

## Bangladesh market snapshot

	Last closing
DSEX Index	4,214.43
% change	1.04%
DS30 Index	1,420.64
% change	1.34%
DSES Index	976.50
% change	1.23%
Turnover (BDT mn)	5,809.08
Turnover (USD mn)	69.16
% change	45.40%
Market Capitalization (BDT bn)	3,257
Market Capitalization (USD bn)	38.78
% change	0.74%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	26,428.32
% change	+0.44%
Nikkei 225	22,123.93
% change	+1.91%
FTSE 100	5,897.76
% change	-1.54%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	100.01
GBP	110.21
INR	1.13

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
29-Jul-2020	3.25-5.50	4.96
28-Jul-2020	3.00-5.50	4.87

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	43.34	-0.41%
Gold Spot, USD/t oz	1,972.97	-0.15%
Cotton, USD/lb	62.87	+0.34%

Source: Bloomberg

## Economy

### Finance ministry disburses Tk1,000cr for job creation

The Ministry of Finance has disbursed Tk1,000 crore for the implementation of an incentive package, focusing on the job creation for locals and returning expatriates who became unemployed amid the Covid-19 pandemic. The Finance Division disbursed Tk250 crore each to three specialised state-owned banks – Karmasangsthan Bank, Probashi Kallyan Bank and Palli Sanchay Bank – and the Palli Karma Sahayak Foundation (PKSF) on Thursday.

<https://tbsnews.net/economy/finance-ministry-disburses-tk1000cr-job-creation-114142>

### Bangladesh receives \$202 million from WB for food security

The World Bank's board of executive directors today approved USD 202 million in additional financing for the Modern Food Storage Facilities Project to increase the storage capacity of Bangladesh's national strategic grain reserves by 535,500 tons for 4.5 million households.

<https://www.thedailystar.net/business/news/bangladesh-receives-202-million-wb-food-security-1939393>

### New stores open doors defying pandemic

Opening a new business or expanding the existing operations amid a pandemic do not make sense as demand invariably tends to be too low. But some intrepid local entrepreneurs are going against the grain. If anyone goes through Banani 11, they would come across the dazzling façade of two new stores, which corroborate the claims of economists and experts that Bangladesh would witness a V-shaped recovery once the pestilence passes.

<https://www.thedailystar.net/business/news/new-stores-open-doors-defying-pandemic-1938981>

### Bangladesh to receive \$1.5 million from Norway to enhance safety in ship recycling industry

Bangladesh will receive \$1.5 million from the government of Norway to implement the Safe and Environmentally Sound Ship Recycling in Bangladesh (SENSREC) for enhancing safe and environmentally sound ship recycling process. With this agreement, Bangladesh has been given the green light by the International Maritime Organization (IMO) to implement the third phase of this project, reports Hellenic Shipping News.

<https://tbsnews.net/bangladesh/bangladesh-receive-15-million-norway-enhance-safety-ship-recycling-industry-114262>

### Over 5.4m people facing adverse effects of flood

More than 5.44 million people in 33 districts have been facing adverse effects of flood that set in during the last week of June, the Disaster Management and Relief Ministry said in a press release. The ministry also said around 111,4000 families have been

marooned in the country's current bout of flooding, reports UNB. Meanwhile, a daily bulletin of the Directorate General of Health Services (DGHS) confirmed on Sunday that the death toll from the ongoing flood - - already the longest-lasting since 1998 -- remained at 135, with no new deaths (due to flood) recorded in the preceding 24 hours.

<https://thefinancialexpress.com.bd/national/over-54m-people-facing-adverse-effects-of-flood-1596373895>

### **Govt aims to revive pandemic-hit tourism**

Bangladesh is exploring ways to kick-start tourism in line with the health and safety protocols after the coronavirus pandemic laid waste to the industry, inflicting billions of Takas in losses. A Standard Operating Procedure (SOP) prepared in this regard is awaiting government approval. Meanwhile, the Cox's Bazar district administration is planning to reopen tourist spots with reduced capacity. However, there remains a sense of scepticism about whether the panic-stricken people will visit the spots at all amid the crisis.

<https://thefinancialexpress.com.bd/national/govt-aims-to-revive-pandemic-hit-tourism-1596380997>

### **Bank and NBFIs**

#### **No surprises as banks' profits plummet in the second quarter**

The expected happened. Banks' profits were supposed to take a massive hit in the second quarter of 2020, and that took place. Most of the listed banks' profits slumped in the April-June quarter on the back of the shrunken economic activities for the pandemic and the implementation of the single-digit interest rate for lending while still paying higher interest for some deposit schemes. The banks' overall lending, as well as loan recovery, also plummeted to new depths during the period. Their non-interest income suffered a major blow as export and import dropped significantly while earnings from the ailing stock market were very depressing. Of the 30 listed banks, only eight posted higher profits in the quarter compared with a year, while 18 booked lower profits, two incurred more losses. The other two are yet to publish their earnings.

