

Bangladesh market snapshot

	Last closing
DSEX Index	4,731.44
% change	0.02%
DS30 Index	1,647.71
% change	0.08%
DSES Index	1,082.16
% change	0.02%
Turnover (BDT mn)	4,302.00
Turnover (USD mn)	51.21
% change	-23.75%
Market Capitalization (BDT bn)	3,567
Market Capitalization (USD bn)	42.46
% change	-0.12%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,051.41
% change	-0.40%
Nikkei 225	23,293.91
% change	-0.49%
FTSE 100	7,346.53
% change	-0.94%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.90
EUR	93.37
GBP	109.70
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
27-Nov-2019	2.75-5.50	3.85
26-Nov-2019	2.75-5.50	4.14

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	60.49	-4.39%
Gold Spot, USD/t oz	1,463.97	+0.53%
Cotton, USD/lb	65.36	-0.68%

Source: Bloomberg

Economy

NSC sales slump for 4th month

The net sales of national savings certificates dropped for the fourth consecutive month in October because of tightening of sales process and hike in tax on interest, forcing the government to rely heavily on bank funds to meet deficit financing. As per the Bangladesh Bank data released on November 28, the net sales of NSCs plunged by 81.37 per cent or Tk 3,593.76 year-on-year in October. In October, the net sales of NSCs dropped to Tk 822.95 crore against Tk 4,416.71 crore in the same month of the last year. In July-October of FY20, the government's net sales of NSCs dropped by 69.08 per cent or Tk 12,316.71 crore year on-year.

<http://www.newagebd.net/article/92137/nsc-sales-slump-for-4th-month>

Bangladesh's GDP growth below targets every year: Report

Bangladesh fails to meet its Gross Domestic Product (GDP) growth target every fiscal year, according to a report of the General Economic Division (GED) under the Planning Commission. The report on implementation review of the perspective plan 2010-2021 said progress in almost every index of microeconomics, including savings, investments and revenue collection, is disappointing. The report was unveiled at a programme at the National Economic Council (NEC) conference room in the capital on Wednesday.

<https://tbsnews.net/economy/bangladeshs-gdp-growth-below-targets-every-year-report>

Economic slowdown in India and China may hit Bangladesh: Analysts

The economies of China and India are considered as the two wheels of the Bangladesh economy, but their slowdown could affect Bangladesh with regard to import, export, project support and many other indicators. The Indian economy reached its peak with 8.2 percent in 2016 but dropped to 6.8 percent in 2018. In the September quarter last, the rate decelerated to 4.5 percent, according to a report of Mint. Meanwhile, China's economy, after maintaining a sustained growth averaging above 10 percent for three decades, began receding in 2011 and came down to 6.6 percent last year. It may fall further to 5.5 percent in the next two years, forecast an International Monetary Fund.

<https://tbsnews.net/economy/economic-slowdown-india-and-china-may-hit-bangladesh-analysts>

'The financial sector could be at risk of collapse'

"Revenue, private sector credit, exports – all the indicators are down. Then what is the source of growth?" asked Policy Research Institute of Bangladesh Executive Director Dr Ahsan H Mansur. If the deposit rate goes down further, the financial sector will be at risk of collapse, said Mansur. The current 8 percentages plus economic growth cannot be sustainable if the financial sector crisis is not addressed immediately, he argued. Referring to the recent collapse of Farmers Bank and

People's Leasing, Mansur said several commercial banks and non-bank financial institutions are now experiencing a serious deposit crisis and they could face the same fate as Farmers Bank and People's Leasing.

<https://tbsnews.net/economy/banking/default-loans-not-slowing-down-while-revenue-private-sector-credit-and-export>

Jica to support 8 more infrastructure projects

The Japan International Cooperation Agency (Jica) has agreed to provide fresh loan financing for eight projects in Bangladesh, which include upgrading the Chattogram-Cox's Bazar highway from two lanes to four lanes. The Japanese government agency will fund these projects under its 41st official development assistance loan package. According to the document, made public by the Economic Relations Division on November 20, the amount of Jica's loans for these projects will be around \$3 billion over the next fiscal year.

<https://tbsnews.net/economy/jica-support-8-more-infrastructure-projects>

Dhaka to seek \$3.0b Chinese aid

Bangladesh will seek US\$3.0 billion in aid from China for the next three years in the upcoming joint working group meeting to be held on Monday, officials said. It will also seek relaxation of terms and condition for the aid and confirmation of funding to 27 projects, pending Chinese money during the last five years, they said. The joint group is going to sit in Dhaka for the first time, to discuss different bilateral economic and trade issues. The group was formed after a deal signed during Prime Minister Sheikh Hasina's visit to Beijing in July this year.

<https://today.thefinancialexpress.com.bd/public/first-page/dhaka-to-seek-30b-chinese-aid-1575046974>

B'desh can 'attract \$20b from CACCI nations' investors'

Bangladesh may be able to attract new investments worth over US\$ 20 billion in different sectors of the country. The member countries of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) can make the investment in those sectors having huge growth potential. Sheikh Fazle Fahim, president of the country's apex business body, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), made such observations on Thursday at a press conference.

<https://today.thefinancialexpress.com.bd/public/last-page/bdesh-can-attract-20b-from-cacci-nations-investors-1574963667>

Bank and NBF

Provisions shortfall soars in nine months

The provisions shortfall against classified loans in the country's banking system swelled by nearly 23 per cent or Tk 15.15 billion during the first nine months of the calendar year. The total shortfall soared to Tk 81.29 billion as on September 30 from Tk 66.15 billion on December 31 last year, according to the central bank's latest statistics. Talking to the FE, a senior official of the Bangladesh Bank (BB) said higher growth in non-performing loans pushed up the volume of provisioning shortfall with the

banks during the period.

