

Bangladesh market snapshot

	Last closing
DSEX Index	5,599.80
% change	-0.89%
DS30 Index	2,125.49
% change	-1.62%
DSES Index	1,254.13
% change	-0.89%
Turnover (BDT mn)	7,182.22
Turnover (USD mn)	85.50
% change	-12.74%
Market Capitalization (BDT bn)	4,759
Market Capitalization (USD bn)	56.65
% change	-0.66%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	30,211.91
% change	+0.76%
Nikkei 225	28,376.20
% change	+1.02%
FTSE 100	6,466.42
% change	+0.92%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	102.93
GBP	116.21
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
31-Jan-2021	1.00-5.25	1.70
28-Jan-2021	1.00-5.25	1.72

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	56.89	+0.96%
Gold Spot, USD/t oz	1,855.99	-0.26%
Cotton, USD/lb	80.29	+0.32%

Source: Bloomberg

Economy

Remittance stays robust

Remittance flow to Bangladesh has maintained its robust growth in January despite the persisting pandemic although it dropped below \$2 billion for the first time in the last five months. Expatriate Bangladeshis sent home \$1.96 billion last month, up 19.78 per cent year-on-year. Remittance fetched more than \$2 billion for Bangladesh between September and December. The inflow, however, has started to slow since September.

<https://www.thedailystar.net/business/news/remittance-stays-robust-2037761>

<https://today.thefinancialexpress.com.bd/last-page/bd-gets-1962b-in-remittance-in-jan-1612203546>

H1 net sales cross fiscal year target

Net sales of the state-run savings instruments in the first half surpassed the target set for entire fiscal year (FY) 2020-21. The net sales of savings certificates were Tk 204.87 billion during the July-December period. The government's net borrowing target from savings tools is Tk 200 billion for this fiscal.

<https://today.thefinancialexpress.com.bd/last-page/h1-net-sales-cross-fiscal-year-target-1612203450>

<https://www.dhakatribune.com/business/banks/2021/02/02/savings-tools-sales-crosses-fy-target-in-just-6-months-2>

Exports, cheap foreign loans to take a hit for LDC graduation

Bangladesh's export earnings and the flow of concessional foreign financing and grants will decline once it becomes a developing country. The projected loss of exports and grants and higher debt service costs would lead to higher current account deficit.

<https://www.thedailystar.net/business/news/exports-cheap-foreign-loans-take-hit-ldc-graduation-2037765>

WB to give \$500m loan to widen, improve roads

The World Bank (WB) will provide US\$500 million in loan to Bangladesh for widening the Jashore-Jhenaidah road into a four-lane highway as well as improving the connecting rural roads and markets. The loan from the WB's new funding programme - Scale-up Facility (SUF) - has a 34-year term, including a four-year grace period.

<https://today.thefinancialexpress.com.bd/last-page/wb-to-give-500m-loan-to-widen-improve-roads-1612203499>

Tannery

Footwear recovery still in the slow lane

The footwear sector is still struggling to cushion pandemic blows and return to the pre-pandemic level as demand continues to be on the lower side in both domestic and foreign markets. People now refrain from buying footwear unless it is necessary as they have tightened their belts losing purchasing power amid the pandemic.

That is why, the sector, which witnessed an over 40% fall in sales because of the pandemic, is yet to get on the recovery track. The industry with about 12-15% annual growth is now counting losses.

<https://tbsnews.net/economy/industry/footwear-recovery-still-slow-lane-195334>

Capital Market

EIs to join in IPO bidding thru' committee

The eligible investors (EIs) will have to take part in the initial public offering (IPO) bidding through a committee, which will unbiasedly recommend quantity and price of the shares concerned, based on some criteria. The Bangladesh Securities and Exchange Commission (BSEC) introduced a valuation method for the EIs on Monday to curb the alleged manipulation that took place while recommending share prices under the book building method. The EIs will have to form a bidding recommendation committee, comprising at least two members having relevant knowledge, skill, qualification and experience.

<https://today.thefinancialexpress.com.bd/first-page/eis-to-join-in-ipo-bidding-thru-committee-1612202910>

<https://www.dhakatribune.com/business/stock/2021/02/02/bsec-devises-ways-to-curb-murky-share-bidding>

Stock

GP hasn't set aside funds against govt's audit claim: auditor

Grameenphone has not set aside any funds against the government's claim of Tk 12,580 crore in unpaid taxes and fees, prompting its auditor to include it as an emphasis of matter paragraph in the financial statement. The Bangladesh Telecommunication Regulatory Commission (BTRC) in 2019 asked the operator to pay Tk 12,580 crore in dues concerning the audit conducted by the commission from the period from the company's inception in 1997 to December 31, 2014.

<https://www.thedailystar.net/business/news/gp-hasnt-set-aside-funds-against-govts-audit-claim-auditor-2037753>

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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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