

Bangladesh market snapshot

	Last closing
DSEX Index	4,409.92
% change	-1.57%
DS30 Index	1,474.68
% change	-1.19%
DSES Index	1,028.68
% change	-1.55%
Turnover (BDT mn)	4,561.70
Turnover (USD mn)	54.31
% change	-18.75%
Market Capitalization (BDT bn)	3,380
Market Capitalization (USD bn)	40.24
% change	-1.46%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,409.36
% change	-1.39%
Nikkei 225	21,142.96
% change	-3.67%
FTSE 100	6,580.61
% change	-3.18%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	93.65
GBP	109.61
INR	1.17

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	51.39	3.46%
Gold Spot, USD/t oz	1,598.38	0.80%
Cotton, USD/lb	63.42	3.14%

Source: Bloomberg

Economy

Remittance: the only bright spot

Remittance kept up its strong growth momentum last month as migrant workers sent home 10.16 per cent more than they did a year earlier, in a major boost to the economy under stress from sliding exports. Exports fell 5.21 per cent year-on-year to \$22.92 billion in the first seven months of the fiscal year, according to data from the Export Promotion Bureau. In February, expatriate Bangladeshis sent home \$1.45 billion to take the tally to \$12.49 billion so far in fiscal 2019-20. The eight-month receipts were up 20.05 per cent year-on-year, according to data from the Bangladesh Bank. The 2 per cent cash subsidy for remitters from this fiscal year has been the main driver behind the spike, according to economists and BB officials.

<https://www.thedailystar.net/business/news/remittance-the-only-bright-spot-1875130>

Development community needs to support graduating LDCs

The international development community has to devise a set of support measures for the least developed countries in order to ensure their smooth and sustainable graduation, said Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD). In the next decade, 12 countries, including Bangladesh, will walk out of the LDC group, he said. The meeting was chaired by Rabab Fatima, ambassador of Bangladesh to Japan, permanent representative of Bangladesh to the United Nations, New York and the acting chair of the coordination bureau of the LDC group in the UN.

<https://www.thedailystar.net/business/news/development-community-needs-support-graduating-lDCs-1875109>

Construction of Padma Bridge impeded

The construction of Padma Bridge, which got pace few months back overcoming its foundation-related problems since 2015, was impeded again in February due to absence of an adequate number of Chinese staff following coronavirus outbreak. Sources said one-third of the staff of China Major Bridge Engineering Corporation Ltd (CMBEC) could not join their work until February as they were either kept in quarantine or not allowed to leave their own country. Key staffers included deputy project manager, engineers and technicians etc.

<https://today.thefinancialexpress.com.bd/first-page/construction-of-padma-bridge-impeded-1583084933>

Bangladesh least influential country

Bangladesh has very limited ability to attract global brands to do business in the country because it has minimal familiarity, influence and reputation around the globe. This is reflected in the Global Soft Power Index 2020, where Bangladesh ranks 57th out of 60

countries, and achieves only 28.5 out of 100 score. Out of three metrics, Bangladesh shares the worst score with Kazakhstan and Myanmar in the 'Influence' metric with a score of 2.6 out of 10. In the other two metrics, Bangladesh scores 4.7 in Familiarity and 5.3 in Reputation out of 10.

<https://tbsnews.net/bangladesh/bangladesh-least-influential-country-48577>

Coronavirus can't tame Bangladesh's growth momentum

Bangladesh's export and import activities will both be affected by the coronavirus pandemic but the country would not face much difficulty in attaining its GDP growth target of 8.20 per cent for this fiscal year, according to an official document. The country clocked in 8.15 per cent GDP growth in fiscal 2018-19, the highest in the Asia Pacific region, riding on strong domestic demand and supportive fiscal and monetary policies. The strong growth in the flow of remittance will contribute to furthering of domestic demand, said the finance ministry document prepared on the potential impact of the virus on the economy. The report was sent to the Prime Minister's Office recently.

