

Bangladesh market snapshot

	Last closing
DSEX Index	4,409.62
% change	-1.26%
DS30 Index	1,470.11
% change	-1.01%
DSES Index	1,023.60
% change	-1.39%
Turnover (BDT mn)	5,106.69
Turnover (USD mn)	60.79
% change	-16.16%
Market Capitalization (BDT bn)	3,389
Market Capitalization (USD bn)	40.35
% change	-0.85%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,917.41
% change	-2.94%
Nikkei 225	21,100.06
% change	0.08%
FTSE 100	6,776.62
% change	0.87%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	94.90
GBP	108.82
INR	1.16

Source: Bangladesh Bank

Money market

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

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	51.93	1.56%
Gold Spot, USD/t oz	1,639.48	0.16%
Cotton, USD/lb	63.80	1.30%

Source: Bloomberg

Economy

Bangladesh's potential export loss \$17m if coronavirus disrupts Chinese supply chain: UNCTAD

A two percent reduction in the Chinese supply of intermediate inputs due to coronavirus epidemic might lead to a loss of \$17 million in Bangladesh's exports, says a technical note of the United Nations Conference on Trade and Development (UNCTAD). Of the total amount, leather product export loss will be \$15 million, and textile and apparel \$1 million. The export of wood products and furniture will face the remaining \$1 million loss.

<https://tbsnews.net/economy/bangladeshs-potential-export-loss-17m-if-coronavirus-disrupts-chinese-supply-chain-unctad>

MCCI portrays a mixed picture, lists challenges

Outlining multiple challenges facing the country on business and fiscal fronts, the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, a leading trade body, has suggested that the government take steps to overcome those and help achieve the desired economic growth. According to the MCCI, the challenges that need to be addressed properly are inflationary pressure, slower growth in export and import, shortfall in tax collection and vulnerability of the banking sector.

<https://today.thefinancialexpress.com.bd/first-page/mcci-portrays-a-mixed-picture-lists-challenges-1583340415>

5,500 extra workers to keep Padma project on track

The Chinese contractors working on the Padma Bridge and the Padma Rail Link projects have claimed that they have taken all-out measures to overcome the slowdown in project works caused by coronavirus. The construction works on these two mega projects have been affected owing to the outbreak of COVID-19, according to the contractor company China Railway Group Limited (CREC).

<https://tbsnews.net/bangladesh/5500-extra-workers-keep-padma-project-track-51913>

BSCIC estate in Rajshahi sees cost revision for 3rd time

The proposed Rajshahi BSCIC Industrial Estate-2 project has been revised for a third time, raising its cost by 31 per cent to Tk 172.70 crore. The Executive Committee of the National Economic Council (ECNEC) accepted the new proposal during a meeting chaired by Prime Minister Sheikh Hasina at the NEC conference room in the capital's Sher-e-Bangla Nagar yesterday.

<https://www.thedailystar.net/business/news/bscic-estate-rajshahi-sees-cost-revision-3rd-time-1876096>

Bangladesh in freedom 'recession'

Bangladesh's democracy is in decline because the country has continuously fared poorly in assessments of political rights and civil liberties. Bangladesh has consistently been named a "Partly Free" country on the Freedom in the World report since 1973, when the

first report was released. However, in the report of 1992 and 1993, the country was categorised as "Free".

<https://tbsnews.net/bangladesh/bangladesh-freedom-recession-51940>

Emergency response plan ready: govt

The government has finalised an emergency preparedness plan to tackle any possible spread of coronavirus in the country. The plan has been prepared taking into account four levels of emergency; the current level for Bangladesh is one, meaning it has so far no confirmed coronavirus cases. For this level, the health department is keeping suspected coronavirus patients isolated and carrying out tests on them.

<https://www.thedailystar.net/frontpage/news/emergency-response-plan-ready-govt-1876468>

Bank and NBFIs

Banks' deposit growth contracts in anticipation of interest rate cap

Deposit growth in banks saw a steep decline in January, in a development that can be viewed as the direct impact of the capping of interest rate on savings to 6 per cent. Earlier on December 30 last year, the government announced capping of interest rates on deposits at 6 per cent and on loans at 9 per cent. Many banks started to implement the 6 per cent interest rate on their fixed deposit schemes from the third week of January as part of their preparation to provide loans at 9 per cent interest from April 1. The Association of Bankers, Bangladesh (ABB), a forum of managing directors of banks, though took the decision to provide not more than 6 per cent for FDRs from February 1.

