

Bangladesh market snapshot

	Last closing
DSEX Index	4,466.07
% change	0.70%
DS30 Index	1,485.17
% change	0.37%
DSES Index	1,038.08
% change	0.77%
Turnover (BDT mn)	6,090.67
Turnover (USD mn)	72.51
% change	45.10%
Market Capitalization (BDT bn)	3,418
Market Capitalization (USD bn)	40.70
% change	0.58%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	26,703.32
% change	5.09%
Nikkei 225	21,082.73
% change	-1.22%
FTSE 100	6,791.34
% change	2.05%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	94.56
GBP	108.31
INR	1.17

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
02-Mar-2020	4.50-5.50	5.11
01-Mar-2020	4.50-5.50	5.09

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	52.76	1.74%
Gold Spot, USD/t oz	1,642.41	0.09%
Cotton, USD/lb	63.85	1.72%

Source: Bloomberg

Economy

Food inflation tumbles to 42-month low in February

Food inflation fell to a 42-month low of 4.97 per cent in February, helped by easing off pressures on some items such as rice and onions in recent months, official figures showed yesterday. As a result, overall inflation dropped to a 12-month low of 5.46 per cent last month, according to data from the Bangladesh Bureau of Statistics (BBS).

<https://www.thedailystar.net/business/news/food-inflation-tumbles-42-month-low-february-1876138>

BEZA gets \$20.5b investment proposals

Bangladesh Economic Zones Authority (BEZA) has received investment proposals amounting to around US \$ 20.50 billion from 151 local and foreign business entities thanks to various steps of government to attract new investments, officials said, reports BSS. BEZA is responsible for establishing and managing of state-run special economic zones (SEZs) across the country. Out of the investment proposals, top officials of BEZA said, around \$2.80 billion has already been invested in different SEZs.

<https://today.thefinancialexpress.com.bd/trade-market/beza-gets-205b-investment-proposals-1583257029>

Bangabandhu Railway Bridge Project: Cost revised, goes up by 72pc

The cost of Bangabandhu Sheikh Mujib Railway Bridge Construction Project has gone up to Tk 16,781 crore from Tk 9,734 crore. The Executive Committee of the National Economic Council (Ecne) revised the project at a meeting yesterday. The meeting was held at the planning ministry with Prime Minister Sheikh Hasina in the chair. The railway bridge will be built a few hundred yards north of the existing Bangabandhu Multipurpose Bridge over the Jamuna.

<https://www.thedailystar.net/frontpage/news/bangabandhu-railway-bridge-project-cost-revised-goes-72pc-1876018>

Coca-Cola to invest \$200m in Bangladesh

The Coca-Cola Company, one of the world's top three beverage manufacturers, plans to further expand its Bangladesh operations by investing \$200 million over the next five years, said its chairman and chief executive officer James Quincey. Coca-Cola has already invested more than \$100 million in Bangladesh but to expand its operations in a sustainable manner, the company will need to understand and align itself with the country's priorities, he added.

<https://www.thedailystar.net/business/news/coca-cola-invest-200m-bangladesh-1876078>

'ADB must become Bangladesh's development partner, not just a lender'

Finance Minister AHM Mustafa Kamal has asked the Asian Development Bank (ADB) to become a partner of Bangladesh in various freshly identified sectors of financial development, instead

of just granting loans. The minister made the comment on Tuesday, in response to a remark made by ADB Vice President for Finance and Risk Management Ingrid Van Wees. She said the ADB wants to work with Bangladesh's finance ministry to help reduce non-performing loans and to make the financial sector healthier.

<https://tbsnews.net/economy/adb-must-become-bangladeshs-development-partner-not-just-lender-51439>

KSA deports 7,000 BD workers in Jan-Feb

Some 7,000 Bangladeshi workers have been deported from Kingdom of Saudi Arabia (KSA) in January- February period of this year as the crackdown continues against the irregular foreign workers, insiders have said. Of them, around 300 were women workers who returned home because of workplace exploitations, according to welfare desk at the Hazrat Shahjalal International Airport and BRAC migration programme. Migration rights campaigners urged the authorities concerned to take diplomatic initiatives to check such deportation.

<https://today.thefinancialexpress.com.bd/trade-market/ksa-deports-7000-bd-workers-in-jan-feb-1583256908>

Stealing Tk64,000 crore a year by misinvoicing

Bangladesh lost a staggering Tk63,924 crore (\$7.53 billion) a year between 2008 and 2017 to trade misinvoicing, equivalent to nearly one-fifth of the country's tax collection target for the current fiscal year, says a major report by a US-based think-tank. The Global Financial Integrity (GFI), which published the report on Tuesday, also said the average value of Bangladesh's trade misinvoicing was 17.95 percent of the country's total trade with 135 developing countries and all of its trading partners during the same period.

