

**BB for infrastructure companies in stock market**

Bangladesh Bank (BB) issued a policy to enlist the non-listed private infrastructure companies, in which commercial banks have equity exposure, in capital market. BB framed the policy to create market liquidity, enhance quality of investment and reduce investment risk. According to the guideline, banks have been asked to enter into an agreement with the concerned entity before taking any equity exposure that the company will be listed in the stock market within one year from the first date of subscription. The companies which have already been within the equity exposure of banks, would have to take initiative to be listed in the capital market within six months from the issuance date of the directive. The listing of such companies must be completed under the direct listing process by offloading maximum 5% of their paid-up capital and the share issue price of these companies cannot be lower than the average share acquisition cost price of the scheduled bank. The policy will be applicable for companies under power and energy, tourism and digital infrastructure sectors, except the special purpose vehicle, alternative investment fund or similar type of funds to finance the projects under the government and Public-Private Partnership (PPP). On May 16, 2019, the central bank set the investment ceiling for the banks under Bangladesh Securities and Exchange Commission (BSEC) - approved special purpose vehicle or alternative investment fund for infrastructure projects. Currently, the banks are allowed to invest in the private-sector infrastructure projects with a maximum of Tk6b or single borrower exposure limit, whichever is lower. Such enlistment of companies due to the equity exposure of banks would not be considered in the capital market exposure counts of banks.

**Export sees phenomenal start in FY21**

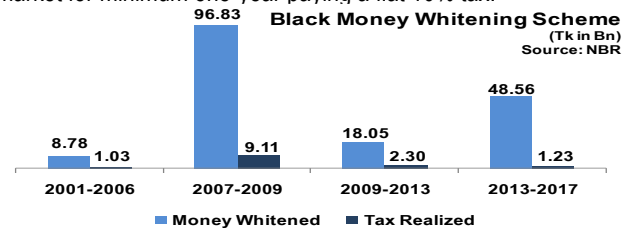
Export entered the positive growth territory in the first month of FY2020-21, recording US\$3.91b which is the highest single-month earnings in recent history. According to Export Promotion Bureau (EPB), export earnings registered 0.59% (Y-o-Y) growth during the said period against US\$3.88b in the same month of FY2019-20. The EPB statistics showed that exports rebounded after six months in July due to the increased shipment of Ready-Made Garment (RMG) products as the global retailers reinstated their orders in response to the gradual reopening of western markets. The RMG sector contributed US\$3.24b to the export earnings in July 2020. Among other export items, jute & jute products contributed US\$103.51m to the total export income, followed by agricultural products US\$101.06m, leather goods US\$89.94m, frozen fish US\$42.52m and pharmaceuticals US\$17.01m.

**Inward remittance beats all records in July**

Inward remittance soared by 62.5% (Y-o-Y) in the first month of FY2020-21 according to the latest figures from Bangladesh Bank (BB), breaking all previous records of monthly receipts in history, buoyed by the 2% cash incentive along with the policy of gradual devaluation of Taka against the US Dollar by BB. Expatriates sent US\$2.60b in July this year ahead of *Eid-ul-Adha*, up by 42.1% from US\$1.83b in the past month. The central bank relaxed the conditions for providing incentives on the money sent by the remitters to boost the remittance inflow. Remitters can enjoy 2% cash incentive on remittance of up to Tk0.50m without showing any documents that was Tk0.15m earlier. According to the projection in the latest monetary policy by BB, remittance inflow might go up by 3% (Y-o-Y) to US\$18.75b at the end of the current fiscal year.

**NBR all-out on money whitening scheme**

The National Board of Revenue (NBR) is going to take a steadfast move from this month to generate revenue from legalization of black money as the government needs a huge pool of fund to overhaul the coronavirus-hit economy. Under the move, the NBR is set to kick-start an extensive campaign highlighting the opportunities introduced in the budget for FY2020-21 to encourage people for revealing their untaxed wealth. As the government failed to collect significant amount of revenue from whitening money in the earlier fiscal years, it has widened the facilities further for the tax evaders in the FY2020-21. As per the budget documents, no questions will be asked about the sources of the disclosed monies. Individual taxpayers will be allowed to disclose any type of undisclosed real estate and properties including land, building, flat and apartment by paying tax at a particular rate on per square meter. In addition, individual taxpayers will also be able to make any disclosure of undisclosed cash, bank deposits, savings certificates, shares, bonds or any other securities on paying taxes at a rate of 10% whereas regular taxpayers will have to pay between 5% and 25%. Moreover, black money can also be invested in the capital market for minimum one-year paying a flat 10% tax.



