

**BB announces policy support to combat pandemic**

Bangladesh Bank (BB) unveiled a set of policy support to shield the economy as a grave crisis stemming from the coronavirus pandemic started to exert pressure on the economy. As per the latest circular, BB re-fixed its policy rate to make funds available and cheaper for banks in the midst of the growing withdrawal pressure as the government declared an apparent locked-down from March 26 to April 04, 2020. As a precautionary measure, Bangladesh Bank reduced repo rate by 25 basis points to 5.75% and Cash Reserve Ratio (CRR) by 50 basis points to 5% on bi-weekly average basis with a provision of minimum 4.5% on daily basis. The decision on repo interest rate was scheduled to be effective from March 24 and that of CRR from April 1, 2020. The banking sector reported excess liquidity of more than Tk1-trillion where most of the fund was invested in government securities. Moreover, the central bank assured to give cash support to banks through buying back Treasury securities. BB also asked the banks and NBFIs to suspend adverse classification of loans until June 30, 2020 from January 01, 2020 even if the borrowers failed to repay installments. At the same time, BB increased the limit of monthly transaction via Mobile Financial Services (MFS) to Tk0.2m from Tk75,000 and made cash-out charge free for Tk1,000 per day. Banks were also instructed to run Automated Teller Machines (ATM), Point of Sale (POS), internet and app-based banking uninterruptedly. To support international trade, BB instructed banks to extend the tenure of realizing export proceeds by two months to six months as the importers in the affected countries might not be able to clear import payments on time. Similarly, local importers were also given two months more to make payments. Moreover, the period of back to back Letters of Credit (LCs) opened under suppliers and buyers' credit was extended up to a year from six months. However, economists advised BB to be more proactive in a bid to tackle the looming financial recession. The business community, meanwhile, hailed the measures of the central bank and urged to create an emergency fund to deal with the crisis.

**NBR faces Tk454.08b shortfall in Jul-Feb**

The National Board of Revenue (NBR) managed to collect Tk1,444.15b in the first eight months (Jul-Feb) of FY2019-20 registering a growth of 8.21% (Y-o-Y) as per the provisional figures of NBR. However, the collection fell short of target set for the period by 23.92% or Tk454.08b. Consequently, the revenue board will have to collect Tk1,811.85b in the remaining four months. The lackluster performance of customs wing contributed to the shortfall by Tk173.97b due to sluggish international trade. Income tax also witnessed a shortfall of Tk131.57b followed by Value-added Tax (VAT) Tk148.54b. However, revenue collection from the income tax, VAT and customs wings registered 14.64% (Y-o-Y), 7.65% (Y-o-Y) and 2.90% (Y-o-Y) growth respectively in the period. The hefty shortfall in revenue collection resulted in mounting government borrowing from the banking system. As per BB statistics, the government borrowed more than Tk520b from banks in the period as against the annual target of Tk473.64b.

**Revenue Collection by NBR (July-February of FY'20)**

Figures in Tk Bn

Wing	Target	Collection	Shortfall
Customs	602.34	428.37	-28.88%
Income Tax	577.81	446.24	-22.77%
VAT	718.07	569.53	-20.69%
<b>Total</b>	<b>1,898.22</b>	<b>1,444.14</b>	

Source: NBR

**Seventeen banks form special capital market funds**

Bangladesh Bank (BB) urged all scheduled banks to form special funds of Tk2b to invest in capital market. As per the directive circulated on February 10, 2020, banks can create the fund from their own source or by taking loan at 5% interest from the central bank through repurchase agreement (repo) against Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds) they hold. Despite the stimulus, majority of banks showed reluctance to invest in capital market and have been procrastinating on the investment. As of March 23, 2020, seventeen banks formed the special fund as per BB guidelines to prop up the ailing capital market. These banks are – Sonali Bank, Janata Bank, Rupali Bank, United Commercial Bank, Shahjalal Islami Bank, The City Bank, Islami Bank Bangladesh, Social Islami Bank, Pubali Bank, Exim Bank, Dhaka Bank, NCC Bank, AB Bank, Mercantile Bank, Mutual Trust Bank, Southeast Bank and NRBC Bank. The recently imposed circuit breaker by the regulator to resist freefall of the market index would give the banks an opportunity to take position on undervalued stocks at bottom price level. However, experts assume that the stock market might not react and show any sign of improvement until the pessimism centering the global pandemic cools off.

