

Bangladesh market snapshot

	Last closing
DSEX Index	4,480.23
% change	-1.51%
DS30 Index	1,492.37
% change	-1.67%
DSES Index	1,044.91
% change	-1.45%
Turnover (BDT mn)	5,614.15
Turnover (USD mn)	66.84
% change	-10.51%
Market Capitalization (BDT bn)	3,430
Market Capitalization (USD bn)	40.83
% change	-1.57%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,957.59
% change	-0.46%
Nikkei 225	21,948.23
% change	-2.13%
FTSE 100	6,880.04
% change	-2.31%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	92.41
GBP	109.61
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
26-Feb-2020	4.50-5.50	5.08
25-Feb-2020	4.50-5.50	5.07

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	49.67	-3.98%
Gold Spot, USD/t oz	1,585.69	-3.61%
Cotton, USD/lb	61.49	-1.62%

Source: Bloomberg

Economy

NBR likely to slash tax exemptions in next budget

The authorities are planning to scale back tax exemptions for sectors like ICT, power, charity and fisheries in the upcoming budget after flagrant abuse. The National Board of Revenue, or NBR, has uncovered the evidence of abuse in the blanket tax waiver facility offered to a number of "priority" sectors. The direct tax wing has recently initiated the move with instruction from the board chairman Abu Hena Md Rahmatul Muneem. There is no data on the loss of revenue due to tax exemptions and the outcome of the tax benefit.

<https://today.thefinancialexpress.com.bd/first-page/nbr-likely-to-slash-tax-exemptions-in-next-budget-1582993665>

Dismal foreign aid use against ambitious targets

The civil aviation and tourism ministry is one of the largest recipients of development budget this fiscal year. But, it managed to spend a paltry 5.7 per cent of the Tk 3,864 crore allocation in the first seven months. What is even worse, it couldn't spend a penny from its foreign-aided portion, which stands at Tk 2,500 crore. Overall, foreign aid utilisation so far this fiscal year cuts a dismal picture. The ministries and division got Tk 71,800 crore in fiscal 2019-20 on the back of huge pipelines of the cheap funds. <https://www.thedailystar.net/business/news/dismal-foreign-aid-use-against-ambitious-targets-1874812>

Nordic countries eye stronger partnership with Bangladesh

The ambassadors of three Nordic countries-Denmark, Norway and Sweden-on Saturday promised to have a stronger partnership with Bangladesh with a focus on green growth and increased investment flow to help Bangladesh grow in a faster way, reports UNB. The three countries also laid emphasis on ending Rohingya crisis through sustainable return of Rohingyas to their place of origin in Rakhine State safely reminding Myanmar that the responsibility lies there.

<https://today.thefinancialexpress.com.bd/metro-news/nordic-countries-eye-stronger-partnership-with-bangladesh-1582989840>

BD to push for US mkt access, trade review

Bangladesh will press for review of bilateral trade with the US and market access there as the 5th Trade and Investment Cooperation Forum Agreement (TICFA) meeting will be held in Dhaka on March 5, officials said. Responsible business conduct and ethical buying practices will also figure prominently in the talks with the US. Bangladesh will also seek implementation of the Trade Facilitation Agreement, support for its graduation and discuss the non-tariff measures faced by locally-manufactured pharma products.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-push-for-us-mkt-access-trade-review-1582993919>

US firms ready to invest in Bangladesh, says Miller

US ambassador in Dhaka Earl R Miller on Saturday said that the US firms stood ready to invest in Bangladesh as his country had taken initiatives to accelerate private sector investment in Bangladesh. The US ambassador was speaking at a discussion on 'America's Economic Indo Pacific Vision' on the side lines of the last day of the three-day US Trade Show at a city hotel.

<https://www.newagebd.net/article/100878/us-firms-ready-to-invest-in-bangladesh-says-miller>

Bank and NBFIs

Jan NSC sales rebound on bank rate cut

Net sales of the national savings certificate rebounded in January as the banks went for a cut in deposit rates to implement the government imposed deposit rate of up to 6 per cent. The net sales of the NSCs stood at Tk 2,240 crore in January with the sales of the certificates amounting to Tk 7,308 crore and encashment of the instrument fetching Tk 5,068.07 crore, according to the data released by the National Savings Directorate on Thursday.