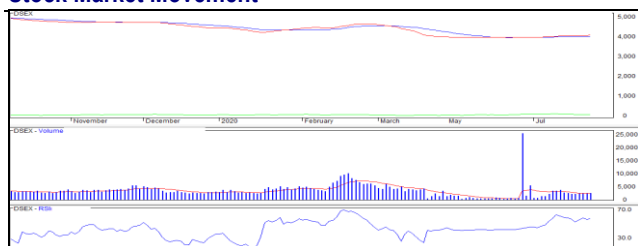
**Net sale of NSCs dive by 71.10% in FY20**

In the FY2019-20, net sales of National Savings Certificates (NSCs) stood at Tk144.28b, which is 71.10% (Y-o-Y) lower than that of in the previous fiscal year, according to the statistics of Bangladesh Bank (BB). The BB officials attributed it to the tightening of regulations on selling of the certificates and the coronavirus outbreak that contributed in the drastic fall in net sale of the NSCs. Moreover, net sales of the savings instruments maintained a declining trend after the imposition of 10% source tax on profits from the investments above Tk0.5m. The dismal sales and huge encashment of NSCs in March-May period affected the overall annual figure of NSCs sales. However, sales rebounded in June with net sales standing at Tk34.17b, rising from Tk32.08b in June a year earlier. Against the backdrop, the government revised down the sales target for NSCs to Tk120b in the revised budget for FY2019-20 against the original target of Tk270b. For the current fiscal, the government set a borrowing target of Tk200b from the NSCs to tackle the hefty budget deficit.

**Deposits in NBFIs squeeze by 5.33% in 2019**

Deposit collections by Non-Bank Financial Institutions (NBFIs) shrank by 5.33% or Tk24.28b in the calendar year 2019, against the backdrop of growing public distrust on the entities. According to the statistics of Bangladesh Bank (BB), total deposits in the NBFIs declined to Tk431.21b at the end of 2019 from Tk455.49b at the end of the previous year. Along with the public distrust, the NBFIs were also faced distrust from banks as many banks withdrew significant amount of funds from the NBFIs. BB officials opined that a series of scams and irregularities in the sector deteriorated the public perception. As per a BB report, only 4 out of 34 NBFIs were positioned in the green zone while the remaining 30 entities were placed in the yellow and red zones.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,351.28	3,271.12	2.45
FTSE 100	↑	6,032.18	5,897.76	2.28
Nikkei 225	↑	22,329.94	21,710.00	2.86
SENSEX	↑	38,040.57	37,606.89	1.15
KSE 100	↑	40,029.69	39,258.44	1.96

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	4,364.83	4,214.43	3.57
Total Turnover, Tk	↑	29,039,034,251.00	22,337,693,576.00	30.00
Market Capital, Tk	↑	2,752,662,455,986	2,674,639,345,731	2.92
No of Issue Gain		260	205	
No of Issue Loss		42	34	
No of Unchanged Issues		57	120	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Peoples Insurance	20.90	29.20	39.71	242,086,000
Nitol Insurance Co.	27.50	36.00	30.91	234,378,000
Active Fine	14.00	18.10	29.29	307,994,000
Silco Pharma	22.40	28.30	26.34	411,113,000
FAS Finance	4.00	5.00	25.00	70,865,000
CAPM IBBL I. MF	6.90	8.50	23.19	14,504,000
Republic Insurance	27.30	33.40	22.34	318,910,000
BSCCL	104.10	125.80	20.85	771,607,000
Central Insurance	25.20	30.40	20.63	124,512,000
Navana CNG Limited	33.00	39.50	19.70	40,017,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Fine Foods Limited	61.20	56.40	-7.84	209,374,000
Sonali Paper & Board	317.60	293.80	-7.49	4,181,000
Samorita Hospital Ltd.	68.90	63.80	-7.40	6,228,000
Sinobangla Industries	54.30	51.40	-5.34	102,538,000
Al-Arafah Islami Bank	16.10	15.30	-4.97	24,695,000
Nahee Aluminum	56.00	53.40	-4.64	258,213,000
First Finance Limited.	5.10	4.90	-3.92	575,000
Simtex Industries	16.20	15.60	-3.70	84,037,000
Saiham Textile Mills	27.40	26.40	-3.65	170,311,000
Hamid Fabrics Limited	16.50	15.90	-3.64	19,537,000