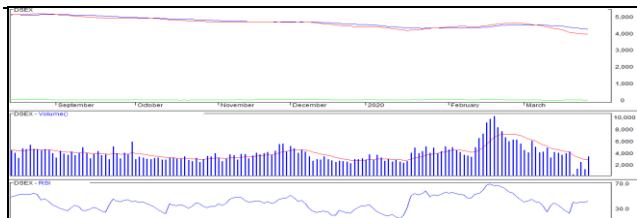
**Government cuts ADP in slow implementation**

Government approved the revised Annual Development Program (ADP) worth Tk1,929.21b on March 23, 2020 by trimming Tk98b from the original allocation at the meeting of National Economic Council (NEC). ADP allocation was Tk2,027.21b in the national budget for the FY2019-20, under which Tk1,309.21b was to be financed from internal sources and Tk718b from external sources. According to Implementation Monitoring and Evaluation Division (IMED), ADP implementation for the first eight months (July-February) of this fiscal year was only 37.09% or Tk797.86b. This sluggish implementation rate led the government to curtail the figure of foreign assistance to Tk620b from Tk718b, keeping the domestic portion unchanged due to the concern of the implementing agencies in spending the external funds. According to the Planning Commission, the highest percentage of the revised ADP has been allocated to the transport sector worth Tk474.32b or 24.59% followed by Tk268.40b or 13.91% to the infrastructure planning, water supply & the housing sectors, Tk236.32b or 12.25% to the power sector, Tk204.24b or 10.59% to the education sector and Tk167.91b or 8.70% to the ICT sector.

**RMG sector in turmoil with cancelled orders**

The Ready-Made Garments (RMG) industry is in serious distress with cancellation of work-orders by international retailers as the uncertainty in global economy escalated under clouds of Corona pandemic. According to Bangladesh Garment Manufacturers and Exporters Association (BGMEA), work orders for around 634.8m of garment products have been cancelled till last week that resulted in the manufacturers to count loss of US\$1.98b so far. The industry leaders sought cooperation from the foreign buyers as the survival of apparel manufacturers is at stake as they have obligation to pay their workers. This streak of order cancellation might even lead to lay-off of workers and shut down of production, putting the overall economy in dire straits, experts worry.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	2,541.47	2,304.92	10.26
FTSE 100	↑	5,510.33	5,190.78	6.16
Nikkei 225	↑	19,389.43	16,552.83	17.14
SENSEX	↓	29,815.59	29,915.96	-0.34
KSE 100	↓	28,109.57	30,667.41	-8.34

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	4,008.29	3,974.96	0.84
Total Turnover, Tk	↓	8,878,152,000.00	12,584,885,918.00	-29.45
Market Capital, Tk	↑	2,539,829,719,820	2,524,771,981,442	0.60
No of Issue Gain		140	45	
No of Issue Loss		196	304	
No of Unchanged Issues		22	9	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
ACI Formulations	88.90	108.90	22.50	31,046,000
Matin Spinning	29.50	35.10	18.98	52,000
Mercantile Bank	10.70	12.70	18.69	140,106,000
EXIM Bank 1st MF	3.50	4.10	17.14	3,220,000
Pragati Insurance	28.20	32.20	14.18	101,000
Standard Bank	7.80	8.80	12.82	24,500,000
Central Pharma	12.50	14.10	12.80	109,121,000
Exim Bank of	8.60	9.60	11.63	34,217,000
BGIC	21.70	23.90	10.14	627,000
AMCL (Pran)	162.00	177.90	9.81	3,749,000