<https://www.thedailystar.net/business/news/no-surprises-banks-profits-plummet-the-second-quarter-1938969>

#### **Banks get 3 more months to introduce simple account opening forms**

The Bangladesh Bank on Thursday granted banks three more months to introduce the new and simplified forms modified as per the recommendations of a government committee for opening bank accounts. In February, the BB asked the banks to introduce the simplified forms — know-your-customer (KYC) and account opening forms — by June 30 this year. In light of the changed situation after the coronavirus outbreak, the BB instructed the banks to introduce the simplified forms by September 30 this year. The BB circular also asked the banks to introduce the forms within the extended timeframe and submit them to the central bank within 10 days of launching.

<https://www.newagebd.net/article/112495/banks-get-3-more-months-to>

[-introduce-simple-account-opening-forms](#)

### Fuel and Power

#### LNG imports up 64.61pc in FY '20

Bangladesh's liquefied natural gas (LNG) import increased significantly by 64.61 per cent in last fiscal year (FY), 2019-20, to 4.164 million tonnes to meet the mounting domestic gas demand. The state-run Petrobangla imported 2.53 million tonnes of LNG in the previous FY, 2018-19, through its subsidiary Rupantarita Prakritik Gas Company Ltd (RPGCL), a senior official said. The increased volume of LNG was consumed by the country's gas-guzzling industries and factories, especially the gas-fired power plants.

<https://thefinancialexpress.com.bd/economy/bangladesh/lng-imports-up-6461pc-in-fy-20-1596166613>

### Textile

#### Most garment workers got full bonus and salary

Almost all the garment and knitwear factories have paid their workers Eid festival bonus and salaries for July yesterday, in a refreshing departure from previous years, where the days leading up the religious festivals are almost always marred by demonstrations. As many as 96 per cent, or 1,821 out of 1,898, of the factories that are members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have paid workers Eid festival bonus, while 94 per cent, or 1,788, of them have paid the salary for July.

<https://www.thedailystar.net/business/news/most-garment-workers-got-full-bonus-and-salary-1938973>

### Tannery

#### Bad news for rawhide trade this year too

The rawhide business at the retail level across the country faces a major blow this year as well because of the low demand despite government's efforts. Farmers and seasonal traders could not sell skins of the sacrificed animals at government set prices even though they were lowered by 30 percent than that of last year, mainly to create a demand at the field level. Cowhides were sold at Tk 100 to Tk 150 per piece in different districts while goat skins were sold at Tk 5 to Tk 15.

<https://www.thedailystar.net/business/news/bad-news-rawhide-trade-year-too-1939385>

<https://tbsnews.net/economy/trade/export-permission-has-no-effect-depressed-rawhide-market-114703>

### Capital Market

#### BSEC cancels IPO proposal of JMI Hospital

The securities regulator has cancelled the IPO (initial public offering) proposal of JMI Hospital Requisite Manufacturing Ltd after finding a number of non-compliances including overstating the profit. Under the book building method, JMI Hospital is the first company whose IPO proposal has been cancelled by the regulator. The Bangladesh Securities

and Exchange Commission (BSEC) on Thursday issued a letter to the company cancelling its IPO proposal. On completion of road show in October, 2019 JMI Hospital, a sister concern of JMI Group, had submitted its IPO proposal to raise funds worth Tk 750 million from the capital market.

<https://thefinancialexpress.com.bd/stock/bsec-cancels-ipo-proposal-of-jmi-hospital-1596166999>

### **BB acts to bring infra firms in stock mkt**

The central bank has announced a guideline for attracting non-listed private infrastructure companies, in which commercial banks have equity exposure, to the capital market to help lower risks. Under the guideline, all banks have been asked to enter into agreements with parties concerned before making any investment so that the companies can be drawn into the capital market within one year from the first date of subscription. The companies should go for direct listing with a maximum of 5.0 per cent of the paid-up capital in the first year, according to the notice.

<https://thefinancialexpress.com.bd/stock/bb-acts-to-bring-infra-firms-in-stock-mkt-1596165285>

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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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## Contact Us

### Research Team

Md. Hasib Reza, CFA	Head of Research	hasib.reza@ucb.com.bd	+880 1755 658 997
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

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
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### Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	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.