.15% growth riding on strong domestic demand. In line with the new target, the total size of the GDP has also been revised at Tk28.06 trillion from Tk28.86 trillion initially. However, the revised target deviates widely from the projections of both the World Bank (WB) and the International Monetary Fund (IMF) as the multilateral agencies have forecast 1.6% and 3.8% growth respectively for the outgoing fiscal year. On the other hand, the FM has set an upbeat 8.2% growth target for the national economy in the coming FY2020-21, expecting a bounce back from the pandemic-hit situation whereas GDP growth in the next fiscal would be 5.7%, as per the projection of the IMF. According to a latest report prepared by the IMF as a part of approving emergency funding of US\$732m to Bangladesh, the economy of Bangladesh would pick up from the second quarter of the next fiscal year from the Coronavirus-induced downturn.



Parliament approves Supplementary Budget

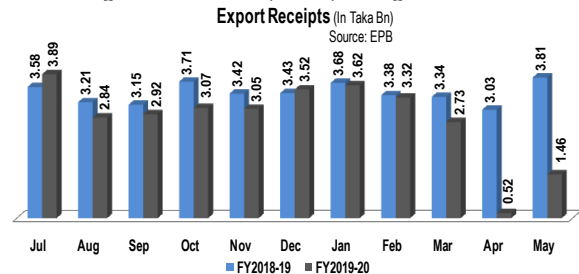
The parliament has passed the Appropriation (Supplementary) Bill 2020 to ratify the additional expenditures of 24 ministries worth Tk465.16b for the outgoing FY2019-20. Earlier, the Finance Minister placed the Supplementary Budget for the fiscal year in the House on June 11 along with the National Budget for the next year. According to the budget document, total Tk5.23 trillion was allocated in favor of 62 ministries and divisions for the FY2019-20. However, allocation for 24 ministries and divisions has been increased by Tk465.16b in the Supplementary Budget and allocation for 35 ministries and divisions has been reduced by Tk183.54b. The revised budget outlay for the outgoing fiscal year has fallen to Tk5.02 trillion. In the Supplementary Budget, the Finance Division has received the highest additional allocation of Tk363.56b. In the outgoing fiscal, the government has re-fixed the revenue collection, expenditure and deficit targets following the insidious shock on economy caused by the Coronavirus pandemic.

BB extends loan status classification deadline to Sept 30

Bangladesh Bank (BB) extended the deadline for loan status classification by banks further to September 30, 2020 from the previous deadline of June 30, 2020. The measure was adopted in projection of economic downturn due to the Covid-19 pandemic which affected almost all the sectors of the economy. According to BB circular released on 15 June 2020, all the installments within January 01-September 30, 2020 against term loans, including agriculture and small credits and investment would be considered as deferred and the installment size and numbers would be re-fixed in October this year. Banks will have to maintain the credit status of a borrower as on January 30, 2020 until the new deadline.

Exports fall by 18.02% (Y-o-Y) in Jul-May of FY2019-20

Overall export receipts in eleven months of the FY2019-20 dropped by 18.02% (Y-o-Y) to US\$30.94b while it was US\$37.74b in the corresponding period of the last fiscal year, according to the Export Promotion Bureau (EPB). As per the provisional statistics of the EPB, exporters lagged behind the target by 25.5% during the period due to the waning global demand as a consequence of the ongoing Coronavirus pandemic. Statistics show that exporters logged US\$1.46b in May 2020 which was 61.57% (Y-o-Y) lower than US\$3.81b in May 2019, a year back. Exporters fetched US\$2.73b and US\$0.52b in March and April respectively in this fiscal. Shipments of ready-made garments (RMG) fell by 19% (Y-o-Y) to US\$25.70b in the last eleven months mainly for closure of factories, lockdown in major export destinations and cancellation or holding up the orders due to the Covid-19 pandemic. Shipment of leather and leather goods, agro products, frozen and live fish, and ceramic products also fell by 21.66% (Y-o-Y), 8.7% (Y-o-Y), 9.92% (Y-o-Y), and 60.57% (Y-o-Y) respectively in the period. On the contrary, jute and jute goods exporters witnessed a growth of 5.74% (Y-o-Y) during the same time.



