

Bangladesh market snapshot

	Last closing
DSEX Index	5,649.86
% change	-1.30%
DS30 Index	2,160.39
% change	-1.41%
DSES Index	1,265.37
% change	-1.17%
Turnover (BDT mn)	8,231.06
Turnover (USD mn)	97.99
% change	-12.54%
Market Capitalization (BDT bn)	4,790
Market Capitalization (USD bn)	57.03
% change	-1.03%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,982.62
% change	-2.03%
Nikkei 225	27,905.26
% change	+0.87%
FTSE 100	6,407.46
% change	-1.82%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	102.93
GBP	116.23
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
28-Jan-2021	1.00-5.25	1.72
27-Jan-2021	1.00-5.25	1.66

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	55.37	+0.60%
Gold Spot, USD/t oz	1,861.78	+0.76%
Cotton, USD/lb	81.44	+0.99%

Source: Bloomberg

Economy

Bangladesh to sign currency swap deal with Russia

Bangladesh is preparing to take an alternative route to strengthen its trade ties with Russia, bypassing the US sanctions on the latter. As part of it, the Bangladesh Bank has taken an initiative to enter into a bilateral swap agreement with the Central Bank of Russia. The currency swap deal will enable both the countries to exchange their local currencies against any third currency except the US dollar between them. There will be no need for introducing correspondent banking between the two countries for export and import activities.

<https://tbsnews.net/economy/trade/bangladesh-sign-currency-swap-deal-russia-194851>

Bank and NBFIs

Repayment tenure for term loans extended by two years

The central bank yesterday eased the repayment facility for term loans for tens of thousands of borrowers, including industrialists and businesses to help them pay instalments at ease as the pandemic persists. The move comes as the Bangladesh Bank said it was not going to extend the moratorium facility, introduced for all types of borrowers in April last year in response to the devastating crisis, to 2021. As much as 70 per cent of the total outstanding loans amounting to Tk 10,63,626 crore were term loans as of September 30 last year.

<https://www.thedailystar.net/business/news/repayment-tenure-term-loans-extended-two-years-2037205>

<https://today.thefinancialexpress.com.bd/first-page/bb-lifts-loan-moratorium-1612117129>

Banks get one year to streamline investments in OBU

The Bangladesh Bank on Sunday issued a circular giving schedule banks one year to lower investments to their offshore banking units within 30 per cent of the banks' regulatory capital. The banks will have to bring down the investments within the regulatory limit by December 31, 2021. In June 2020, the BB extended the limit of the banks' investments to their offshore banking units to 30 per cent of their regulatory capital.

<https://www.newagebd.net/article/128858/banks-get-one-year-to-streamline-investments-in-obu>

Textile

Bangladesh RMG makers recover \$6.3m after suing Sears

Bangladesh's readymade garment factories received \$6.3 million against cancelled orders worth \$40 million after filing a lawsuit against Sears, an American clothing brand. A total of 32 factories of 21 vendors received orders worth \$40million from Sears during January-March, 2020 and the buyer cancelled all the orders in April amid the COVID-19 crisis. By the time the orders were cancelled the factories had shipped products worth \$22.7 million.

<https://www.newagebd.net/article/128808/bangladesh-rmg-makers>

[-recover-63m-after-suing-sears](#)

Fuel and Power

Guidelines drafted for wind power projects

The government has unveiled draft guidelines for installation of onshore wind power plants as part of its efforts to enhance clean energy generation in the country. According to the guidelines, the project developers will first have to ensure the availability of required suitable sites with land use permission, check the availability of wind resources, technically and commercially feasible grid connectivity, transport logistics and environmental acceptability to setup wind power projects.

<https://today.thefinancialexpress.com.bd/last-page/guidelines-drafted-for-wind-power-projects-1612117241>

Construction

Pandemic leaves little impact on steel, cement makers

Leading steel, cement and paint companies related to the construction sector witnessed higher profits in the July-December period of the current financial year despite the ongoing coronavirus pandemic. Although industry insiders fear that they will face 30 per cent lower profits from the July-December period, the reality is different as profits came mainly due to higher demand from government development projects. Meanwhile, all listed steel mills booked higher profits while multinational Berger Paints, also witnessed higher profits in the period.

<https://www.thedailystar.net/business/news/pandemic-leaves-little-impact-steel-cement-makers-2037197>

Capital Market

Mir Akther to make debut tomorrow

Mir Akther Hossain Ltd, one of the largest construction and engineering firms of the country, will make its share trading debut on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) tomorrow (Tuesday) under 'N' category. Trading code for the company is "MIRAKHTER". Mir Akhter raised Tk 1.25 billion from the capital market under the book-building method.

<https://today.thefinancialexpress.com.bd/stock-corporate/mir-akther-to-make-debut-tomorrow-1612114690>

Placement shares to be part of IPO

The Bangladesh Securities and Exchange Commission has moved to allow companies intending to raise capital through initial public offering to keep 15 per cent of IPO shares and sell them to anybody the firms wish before the IPO approval. The regulator would also reduce the lock-in period of placement shares held by foreign investors to one year from the existing two years.

<https://www.newagebd.net/article/128855/placement-shares-to-be-part-of-ipo>

Stock

Renata buying Tk 20cr land for expansion

Renata, one of the leading drug makers, is going to invest nearly Tk 20 crore in purchasing land as part of its expansion plans to cater to domestic and international markets. The company's board had decided to buy over two acres of land and a 74,082 square feet building from Sajida Foundation at Kaliakoir, Gazipur.

<https://www.thedailystar.net/business/news/renata-buying-tk-20cr-land-expansion-2037173>

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Expected absolute returns are calculated as the percentage of difference between our target price and latest close price. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Please note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

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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