<https://today.thefinancialexpress.com.bd/public/first-page/provisions-shortfall-soars-in-nine-months-1574963332>

Single-digit lending rate still a far cry

The government has fulfilled at least five demands from the private banks against the decision that they would implement single-digit lending rates but their commitment remains unfulfilled. Officials said that most of the private commercial banks failed to implement the decision made by the government during its immediate past tenure in order to boost private investment. Private investment being stagnant at 23 per cent of the gross domestic product for the last one decade has been a great worry for the government. According to the Financial Institutions Division, only 11 banks, mostly state-owned ones, have so far reduced their lending rate to single digit.

<http://www.newagebd.net/article/92294/single-digit-lending-rate-still-a-far-cry>

Fuel and power

BERC's public hearing on power price hike begins

Rights groups and political parties strongly protested on Thursday electricity tariff hike proposals and criticised installation of 'more than required' expensive oil-fired power plants. They also opposed continuation of the special law, enacted in 2010 for rapid development of the country's power and energy sector. Their protest came on the opening day of a four-day public hearing on electricity tariff hike proposals for almost all categories of consumers at TCB auditorium in the city. The Bangladesh Energy Regulatory Commission (BERC) arranged the public hearing after accepting the proposals in initial scrutiny.

<https://today.thefinancialexpress.com.bd/public/last-page/bercs-public-hearing-on-power-price-hike-begins-1574963769>

Capital market

Foreign investors pull out funds from stocks for record 9th month

Foreign investors at the Dhaka Stock Exchange withdrew investments for the record ninth month in November, pulling out Tk 876 crore from the market in nine months, mainly due to a lack of confidence in the market, pressure on the exchange rate and volatility of the financial sector. Net foreign investment dipped to Tk 99 crore negative in November after investors had withdrawn Tk 96.92 crore in October. The overseas investors sold shares worth Tk 321.3 crore against their purchase of shares worth Tk 222.4 crore in November.

<http://www.newagebd.net/article/92256/foreign-investors-pull-out-funds-from-stocks-for-record-9th-month>

Stocks

Brac Bank retains Moody's highest credit rating

Brac Bank has retained the highest credit rating of Moody's Investor Service, Ba3, for the third consecutive year since 2017. It is the only Bangladeshi bank with the rating which is equivalent to sovereign rating

of Bangladesh as per Moody's affirmation on November 21, the bank said in a statement yesterday. "According to Moody's, the affirmation of Brac Bank's rating reflects the bank's strength in the SME segment that has led to superior asset quality and profitability when compared to its rated peers in Bangladesh," according to the statement. The bank is also less vulnerable to asset risks arising from corporate credit exposures, because of the high proportion of SME loans in its portfolio, it said.

<https://www.thedailystar.net/business/news/brac-bank-retains-moodys-highest-credit-rating-1834126>

Mutual Trust Bank gets new MD

Syed Mahbubur Rahman has recently been appointed managing director (MD) and chief executive officer (CEO) of Mutual Trust Bank. He was previously Dhaka Bank's MD and CEO, says a statement. He also served Brac Bank as MD, CEO and deputy managing director. Rahman is the chairman of the Association of Bankers, Bangladesh. He started his career as a monitoring officer at the Saudi-Bangladesh Industrial & Agricultural Investment Company in 1988 after attaining an MBA degree from the Institute of Business Administration of the University of Dhaka. Rahman also served the Industrial Leasing and Development Company, ANZ Grindlays Bank Bangladesh, Standard Chartered Bank and Citibank NA in various capacities.

<https://www.thedailystar.net/business/news/mutual-trust-bank-gets-new-md-1834123>

ADN Telecom holds IPO lottery draw

The lottery draw for the allotment of initial public offering (IPO) of ADN Telecom Ltd., which raised a fund of Tk 570 million through book-building method, was held on Thursday. The IT and telecommunication service provider held the lottery draw at the Institution of Engineers, Bangladesh (IEB) in the city. The lottery results have been published on the websites of the Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. The Bangladesh Securities and Exchange Commission, the securities regulator, approved the company's IPO proposal on September 3.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/adn-telecom-holds-ipo-lottery-draw-1574961191>

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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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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
Md. Sakib Chowdhury, CFA	Deputy Head of Research	sakib.chowdhury@ucb.com.bd	+880 1713 205 698
Md. Nazmus Sakib	Research Associate	nazmus.sakib@ucb.com.bd	+880 1701 205 073
Anik Mahmood Ibne Anwar	Research Associate	anik.mahmood@ucb.com.bd	+880 1701 205 074
Shadman Sadique Kamal	Research Associate	shadman.kamal@ucb.com.bd	+880 1701 205 096
Md. Asif Muntasir Shakkhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	tahmid@blomberg.net rahman.tahmidur@ucb.com.bd	+880 1726 995 520

Office Premises

Head Office
6, Dilkusha C/A
1st Floor
Dhaka- 1000
Bangladesh

Corporate Office
Bulus Center (Level-2)
Plot-CWS(A)-1, Road No-34
Gulshan Avenue
Dhaka-1212
Bangladesh

DSE Extension Office
Room # 633, 9/E DSE Annex
Building (5 th Floor)
Motijheel C/A, Dhaka 1000
Bangladesh

Extension of Main Office
NIK Tower, 55 Dilkusha C/A,
(4th Floor), Dhaka-1000.

Chattogram Office
Muntasir Centre (5th Floor),
253, Wasa Circle, Dampara
Khulshi, Chattogram.

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