

## Bangladesh market snapshot

	Last closing
DSEX Index	4,434.82
% change	0.56%
DS30 Index	1,479.72
% change	0.34%
DSES Index	1,030.16
% change	0.14%
Turnover (BDT mn)	4,197.00
Turnover (USD mn)	50.00
% change	-7.99%
Market Capitalization (BDT bn)	3,399
Market Capitalization (USD bn)	40.00
% change	0.55%

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

### Private sector growth cooling down

The current economic state shows that the apprehension of the global rating agency is likely to come true. Hints of an economic slowdown is looming as the year started with slump in all major economic indicators like private sector credit growth, import and export data raising fears of hard times ahead. Export growth have been on the decline for months. New data released yesterday show private sector credit growth fell further and imports shrank.

<https://www.tbsnews.net/economy/private-sector-growth-cooling-down-50890>

### 'Contribution of employment to growth drops drastically'

The country's economy has been more capital intensive over the last decade with a significant drop in the contribution of employment to GDP growth, said economists and experts on Monday. Young people are now trying to find jobs abroad shying away from the domestic labour market, they added. They were addressing a seminar titled "Bangladesh employment and labour market watch, 2019: Sectoral challenges and opportunities" in the capital.

<https://www.tbsnews.net/economy/contribution-employment-growth-drops-dramatically-50866>

### Import fall pushes up tax revenue shortfall

Tax revenue shortfall aggravated further, hovering to a deficit worth Tk 374.97 billion against its target until January of the current fiscal year (FY), 2019-20, largely due to fall in import of revenue-generating commodities. Tax on import-export stage posted 1.04 per cent growth with the highest shortfall of Tk 158.26 billion against its target, according to the National Board of Revenue (NBR) provisional data disclosed on Monday. The NBR's VAT Wing also faced shortfall worth Tk 120.21 billion, while Income Tax Wing Tk 96.49 billion.

<https://today.thefinancialexpress.com.bd/first-page/import-fall-pushes-up-tax-revenue-shortfall-1583170904>

## Bank and NBFIs

### Bangladesh Bank asks banks to set 9pc lending rate now for essential goods import

The Bangladesh Bank on Monday asked all scheduled banks to implement immediately the lending rate at the highest 9 per cent for import financing for nine essential commodities ahead of the month of Ramadan, the month of fasting for the Muslims.

<https://www.newagebd.net/article/101085/bangladesh-bank-asks-banks-to-set-9pc-lending-rate-now-for-essential-goods-import>

## **NBFIs meet with Kamal, seek support**

Finance Minister AHM Mustafa Kamal yesterday said the government would extend support to the country's 34 non-bank financial institutions in order to mitigate their ongoing financial woes. He came up with the decision at a meeting with the Bangladesh Leasing and Finance Companies Association (BLFCA), a forum of the managing directors of the NBFIs, at the secretariat.

<https://www.thedailystar.net/business/news/nbfis-meet-kamal-seek-support-1875604>

## **Textile**

### **Virus hammers garment industries in Cambodia, Vietnam**

Cambodia's multi-billion-dollar garment industry is at risk of chain disruption from the deadly coronavirus, its strongman premier said Monday, as the outbreak cripples Southeast Asia's key industries, bringing border trade to a trickle. The death toll from the virus, which emerged from Wuhan in central China, has reached over 3,000 worldwide -- the bulk of the fatalities in the mainland. Beijing issued unprecedented lockdowns for cities and provinces most affected, bringing to a shuddering halt the so-called "Factory of the World" -- key to a global supply chain.

<https://www.thedailystar.net/business/news/virus-hammers-garment-industries-cambodia-vietnam-1875625>

### **Vietnam beats us in RMG for last 5 months in 2019**

Vietnam beat Bangladesh in apparel export in the last five months of 2019. During this period, the Southeast Asian country fetched around \$2 billion more than Bangladesh (\$12.7 billion). However, in the last calendar year, Bangladesh was marginally ahead of Vietnam in overall apparel export. From January to December last year, Bangladesh's apparels earned \$422 million more than that of Vietnam, enabling Bangladesh to retain its second position.

<https://www.tbsnews.net/economy/rmg/vietnam-beats-us-rmg-last-5-months-2019-50887>

## **Capital Market**

### **Walton has great prospects. But questions hang over its IPO prospectus.**

Local electronics giant Walton is, arguably, going through a purple patch. For instance, earlier this week, it flagged off shipments of 26,000 air conditioners to India's Hyundai and also inaugurated its sprawling lift manufacturing plant, both of which are firsts for Bangladesh. There appears to be no end to its ambitions. But, funding is needed to achieve those goals, which is why the trailblazing electronics manufacturer has decided to turn to the capital market to raise Tk 100 crore.

<https://www.thedailystar.net/business/news/walton-has-great-prospects-questions-hang-over-its-ipo-prospectus-1875637>

## **Robi seeks BSEC nod to float Tk 523cr IPO**

Robi Axiata Limited, the second largest mobile operator in Bangladesh, on Monday filed draft papers with market regulator Bangladesh Securities and Exchange Commission to raise Tk 523.79 crore through an initial public offering. BSEC officials said that Robi submitted its draft prospectus with various documents to the market regulator as well as the Dhaka and Chittagong stock exchanges for getting approval for its IPO.

<https://www.newagebd.net/article/101084/robi-seeks-bsec-nod-to-float-tk-523cr-ipo>

## **Fuel & Power**

### **Payra plant awaits rise in mercury for commercial operation**

Payra coal-fired power plant, the country's largest electricity generation unit, is waiting for a rise in mercury for higher demand of electricity to initiate commercial operation from its 660 megawatt, or MW, unit. The plant, owned by Bangladesh-China Power Company Ltd, or BCPCL, is now on a trial run and generated electricity as high as 550 MW.

<https://today.thefinancialexpress.com.bd/last-page/payra-plant-awaits-rise-in-mercury-for-commercial-operation-1583171893>

## **Stocks**

### **Khaled for administrator at ILFSL**

The central bank should appoint an administrator at the scam-hit International Leasing and Financial Services Ltd (ILFSL) to salvage it from further deterioration, said its outgoing Chairman Khondker Ibrahim Khaled. The former deputy governor of the central bank handed in his resignation letter on Sunday to both the High Court, which appointed him at the NBFIL, and the Bangladesh Bank citing health reasons.

<https://www.thedailystar.net/business/news/khaled-administrator-ilfsl-1875574>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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