

Bangladesh market snapshot

	Last closing
DSEX Index	5,618.96
% change	4.01%
DS30 Index	2,078.95
% change	5.86%
DSES Index	1,299.52
% change	4.62%
Turnover (BDT mn)	19,257.73
Turnover (USD mn)	229.26
% change	24.78%
Market Capitalization (BDT bn)	4,646
Market Capitalization (USD bn)	55.31
% change	3.66%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	30,606.48
% change	+0.65%
Nikkei 225	27,344.87
% change	-0.36%
FTSE 100	6,460.52
% change	-1.45%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	103.61
GBP	115.97
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
30-Dec-2020	1.00-5.25	2.12
29-Dec-2020	1.00-5.25	1.82

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	52.57	+1.49%
Gold Spot, USD/t oz	1,923.24	+1.29%
Cotton, USD/lb	78.88	+0.97%

Source: Bloomberg

Economy

Remittance hits \$21.7b, an all-time high

Remittance hit an all-time high of \$21.74 billion last year as migrant workers continued to use formal channels sidestepping the hundi system to send home massive amounts of money. Last year, the inflow posted a magnificent growth of 18.59 per cent compared to that in the previous year. Migrant workers remitted \$2.05 billion in December, meaning that the inflow crossed the \$2-billion mark for the fourth straight month.

<https://www.thedailystar.net/business/news/remittance-hits-217b-all-time-high-2022065>

<https://www.newagebd.net/article/126193/remittance-swells-by-38pc-in-h1>

Budget step hauls record taxes

The government has received a record Tk 8.80 billion in tax from the holders of undisclosed money in the first half of the current fiscal year. Between July and December, some 6,937 people disclosed their undeclared income availing the opportunity offered in the budget for FY 2020-21. This represents the highest amount of tax the government has received since offering such an opportunity.

<https://today.thefinancialexpress.com.bd/first-page/budget-step-hauls-record-taxes-1609696631>

NSC sales in July-Nov reaches 95.22pc of FY21 target

Net government borrowing against sales of national savings certificates reached 95.22 per cent of the budgetary target in the first five months of the current fiscal year 2020-2021 amid falling deposit rates in the banking system. Net sales of the NSCs reached Tk 19,044.92 crore against the Tk 20,000-crore projection fixed in the fiscal budget for the year 2020-2021. In July-November of FY21, net sales of the NSCs were 270 per cent or Tk 13,903.28 crore higher against the National Savings Directorate's net sales of Tk 5,141.64 crore in the same period of FY20. The net NSCs sales, particularly in November of FY21, rose by 961.25 per cent or Tk 3,081 crore to Tk 3,402.57 crore compared with sales of Tk 320.62 crore in the same month of FY20.

<https://www.newagebd.net/article/126196/nsc-sales-in-july-nov-reaches-9522pc-of-fy21-target>

EZs get \$4.08b investment proposals in 2020

The country's Economic Zones or EZs received investment proposals worth \$4.08 billion in the last calendar year. Of the total investment proposals, \$3.15 billion, including \$545.21 million foreign investments, were reported amid the pandemic period. Foreign companies investing in Bangladesh's EZs include Berger Paints, Jiangsu Yabang Dyestuff, Jiehong Medical Products, CCECC Bangladesh, Fortis Group, Lizard Sports BV, and Inter-Asia group.

<https://today.thefinancialexpress.com.bd/trade-market/ezs-get-408b-investment-proposals-in-2020-1609691159>

Budget to see major cuts as earnings, spending drop

The government is likely to downsize its income and expenditure targets in the revised budget because of lower revenue growth, slower implementation of development programmes and a fall in spending due to the pandemic. The Tk 568,000-crore budget might be slashed by Tk 30,000 crore. The Tk 205,145-crore annual development programme (ADP) will be trimmed by Tk 8,000 crore through a reduction in the allocation for foreign-aided projects. Other areas that will also see a cut include subsidy and block allocations. The government has set aside Tk 54,695 crore for subsidy expenditure and Tk 10,000 crore in block allocation for the current fiscal year. The revised budget will be finalised in March.