<https://www.thedailystar.net/business/news/banks-deposit-growth-contracts-anticipation-interest-rate-cap-1876570>

Most PCBs still remain undecided

The central bank's special fund proposal for investment in the capital market has not seen much progress, as most of the private commercial banks (PCBs) are yet to make any concrete decision to that end. The Bangladesh Bank (BB) issued a circular on February 10 last, allowing all the scheduled banks to create a Tk 2.0 billion (200 crore) special fund each for a period of five years for investment in the capital market.

<https://today.thefinancialexpress.com.bd/first-page/most-pcbs-still-remain-undecided-1583341318>

Defaulted loans not that high in neighbours' context: BB

The amount of defaulted loans in the country's banking sector is not that high in context to that faced by neighbouring nations, said Bangladesh Bank Governor Fazle Kabir yesterday. He was addressing as chief guest an annual conference of state lender Sonali Bank at Bangabandhu International Conference Centre. Mentioning the downward trend of defaulted loans, he said it stood at 9.32 per cent of the total outstanding loans in December last year, down from 11.99 per cent three months earlier.

<https://www.thedailystar.net/business/news/defaulted-loans-not-high-neighbours-context-bb-1876522>

Telecommunication

ISPs await fresh guidelines

The government will soon revise guidelines for internet service providers and bring down licensing categories in a bid to streamline broadband internet business in the country. Licence fees and annual charges will be hiked, while users will be able to set parental controls to reduce the risk of children encountering inappropriate contents online. Currently ISP licences are awarded in six categories, but under the new guidelines, there will be four types of licences.

<https://www.thedailystar.net/business/news/isps-await-fresh-guidelines-1876558>

Capital Market

Tax receipts from DSE slump 38pc in 8 months

The government's revenue earnings from the Dhaka Stock Exchange (DSE) fell 38 per cent year-on-year in eight months in the current fiscal year as trading volume was on the decline. Market analysts said sluggish trading activities coupled with low share sales by sponsor-directors affected the government's revenue earnings from the prime bourse during the period under review.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-slump-38pc-in-8-months-1583336332>

BSEC for allowing TREC to foreign firms

The securities regulator has moved to issue fresh TREC (Trading Right Entitlement Certificate), to any firms, including foreign ones, for conducting trading operations in the country's capital market. The officials of the Bangladesh Securities and Exchange Commission (BSEC) said the move came in line with the demutualisation act which said the TRECs will be opened after five years of completing the exchanges' demutualisation process.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-allowing-trec-to-foreign-firms-1583336558>

Stocks back in the red

Shares on the Dhaka Stock Exchange (DSE) returned to the red yesterday just a day after snapping a seven-session losing streak. The DSEX, the benchmark index of the country's premier bourse, gave up 56.5 points, or 1.3 per cent, to end the day at 4,410, as investors went for profit-booking. Sales pressure faced by sectors such as textile, engineering, energy and power, pharmaceuticals, food, banks and other financial institutions contributed to the fall. <https://www.thedailystar.net/business/news/stocks-back-the-red-1876534>

Stocks

HC allows tenure extension of EBL First Mutual Fund

The High Court yesterday upheld the decision of closed-end EBL First Mutual Fund's trustee and asset manager to extend its tenure for another 10 years. Closed-end mutual funds are investment tools that pool a fixed amount of money for a certain period from investors and re-invest them

into stocks, bonds and other assets. Yesterday the HC bench of Justice JBM Hassan and Justice Md Khairul Alam rejected a writ petition filed by The City of London Investment Management Company (CLIM) challenging the decision.

<https://www.thedailystar.net/business/news/hc-allows-tenure-extension-ebf-first-mutual-fund-1876528>

Northern Jute resumes production after accounts unfreeze

Northern Jute yesterday resumed operations at its factory at the BSCIC Industrial Estate in Kushtia after the Supreme Court issued a ruling to unfreeze all bank accounts related to the business. The news sent Northern Jute's shares up 2.31 per cent to Tk 406.70 on the Dhaka Stock Exchange (DSE) yesterday. On February 23, Northern Jute announced that their factory would be closed indefinitely due to a Bangladesh Bank directive to freeze all of the bank accounts related to the firm, which left the listed jute producer unable to clear workers' wages.

<https://www.thedailystar.net/business/news/northern-jute-resumes-production-after-accounts-unfreeze-1876531>

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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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