Borrowing through Repo by banks surges in March-May

The borrowing by banks from the central bank through Repurchase Agreement (Repo) rose substantially in the last three months of 2020 on the back of liquidity crunch. The spike in borrowing by banks was mainly for the increasing government bank borrowing to counter the economic downturn due to the Covid-19 fallout. According to Bangladesh Bank (BB) statistics, the banks borrowed Tk1707.06b during the period through repo, up by approximately 44-times against the borrowing of Tk38.79b in October-December period in 2019. Banks borrowed Tk824.15b in March which was the highest single-month borrowing this year. In April, Bangladesh Bank reduced the Repo rate to 5.25% from 6%. Against the backdrop, the government revised its bank borrowing target upward to Tk824.21b for FY2019-20 from its initial target of Tk473.64b. For the next fiscal year, the government set the bank borrowing target to Tk849.80b in the proposed budget for FY2020-21. Bankers also attributed the liquidity shortage in the banking sector to the radical fall in loan recovery and deposit collection.

Bank deposits erode by Tk256b in Feb-Apr 2020

The banking sector is likely to face a fresh bout of liquidity crisis as the propensity of savers to withdraw funds has increased in the wake of the Coronavirus pandemic and lower deposit rates. Moreover, the government raised the excise duty by 20% to 25% on various slab of deposits above Tk1m in the proposed budget for the next fiscal year. As per the statistics of Bangladesh Bank (BB), total deposits in the banking sector decreased by Tk256b to stand at Tk12.28 trillion at the end of April 2020 from Tk12.53 trillion at January last. At the end of April, thirteen private banks crossed the authorized limit of Advance Deposit Ratio (ADR).

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,097.74	3,041.31	1.86
FTSE 100	↑	6,292.60	6,105.18	3.07
Nikkei 225	↑	22,478.79	22,305.48	0.78
SENSEX	↑	34,731.73	33,780.89	2.81
KSE 100	↓	33,438.94	34,637.61	-3.46

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	3,960.58	3,967.31	-0.17
Total Turnover, Tk	↓	3,392,450,271.00	3,542,853,799.00	-4.25
Market Capital, Tk	↓	2,522,084,264,095	2,523,864,507,767	-0.07
No of Issue Gain		19	37	
No of Issue Loss		39	24	
No of Unchanged Issues		285	289	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Eastern Lubricants	804.00	890.90	10.81	16,891,000
Reckitt Benckiser	3320.30	3625.70	9.20	91,494,000
ICBEMF1S1	6.20	6.50	4.84	19,328,000
Linde Bangladesh	1262.80	1315.80	4.20	174,556,000
National Tea	471.60	489.30	3.75	9,035,000
ATCSLGF	6.80	7.00	2.94	4,227,000
Prime Bank Ltd.	14.30	14.60	2.10	16,970,000
ICB AMCL 2ND	7.70	7.80	1.30	1,458,000
National Life	217.20	220.00	1.29	1,803,000
EXIM Bank	9.00	9.10	1.11	63,961,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Beximco Synthetics Ltd.	5.90	5.50	-6.78	4,768,000
Indo-Bangla Pharma	21.10	20.10	-4.74	92,281,000
Beximco Pharma	66.30	63.20	-4.68	293,412,000
PF 1st Mutual Fund	8.60	8.20	-4.65	41,819,000
ACI Formulations Ltd.	112.20	107.10	-4.55	19,352,000
Power Grid Company	42.50	40.70	-4.24	18,041,000
BEXIMCO	13.50	13.00	-3.70	88,145,000
Central Pharma	13.50	13.00	-3.70	87,829,000
Anlima Yarn Dyeing	31.20	30.30	-2.88	10,431,000
Desh Garments Ltd.	108.00	104.90	-2.87	3,671,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	308.90	308.90	0.00	355.87	279.51	27.32
Cement	218.58	218.58	0.00	2.74	17.47	-84.35
Ceramic	497.76	498.13	-0.07	2.27	6.40	-64.60
Engineering	1,675.10	1,675.10	0.00	11.36	19.70	-42.34
Food & Al.	3,016.86	3,015.67	0.04	24.82	152.46	-83.72
Fuel & Pow.	3,201.45	3,209.50	-0.25	303.29	285.26	6.32
Insurance	1,303.60	1,300.08	0.27	41.86	57.85	-27.65
IT	303.02	303.02	0.00	3.90	5.64	-30.77
Jute	951.64	951.64	0.00	0.23	2.07	-88.84
Misc.	1,016.31	1,021.24	-0.48	99.21	129.74	-23.53
Mutual Fund	365.92	365.85	0.02	137.56	55.79	146.56
NBFI	787.65	787.74	-0.01	15.07	19.00	-20.66
Paper	6,412.29	6,412.29	0.00	0.97	0.40	143.47
Pharma	1,019.48	1,020.94	-0.14	778.69	1,233.69	-36.88
Service	819.64	819.64	0.00	2.83	6.37	-55.57
Tannery	588.39	588.39	0.00	0.27	4.79	-94.27
Telecom	2,208.88	2,209.10	-0.01	133.66	232.50	-42.51
Textile	1,018.47	1,018.61	-0.01	28.93	31.41	-7.89
Travel & Leis	570.71	570.71	0.00	0.17	0.42	-58.41