<https://www.thedailystar.net/business/news/budget-see-major-cuts-earnings-spending-drop-2022053>

Bank and NBFIs**BB extends deadline until March 31**

The central bank has further extended the deadline for execution of the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) by three months more. Under the revised deadline, scheduled banks and non-banking financial institutions (NBFIs) are now allowed to implement the package for the sector by March 31, 2021 instead of December 31, 2020. The banks and NBFIs, which have failed to achieve their targets, will have to submit month-wise action plans to the BB's department concerned by January 17 for implementation of the package properly.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-deadline-until-march-31-1609696844>

Loans are turning sour at NBFIs at an alarming rate

Default loans at the non-bank financial institutions (NBFIs) soared 15 per cent to Tk 10,244.7 crore between July and September despite the loan moratorium facility offered by the central bank. At the end of the third quarter of 2020, the 33 NBFIs' bad loans accounted for about 15.5 per cent of their total outstanding loans of Tk 66,215.4 crore. Three months earlier, default loans accounted for 13.3 per cent of the outstanding loans. Default loans soared 49.8 per cent from a year earlier at the NBFIs.

<https://www.dhakatribune.com/business/2021/01/04/loans-are-turning-sour-at-nbfis-at-an-alarming-rate>

Textile**Knitwear makers want 2-yr suspension of raise**

Union leaders want the continuation of a 5 per cent annual increment of wages for garment workers while knitters demand that the government let them suspend it for the next two years for mitigating the Covid-19 fallout. Meanwhile, workers are getting less overtime for a decline in work orders from international retailers and brands and this reduction of additional income is making it harder for them to make ends meet.

<https://www.thedailystar.net/business/news/knitwear-makers-want-2-yr>

[-suspension-raise-2022057](#)

Capital Market

IPO subscription of Lovello ice-cream begins

Subscription of the initial public offering (IPO) of Taufika Foods and Agro Industries that markets Lovello branded ice-cream started yesterday. Investors are allowed to subscribe to the company's shares within January 7. Under the fixed price method, Lovello ice cream will offload three crore ordinary shares at Tk 10 each.

<https://www.thedailystar.net/business/news/ipo-subscription-lovello-ice-cream-begins-2022025>

Energypac Power publishes IPO lottery results

Energypac Power Generation will allocate about 40.30 million ordinary shares among the investors as the company's IPO lottery draw was held on Sunday. The company's shares were oversubscribed by 6.91 times as total subscription received worth Tk 8.68 billion against public issue of IPO shares of nearly 40.30 million. The cut-off price of the company's shares had been fixed at Tk 35 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-power-publishes-ipo-lottery-results-1609692210>

Stock

Ifad Autos' cabin manufacturing unit begins production

Ifad Autos has started manufacturing cabins for trucks at its industrial park in Dhamrai in Dhaka. The cabin manufacturing unit was set up at an investment of Tk 19.2 crore. Production began on December 31 and it was financed using the proceeds from rights share issuance. The plant can produce 3,600 cabins in a single shift and it will go up to 10,000 units per annum when it runs at full-swing.

<https://www.thedailystar.net/business/news/ifad-autos-cabin-manufacturing-unit-begins-production-2022033>

<https://www.dhakatribune.com/business/2021/01/04/ifad-autos-is-now-manufacturing-truck-cabins>

Ibn Sina to enter natural medicine business

The listed drug maker plans to launch the subsidiary in the name of "Ibn Sina Natural Medicine" in order to take advantage of the sector's potential. The company's authorised and paid-up capital are Tk 40 crore and Tk 12 crore respectively.

<https://www.thedailystar.net/business/news/ibn-sina-enter-natural-medicine-business-2022037>

<https://www.dhakatribune.com/business/2021/01/04/ibn-sina-to-set-up-natural-medicine-subsiary>

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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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