<https://tbsnews.net/economy/nbr/misinvoicing-eats-tk64000cr-year-51445>

Bank and NBFI

High Court seeks explanation over 9% interest on loans

The High Court on Tuesday issued a rule asking the authorities concerned to explain why the Bangladesh Bank circular which set interest rate on bank loans at 9 percent would not be declared illegal. A High Court bench of Justices Abu Taher Mohammad Saifur Rahman and Zakir Hossain asked three people including Bangladesh Bank governor and finance secretary to respond within four weeks. On March 1, Barrister Syed Sayedul Haque Sumon filed the petition on behalf of an apprentice High Court lawyer.

<https://tbsnews.net/bangladesh/court/why-bb-circular-9-interest-should-not-be-declared-illegal-51091>

38 banks warned for failing to report on Tk100cr default loans

The Bangladesh Bank on Monday warned 38 banks for failing to report on the borrowers' accounts with Tk100 crore and above default loans. In letters sent to these banks, the Banking Regulations and Policy

Department of the central bank ordered them to submit the report within next Thursday. If a bank has no account with bad loans of Tk100 crore and above, it still has to submit the report mentioning zero number of such accounts in its statement, reads the letter.

<https://tbsnews.net/economy/banking/38-banks-warned-failing-report-tk100cr-default-loans-51466>

NBFIs seek BB liquidity support

Top executives of non-bank financial institutions (NBFIs) have sought emergency liquidity support from the central bank to improve their financial health. The support was sought in a meeting with the newly-elected committee of the Bangladesh Leasing and Finance Companies Association (BLFCA) at the Bangladesh Bank (BB) headquarters in Dhaka on Tuesday with BB Governor Fazle Kabir in the chair. In the meeting, the central bank high-ups assured the BLFCA leaders of examining their proposal on the emergency liquidity support.

<https://today.thefinancialexpress.com.bd/first-page/nbfis-seek-bb-liquidity-support-1583259181>

Telecommunication

Norway wants amicable solution to GP's issues

Norway wants a quick and amicable solution to the problems the country's leading mobile operator Grameenphone is facing in running its operations, said a top diplomat from the Nordic country. Last year, an audit by the Bangladesh Telecommunication Regulatory Commission (BTRC) into Grameenphone's books from its inception in 1997 until 2014 found that the carrier owed Tk 12,579.96 crore to the commission in revenue share, taxes and late fees. The BTRC then directed Grameenphone to pay the amount.

<https://www.thedailystar.net/business/news/norway-wants-amicable-solution-gps-issues-1876105>

Pharma

India restricts 26 pharma ingredients, drugs exports

The Indian government on Tuesday put export restrictions on 26 pharma ingredients and medicines, including paracetamol, vitamin B1 and B12, amid the coronavirus outbreak in China. With this, export of these active pharmaceutical ingredients (APIs) and formulations requires licence from the Directorate General of Foreign Trade (DGFT), an arm of the commerce ministry. Earlier, there were no restrictions on outbound shipments of these products. The country's API imports stood at around \$3.5 billion per year, and around 70 per cent, or \$2.5 billion, come from China.

<https://www.newagebd.net/article/101172/india-restricts-26-pharma-ingredients-drugs-exports>

Fuel & Power

AIIB approves \$ 200m loan for electricity project in BD

The Asian Infrastructure Investment Bank (AIIB) has approved a 200-million-US-dollar loan for a Bangladeshi project to improve access to

electricity and service efficiency in capital Dhaka and elsewhere in the country, reports Xinhua. While the Bangladeshi government has implemented various programmes to meet growing demand for power, mainly as a result of rapid industrialization and urbanization, about 22 per cent of the population still lack access to electricity, said the Beijing-based lender in a statement posted on its website on Tuesday.

<https://today.thefinancialexpress.com.bd/trade-market/aiib-approves-200m-loan-for-electricity-project-in-bd-1583256925>

Stocks

IDLC introduces Tk45cr venture capital fund to invest in startups

IDLC, a non-bank financial institution, has introduced a venture capital fund worth Tk45 crore to invest in technology-based startup projects for promoting youth entrepreneurship. The fund titled "IDLC Venture Capital Fund 1" will be raised through individual and institutional sources. A venture capital fund is an innovative financial solution where investors make equity investments by taking the shares of the company.

<https://tbsnews.net/economy/idlc-brings-first-venture-capital-fund-startups-51316>

Envoy Textiles to issue preference shares

Envoy Textiles will raise a capital worth Tk 870 million issuing cumulative preference shares to expand business and repay high cost debt. The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the company's proposal of issuing preference shares at a meeting held at BSEC office. The tenure of the preference shares will be five years while the characteristics are non-convertible, fully redeemable and unlisted.

<https://today.thefinancialexpress.com.bd/stock-corporate/envoy-textiles-to-issue-preference-shares-1583256088>

Capital Market

High turnover lifts stocks

Stocks extended gains for another session on Tuesday as investors were mostly active buying stocks that recently hit lucrative price levels. DSEX, the prime index of the Dhaka Stock Exchange, advanced 31 points – or 0.7 percent – to close the day at 4,466. The Shariah-based DSES index also gained 8 points, or 0.8 percent, to settle at 1,038, while the blue-chip index DS30 gained 5 points, or 0.4 percent, to stand at 1,485.

<https://tbsnews.net/economy/stock/high-turnover-lifts-stocks-51271>

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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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