Technical Talk

Dhaka stocks closed with marginal loss in the post-budget week ended on Thursday as the proposed budget did not include any special for the capital market development. Moreover, the market remained dull as the pandemic situation showed no sign of improvement. In addition, imposition of the floor price hindered the market participations from trading. Among the major sectors, Fuel & Power decreased by 0.25% over the week followed by Pharma 0.14%, Textile 0.01% and Telecom 0.01% while Insurance sector increased by 0.27%, followed by Food & Allied 0.04% and Mutual Fund 0.02%.

DSE Broad Index (DSEX) reached 3,960.58 points decreased by 6.73 points or 0.17% from the previous week. Total turnover reached at Tk3392.45m which was 4.25% lower than the previous week. Market capitalization decreased by 0.07% and stood at Tk2522.08b (\$29.71b) at the weekend against Tk2523.86b. DSE 30 decreased by 6.32 points or 0.47% and closed at 1,325.43 points against 1,331.75 points. Last week's weighted average Market PE was 10.51 which was 10.51 previous week.

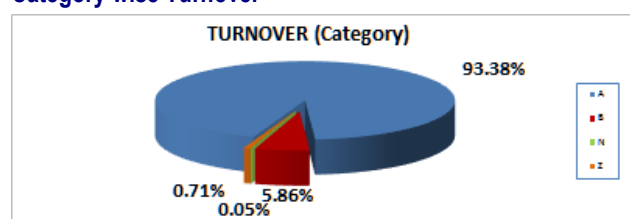
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	4,624,858	293,412,000	8.65
Linde Bangladesh	134,460	174,556,000	5.15
Indo-Bangla Pharma	4,604,353	92,281,000	2.72
National Bank Ltd.	13,525,051	91,971,000	2.71
Reckitt Benckiser	26,142	91,494,000	2.70
BSCCL	1,149,082	90,566,000	2.67

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	322,452	Berger Paint	60,690
BATBC	163,368	ICB	52,493
Square Pharma	155,825	Marico	49,219
United Power	116,044	Brac Bank	42,296
RENATA	82,646	LafargeHolcim	41,693

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,724.80	1,732.00	-0.42
Silver (USD/t.oz.)	17.49	17.87	-2.10
Brent Crude Oil (USD/bbl.)	41.51	38.55	7.68

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	97.42	97.48	98.43	98.49	-1.02	-1.02
GBP	108.72	108.78	110.01	110.08	-1.18	-1.18
AUD	58.64	58.68	59.22	59.25	-0.97	-0.97
JPY	0.80	0.80	0.80	0.80	0.07	0.07
CAD	62.90	62.93	63.43	63.47	-0.85	-0.85
SAR	22.75	22.76	22.74	22.75	0.04	0.04

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY-Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Express Insurance	June 14-18, 2020	10	260.79