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
BSRM Ltd.	59.70	54.00	-9.55	20,810,000
Maksons Spinning Mills	5.60	5.10	-8.93	9,103,000
Khan Brothers PP	6.80	6.20	-8.82	1,655,000
Central Insurance	25.00	22.80	-8.80	6,362,000
Tosrifa Industries	11.50	10.50	-8.70	662,000
Pacific Denims Limited	9.30	8.50	-8.60	3,903,000
Dulamia Cotton	54.50	49.90	-8.44	325,000
M.I. Cement Factory	47.80	43.80	-8.37	770,000
Janata Insurance	16.00	14.70	-8.13	929,000
Asia Pacific Gen Ins	21.00	19.30	-8.10	1,116,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	316.21	305.25	3.59	980.26	1,045.72	-6.26
Cement	223.81	223.57	0.11	164.76	335.43	-50.88
Ceramic	505.27	509.63	-0.85	432.81	583.58	-25.84
Engineering	1,678.66	1,716.48	-2.20	511.25	1,403.99	-63.59
Food & Al.	3,014.02	2,980.95	1.11	153.82	558.81	-72.47
Fuel & Pow.	3,200.66	3,240.73	-1.24	513.35	863.76	-40.57
Insurance	1,315.80	1,325.80	-0.75	150.32	494.19	-69.58
IT	304.41	307.72	-1.08	93.55	241.18	-61.21
Jute	951.64	973.31	-2.23	16.07	80.78	-80.10
Misc.	1,016.95	1,020.99	-0.39	155.39	550.83	-71.79
Mutual Fund	365.26	365.76	-0.14	80.68	185.62	-56.53
NBFI	788.91	784.27	0.59	116.68	409.48	-71.51
Paper	6,412.29	6,766.09	-5.23	12.15	148.94	-91.84
Pharma	1,013.39	1,007.92	0.54	1,373.61	2,465.58	-44.29
Service	820.35	820.26	0.01	16.94	70.96	-76.13
Tannery	588.86	620.96	-5.17	175.38	230.26	-23.83
Telecom	2,210.73	2,180.18	1.40	152.13	443.70	-65.71
Textile	1,021.44	1,024.01	-0.25	138.28	1,125.73	-87.72
Travel & Leis	574.09	571.41	0.47	8.59	202.86	-95.76

## Technical Talk

Dhaka stocks closed upward in the last week ended on Wednesday snapping four-week losing spell in growing tension over the impacts of coronavirus pandemic as the government declared an apparent locked-down from March 26 to April 04, 2020. Among the major sectors, Bank increased by 3.59% over the week followed by Telecom 1.40%, NBFI 0.59% and Pharma 0.54%.

DSE Broad Index (DSEX) reached 4,008.29 points increased by 33.32 points or 0.84% from the previous week. Total turnover reached at Tk8878.15m which was 29.45% lower than the previous week. Market capitalization increased by 0.60% and stood at Tk2539.83b (\$29.92b) at the weekend against Tk2524.77b. DSE 30 increased by 5.02 points or 0.38% and closed at 1,330.83 points against 1,325.81 points. Last week's weighted average Market PE was 10.58 which was 10.52 previous week.

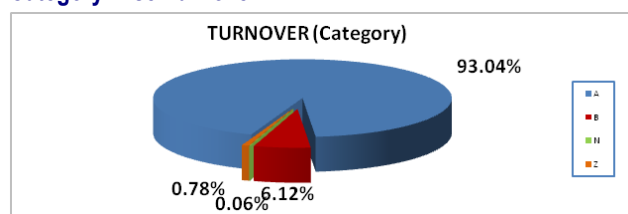
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Monno Ceramic	3,140,189	428,452,000	4.83
Linde Bangladesh	179,513	218,380,000	2.46
Square Pharma	970,915	167,484,000	1.89
Orion Pharma Ltd.	3,604,885	153,515,000	1.73
Renata Ltd.	144,405	148,188,000	1.67
LafargeHolcim	3,936,838	142,046,000	1.37

### Top 10 Market Capital

Company	Value (Tk)	Value (M)	
GP	322,452	Berger Paint	60,690
BATBC	163,368	ICB	52,493
Square Pharma	155,825	Marico	49,219
United Power	116,044	LafargeHolcim	42,971
RENATA	82,646	Brac Bank	39,345

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/ft.oz.)	1,630.60	1,478.60	10.28
Silver (USD/ft.oz.)	14.49	12.10	19.78
Brent Crude Oil (USD/bbl.)	24.95	28.47	-12.36

### 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	92.30	92.36	91.26	91.32	1.14	1.14
GBP	100.59	100.64	99.27	99.32	1.33	1.33
AUD	51.03	51.06	49.49	49.52	3.12	3.12
JPY	0.77	0.77	0.77	0.77	-0.16	-0.15
CAD	59.31	59.35	59.41	59.44	-0.15	-0.15
SAR	22.72	22.74	22.71	22.72	0.07	0.07

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)
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N/A