

Bangladesh market snapshot

	Last closing
DSEX Index	4,919.60
% change	-0.17%
DS30 Index	1,706.43
% change	0.24%
DSES Index	1,114.85
% change	-0.06%
Turnover (BDT mn)	8,207.75
Turnover (USD mn)	97.71
% change	3.23%
Market Capitalization (BDT bn)	3,950
Market Capitalization (USD bn)	47.02
% change	-0.03%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,847.66
% change	+1.34%
Nikkei 225	23,929.61
% change	+0.99%
FTSE 100	5,883.26
% change	+1.67%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.37
GBP	110.77
INR	1.14

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
03-Nov-2020	1.00-5.25	2.48
02-Nov-2020	1.00-5.25	2.57

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	40.51	-1.75%
Gold Spot, USD/t oz	1,908.24	+0.28%
Cotton, USD/lb	70.35	+0.17%

Source: Bloomberg

Economy

Inflation rises to 5yr high

Inflation rose to 6.44 per cent in October, the highest in at least five years, driven by a sharp increase in the price of food items. The average Consumer Price Index climbed 47 basis points from September's 5.97 per cent. This was the third consecutive monthly increase in inflation as recent floods and rains damaged crops and pushed up the price of rice and vegetables. October's CPI is 97 basis points higher than it was in the same month last year. General inflation has been on the upward trend since July. Food inflation made a sharp rise, climbing by 84 basis points to 7.34 per cent, largely due to the increase in the price of rice. It was 6.50 per cent in September this year and 5.49 per cent in October in 2019.

<https://www.thedailystar.net/business/news/inflation-rises-5yr-high-1989653>

Bank and NBFIs

Half the stimulus funds not disbursed yet

Banks disbursed 48 per cent of Tk 76,000 crore funds they have been entrusted with lending to the sectors creaking under the pressure of the coronavirus pandemic as of September. This means, Tk 36,624 crore has been disbursed by banks. Since the Covid-19 hit Bangladesh on March 26, the government has unveiled about 20 stimulus packages involving Tk 120,053 crore, which is 4.3 per cent of the country's gross domestic product. Banks have been given most of the responsibility to disburse the funds in the form of working capital loans, small loans and salary support under the packages.

<https://www.thedailystar.net/business/news/half-the-stimulus-funds-not-disbursed-yet-1989673>

MFS deals rise 26pc in Q3 to Tk 1,535.24b

Transactions through mobile financial services (MFS) grew by over 26 per cent in the third quarter (Q3) of 2020, as general people, businessmen and the government agencies preferred to use digital services more amid the nationwide Covid-19 pandemic. Total MFS transaction volume rose to Tk 1,535.24 billion during the July-September period of the current calendar year, from Tk 1,214.61 billion three months before. It was Tk 1,232.23 billion during the January-March period of 2020. In September 2020, MFS transactions grew by 18.6 per cent to Tk 491.21 billion, from Tk 414.04 billion a month ago. It was Tk 629.99 billion in July 2020.

<https://today.thefinancialexpress.com.bd/last-page/mfs-deals-rise-26pc-in-q3-to-tk-153524b-1604512544>

<https://www.thedailystar.net/business/news/mfs-transactions-rebound-strongly-1989649>

Textile**BGMEA seeks 10-year moratorium on loans**

The Bangladesh Garments Manufacturer and Exporter Association (BGMEA) has sought a 10-year moratorium on the outstanding loans of its members to help them ride out the corona crisis. The Association also urged the government to keep the apparel plants' bank liabilities out of the single borrower exposure limit. The association made the demands in separate letters to the central bank and the commerce ministry. The BGMEA has demanded that the outstanding loans of the Covid-hit factories be kept in block account for 10 years and also keep their liabilities out of the purview of the single borrower exposure limit.

<https://today.thefinancialexpress.com.bd/first-page/bgmea-seeks-10-year-moratorium-on-loans-1604512031>

Capital Market**IPO of Mir Akhter Hossain approved**

The securities regulator has approved the proposal of the prospectus of Mir Akhter Hossain as part the process of raising capital worth Tk 1.25 billion from the capital market under book building method. The company will utilise the fund to purchase machinery, repay bank loan, and bear the IPO (initial public offering) expense. As per the regulatory approval, Mir Akhter Hossain will offload above 20.77 million shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-of-mir-akhter-hossain-approved-1604507053>

Robi IPO subscription begins on Nov 17

Robi Axiata is set to hit the market with the country's biggest ever initial public offering this month and the leading telecom operator has urged eligible investors to participate in its subscription process. The IPO subscription will start on November 17 and will continue till November 23. The country's second largest mobile phone operator will raise Tk 523.79 crore by issuing 52.37 crore ordinary shares at face value.

<https://www.thedailystar.net/business/news/robi-ipo-subscription-begins-nov-17-1989669>

Stockbrokers can open booths at upazilas

The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday approved the 'Digital Booth (Stockbroker/TREC holder) Rules, 2020', allowing stockbrokers to set up digital booths under the supervision of its respective head office or branch offices. The booth can be opened at union centres at upazilas, business centres at district level and also commercial areas overseas.

<https://www.dhakatribune.com/business/stock/2020/11/04/stockbrokers-can-open-booths-at-upazilas>

Stock

BRAC allowed to purchase 25m shares of BRAC Bank

BRAC, the globally reputed NGO will purchase 25 million shares of BRAC Bank. The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday waived the BRAC, a sponsor of BRAC Bank to a section of the securities rules to facilitate the execution of purchasing shares. BRAC applied to the securities regulator for purchasing 25 million shares of BRAC Bank by November 30 through trading to be executed on the stock exchanges. BRAC is a leading sponsor of BRAC Bank and holds above 44 per cent shares of the bank as per the financial statement for the year ended on December 31, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/brac-allowed-to-purchase-25m-shares-of-brac-bank-1604507103>

<https://www.thedailystar.net/business/news/brac-buy-25cr-brac-bank-shares-1989657>

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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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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, CFA	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

Extension of Main Office
Room 126, DSE Tower Level- 8
Plot- 46, Road- 21, Nikunja
Dhaka- 1229
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.