### Sectoral Index & Turnover

#### Sectoral Index

#### Turnover (Tk.M)

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	327.70	321.16	2.04	1,024.34	507.15	101.98
Cement	227.49	221.40	2.75	693.35	173.77	298.99
Ceramic	510.45	499.89	2.11	240.75	198.15	21.50
Engineering	1,821.31	1,718.70	5.97	2,545.26	1,445.01	76.14
Food & Al.	3,147.65	3,091.31	1.82	1,194.69	1,360.77	-12.20
Fuel & Pow.	3,487.54	3,360.06	3.79	1,607.17	1,628.16	-1.29
Insurance	1,796.25	1,679.59	6.95	7,110.16	4,822.96	47.42
IT	341.62	335.22	1.91	943.66	1,006.03	-6.20
Jute	970.05	967.41	0.27	62.70	29.89	109.76
Misc.	1,072.96	1,041.48	3.02	1,276.24	941.78	35.51
Mutual Fund	385.94	367.27	5.08	520.64	271.78	91.57
NBFI	863.10	820.30	5.22	899.49	272.08	230.60
Paper	6,574.37	6,423.87	2.34	98.60	192.31	-48.73
Pharma	1,148.66	1,099.80	4.44	5,387.45	3,658.64	47.25
Service	923.02	877.42	5.20	212.85	185.36	14.83
Tannery	592.07	588.39	0.62	358.92	20.95	1,613.38
Telecom	2,397.91	2,412.59	-0.61	1,260.99	1,060.45	18.91
Textile	1,091.63	1,080.48	1.03	2,320.89	1,584.33	46.49
Travel & Leis	573.43	570.71	0.48	73.61	7.16	928.53

## Technical Talk

Dhaka stocks closed higher for the seventh straight week ended on Thursday as investors continued their buying spree on optimism. Moreover, expansionary Monetary Policy and gradual reopening of the economy also persuaded investors to pour money into the capital market. Among the major sectors, Insurance increased by 6.95% over the week followed by Engineering 5.97%, NBFI 5.22%, Mutual Funds 5.08%, Pharma 4.44% and Fuel & Power 3.79%.

DSE Broad Index (DSEX) reached 4,364.83 points increased by 150.40 points or 3.57% from the previous week. Total turnover reached at Tk29039.03m which was 30% higher than the previous week. Market capitalization increased by 2.92% and stood at Tk2752.66b (\$32.42b) at the weekend against Tk2674.64b. DSE 30 increased by 55.24 points or 3.89% and closed at 1,475.88 points against 1,420.64 points. Last week's weighted average Market PE was 11.69 which was 11.37 previous week.

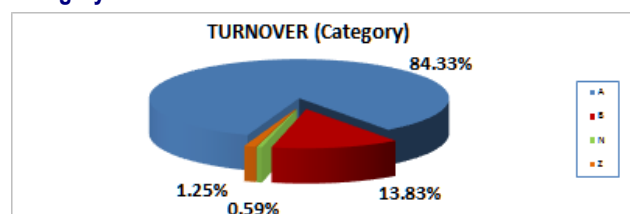
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	13,577,325	1,169,398,000	4.03
Pioneer Insurance	16,049,885	1,032,422,000	3.56
Bangladesh Submarine	6,750,429	771,607,000	2.66
Square Pharma	3,965,930	737,975,000	2.54
Beximco	43,807,905	643,870,000	2.22
Grameenphone Ltd.	1,885,060	489,384,000	1.69

### Top 10 Market Capital

	In million		
GP	343,246	Berger Paint	60,695
Square Pharma	170,279	ICB	57,865
BATBC	163,368	Marico	55,308
United Power	125,583	LafargeHolcim	43,552
RENATA	92,020	Summit Power	42,715

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,051.50	1,942.30	5.62
Silver (USD/t oz.)	28.39	23.34	21.62
Brent Crude Oil (USD/bbl.)	45.09	43.25	4.25

### 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	102.82	102.88	102.06	102.12	0.74	0.74
GBP	114.28	114.35	113.04	113.11	1.09	1.09
AUD	61.43	61.46	61.30	61.33	0.21	0.21
JPY	0.81	0.81	0.82	0.82	-0.49	-0.49
CAD	64.30	64.34	64.00	64.04	0.47	0.47
SAR	22.75	22.77	22.75	22.76	0.02	0.02

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
Walton Hi-Tech indus.	Aug 09-Aug 16, 2020	252	1,000