<https://www.thedailystar.net/business/news/coronavirus-cant-tame-bangladeshs-growth-momentum-1873864>

Bank and NBFI

4 banks move to form spl funds for stocks

Four banks have moved to form special funds for the capital market investment complying with a Bangladesh Bank directive. The four banks are Dhaka Bank, Sonali Bank, Rupali Bank and The City Bank, said sources in the BB and the Bangladesh Securities and Exchange Commission. The City Bank has applied to the central bank for renewal of Tk 50 crore in REPO facility, previously taken for the stock market investment purpose. An official of The City Bank told New Age that the bank had initiated a process to form the special fund under the BB's circular.

<https://www.newagebd.net/article/101006/4-banks-move-to-form-spl-funds-for-stocks>

Rural areas power agent banking

The agent banking is booming, mostly in rural areas, supported by a large inflow of remittances, according to Bangladesh Bank officials. Agent banking is defined as financial services targeted to the underserved population through engaged agents under a valid agency agreement, rather than a cashier. An agent banker is the owner of an outlet, who conducts banking transactions on behalf of a bank. The volume of remittances inflow through this channel was recorded at Tk. 155.3 billion at the end of December 2019, up by 106 per cent over a year earlier.

<https://today.thefinancialexpress.com.bd/first-page/rural-areas-power-agent-banking-1583084877>

Telecommunication**'No network' for illegal handsets after July**

Mobile handsets, imported illegally or having fake International Mobile Equipment Identity (IMEI) numbers and operating since last August, will not be able to use the country's mobile networks. Bangladesh Telecommunication Regulatory Commission (BTRC) will disconnect all such handsets, once it sets up National Equipment Identity Register (NEIR), a system meant to check use of fake handsets, said a BTRC circular issued on Sunday.

<https://today.thefinancialexpress.com.bd/last-page/no-network-for-illegal-handsets-after-july-1583085420>

Textile**BGMEA offers coronavirus battle plan**

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has put forward a nine-point proposal to protect the local ready-made garment (RMG) sector from the curse of coronavirus. The proposal included the rescheduling of bank loans of garment owners with a 7.0-per cent interest rate. BGMEA made the proposal at a view-exchange meeting held at its Chattogram regional office on Sunday. The local ready-made garment (RMG) sector has been hit hard by the novel viral strain globally, said the leaders of the apex garment association.

<https://today.thefinancialexpress.com.bd/last-page/bgmea-offers-coronavirus-battle-plan-1583085560>

Engineering**Walton launches five ventures, including handset export to US**

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.newagebd.net/article/101009/walton-launches-five-ventures-including-handset-export-to-us>

Capital Market**FRC urges BSEC to take action against Advent Pharma, auditor Ahmed Zaker**

The Financial Reporting Council has requested the Bangladesh Securities and Exchange Commission to take punitive action against Advent Pharma and chartered accountant Ahmed Zaker & Co for anomalies in appointing auditor, breaching corporate governance and ambiguity in utilisation of initial public offering proceeds. The FRC in a letter on February 26 urged the stock market regulator to take monetary and disciplinary action against the company and auditor as per laws of the land, mentioning a

number of irregularities.

<https://www.newagebd.net/article/101005/frc-urges-bsec-to-take-action-against-advent-pharma-auditor-ahmed-zaker>

Stocks

ACI swims against the tide, enters shrimp export market

ACI Agrolink, a subsidiary of Advanced Chemical Industries (ACI), has set foot in shrimp processing to make a breakthrough in the global seafood market and take the sector out of troubled waters. Bangladesh's shrimp exports have been on the wane since fiscal 2013-14 in the face of increased competition from countries such as India, Vietnam and Thailand, where low-priced vannamei shrimp are grown.

<https://www.thedailystar.net/business/news/aci-swims-against-the-tide-enters-shrimp-export-market-1875118>

Insurance

Govt to introduce various types of insurance: PM

Prime Minister Sheikh Hasina said Sunday steps have been taken to introduce various types of insurances including agriculture insurance, health insurance, insurance for the rail passengers and building insurance, reports UNB. The Prime Minister said the government already introduced insurance for expatriate Bangladeshi workers. Hasina directed the authorities concerned to bring insurance activities under technology based automation system and settle insurance claims of clients quickly to restore the people's faith in the sector.

<https://today.thefinancialexpress.com.bd/last-page/govt-to-introduce-various-types-of-insurance-pm-1583085370>

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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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