<https://www.newagebd.net/article/100699/jan-nsc-sales-rebound-on-bank-rate-cut>

BB eases commercial paper issuance by NBFIs

The Bangladesh Bank has eased its regulations on commercial paper issuance by the non-bank financial institutions, allowing NBFIs having up to 10 per cent nonperforming loans to pool money to meet up short-term fund requirement by issuing CP. The BB on Thursday issued the revised version of the guidelines, which was first formulated in May 2016 to allow the NBFIs with 5 per cent NPLs to issue commercial papers. It stated that commercial paper, an unsecured promissory note, has a maturity period between 30 days and one year.

<https://www.newagebd.net/article/100701/bb-eases-commercial-paper-issuance-by-nbfis>

Textile

Chattogram BGMEA leaders want government support in the time of corona

Apparel sector leaders on Friday said they are being forced to pay high prices for procuring accessories and raw materials, because the coronavirus (Covid-19) outbreak is disrupting their supply chains. Rubana Huq added that even the dyeing cost is increasing "unacceptably" and in general, the apparel sector is possibly going to take a hit for the next three-four months.

<https://tbsnews.net/economy/rmg/chattogram-bgmea-leaders-want-government-support-time-corona-49834>

Telecommunication

SMP enforcement vital for telecom sector, customers

The enforcement of the Significant Market Power Regulations, 2018 has

become vital to protect the small telecom operators as well as the customers from being at the risk of a monopolistic market condition. Multinational telecom operator Robi Axiata Limited's managing director and chief executive officer Mahtab Uddin Ahmed said this in a recent interview with New Age at the former's headquarters in the capital's Gulshan.

<https://www.newagebd.net/article/100879/smp-enforcement-vital-for-telecom-sector-customers>

Fuel & Power

Transmission charge hike to help Power Grid offset VAT impact

An increased electricity transmission charge will merely help the Power Grid Company offset the impact from the VAT imposed in the last budget. Its revenue from nationwide bulk power transmission will go up, with the 5.27 percent hike in the wheeling charge taking effect next week. The company last year applied for a 50 percent hike to make the charge against transmission of per unit electricity Tk0.4202 from existing Tk0.2787. But the Bangladesh Energy Regulatory Commission (Berc) fixed the charge at Tk0.2934.

<https://tbsnews.net/economy/stock/transmission-charge-hike-help-power-grid-offset-vat-impact-49174>

Engineering

Yet another trailblazing act from Walton

Local electronics giant Walton is set to flag off the country's first lift manufacturing plant, in a display of Bangladesh's growing industrial prowess. The plant established at a cost of Tk 50 crore at the Walton Hi-Tech Industries (WHIL) at Chandra, Gazipur has begun test production. The market size is not less than Tk 1,200 crore and it is growing at about 20 per cent per year, helped by widening urbanisation. Walton is manufacturing all three kinds of lifts -- passenger, cargo and capsule lifts -- that are popular in Bangladesh.

<https://www.thedailystar.net/business/news/yet-another-trailblazing-act-walton-1874806>

Pharmaceuticals

'Bangladesh's annual pharma export to cross \$1bn in 2 years'

Bangladesh's annual pharmaceuticals export is expected to cross \$1 billion in next two years, said Salman F Rahman, private industry and investment adviser to Prime Minister Sheikh Hasina. He made the statement while addressing the inauguration ceremony of the three-day Asia Pharma Expo 2020 that began at the International Convention City Bashundhara in Dhaka on Friday.

<https://tbsnews.net/economy/trade/bangladeshs-annual-pharma-export-cross-1bn-2-years-49303>

Capital Market

Market to open with sharp losses from last week

Bourses ended a gloomy week on Thursday with losses in all five sessions amid investors' lack of confidence on large-cap shares. DSEX,

the key index of the Dhaka Stock Exchange, plunged 253 points or 5.3 percent during the week to close at 4,480. CASPI, the benchmark index of the Chittagong Stock Exchange, lost 782 points or 5.4 percent over the week to close at 13,743. The market took a beating during the week, thanks to the falling share prices of large-cap sectors, mainly banks and telecom.

<https://tbsnews.net/economy/stock/market-opens-sharp-losses-last-week-49639>

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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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