

## Bangladesh market snapshot

	Last closing
DSEX Index	4,400.14
% change	-1.33%
DS30 Index	1,480.32
% change	-1.71%
DSES Index	995.43
% change	-1.38%
Turnover (BDT mn)	2,924.68
Turnover (USD mn)	34.82
% change	-24.39%
Market Capitalization (BDT bn)	3,376
Market Capitalization (USD bn)	40.19
% change	-0.93%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	28,634.88
% change	-0.81%
Nikkei 225	23,173.35
% change	-2.04%
FTSE 100	7,622.40
% change	+0.24%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.90
EUR	94.77
GBP	111.13
INR	1.18

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
02-Jan-2020	3.00-5.50	4.80
01-Jan-2020	3.00-5.50	4.95

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	70.54	+2.83%
Gold Spot, USD/t oz	1,579.14	+1.74%
Cotton, USD/lb	69.85	+0.94%

Source: Bloomberg

## Economy

### Bangladesh exports earnings rise by 2.89%

Bangladesh exports earnings have risen by 2.89% to \$3.52 billion in last December, breaking the negative growth for the fourth consecutive months. Bangladesh earned \$3.52 billion in December, 2019, up by 2.89%, which was \$3.43 billion in December, 2018. In November, 2019, the country's export earnings have declined by 10.70% to \$3.05 billion for the fourth consecutive month compared to the corresponding period of 2018.

<https://www.dhakatribune.com/business/2020/01/05/bangladesh-exports-earnings-rises-by-2-89>

### Exports shrink by 6.0pc in H1

Merchandise shipments fell by 5.84 per cent during the first half of the current fiscal year, as export earnings continue to witness downtrend in recent months. Total export earnings from July to December of FY 2019-20 reached \$19.30 billion against \$20.49 billion fetched during the same period of the last fiscal. The income also fell short of the target by 12.77 per cent set for the period

<https://today.thefinancialexpress.com.bd/first-page/exports-shrink-by-60pc-in-h1-1578245873>

### \$10m fund set up to boost exports

A \$10-million financial grant, Export Readiness Fund (ERF), was launched on Sunday to rev up export earnings of the country's four target sectors. The sectors are leather and leather goods, footwear, plastics and light engineering products, said EC4J project director Md Obaidul Azam at the ERF launch. The ERF is a matching grant programme of EC4J project and rolling out to help relevant firms to identify and address environmental, social and quality (ESQ) compliance gap.

<https://today.thefinancialexpress.com.bd/last-page/10m-fund-set-up-to-boost-exports-1578246291>

### Country likely to earn over \$20b remittance this year

The country is likely to earn more than US\$20 billion remittance in the current year thanks to cash incentive benefits provided by the government to migrant workers, according to the expatriates' welfare ministry. Bangladesh sent 701,000 workers abroad with jobs in 2019. Of them, 111,000 were women workers. Among the workers, 44 per cent was skilled and 22 per cent semi-skilled. The government has plans to send workers to new destinations this year. They have already started sending workers to some new countries including Seychelles, Herzegovina and China.

<https://today.thefinancialexpress.com.bd/trade-market/country-likely-to-earn-over-20b-remittance-this-year-1578240839>

### **Widening revenue shortfall raises alarm**

Revenue collection deficit from target widened further in November despite the pace of overall collection growth last month compared with October, according to provisional data of the National Board of Revenue (NBR). The tax collector logged nearly Tk 83,700 crore in July-November of the current fiscal year, trailing the target by Tk 27,000 crore.

<https://www.thedailystar.net/business/news/widening-revenue-shortfall-raises-alarm-1850101>

### **Bank & NBFI**

#### **Banking sector faces Tk17,659cr capital shortfall**

During July to September quarter of 2019, the capital shortfall of the banking sector rose by Tk1,657.34 crore, compared to the previous quarter. According to the Bangladesh Bank data, seven state-run banks, four private commercial banks and one foreign bank had a combined capital shortfall of Tk17,658.83cr as of September last year. The twelve banks are Sonali Bank, Agrani Bank, Rupali Bank, Basic Bank, Janata Bank, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islamic Bank, AB Bank, Community Bank Bangladesh and National Bank of Pakistan, according to data.

<https://www.dhakatribune.com/business/2020/01/05/banking-sector-faces-tk17-659cr-capital-shortfall>

#### **BB asks committee for fresh report**

A central bank committee has been reassigned to prepare a fresh report on single-digit interest rates on both lending and deposit after reviewing the overall banking situation. It has also been asked to submit the report to the governor within 10 working days from the date of reassignment, officials said.

<https://today.thefinancialexpress.com.bd/first-page/bb-asks-committee-for-fresh-report-1578246170>

#### **Pvt sector to be allowed to set up finance cos**

The government is preparing a new law that will allow establishment of finance companies in the private sector in the country. Such finance companies will mainly focus on 'development financing' and 'securitisation'. Besides, they will finance industries, agriculture, infrastructure projects and venture capitals. The new act named 'Finance Company Act-2019' will replace the Financial Institutions Act-1993. The state-owned finance companies, however, will remain outside the purview of the proposed act.

<https://today.thefinancialexpress.com.bd/first-page/pvt-sector-to-be-allowed-to-set-up-finance-cos-1578246007>

### **Telecommunication**

#### **Pay BTRC Tk 1.38b in five months (HC asks Robi)**

The High Court on Sunday ordered the Robi Axiata Limited to pay Tk 1.38 billion to Bangladesh Telecommunication Regulatory Commission's (BTRC) out of its claim of Tk 8.67 billion in five equal instalments in five months. The court also asked the mobile phone operator to pay the first

instalment within January 30.

<https://today.thefinancialexpress.com.bd/last-page/pay-btrc-tk-138b-in-five-months-1578246505>

### **GP, Robi suffer as new investment stalled**

The Bangladesh Telecom Regulatory Commission (BTRC) stopped permitting Grameenphone and Robi from making new investments since July last year to realise disputed audit claims, thwarting their quality of services. Both telecom operators have since been unable to expand their networks, although they gained many new users last year. In the first six months of 2019, Grameenphone invested Tk790 crore for capacity expansion, network rollout and modernisation. The leading telecom company planned to further import equipment worth Tk480 crores to extend its network, but could not do so as the BTRC refused to issue no objection certificates (NOCs) for them.

<https://tbsnews.net/bangladesh/telecom/gp-robi-suffer-new-investment-stalled>

### **Capital Market**

#### **ICB caving in under burden to prop up stocks**

Investment Corporation of Bangladesh is metamorphosing into a loss-making concern for making supporting the stock market its chief objective rather than making money, fattening the list of unprofitable state-owned enterprises. In the first quarter of fiscal 2019-20 the listed investment bank incurred losses of Tk 134.30 crore, when it had not seen losses in the last 12 years at least, as per its available annual reports.

<https://www.thedailystar.net/business/news/icb-caving-under-burden-prop-stocks-1850110>

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<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

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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
Md. Asif Muntasir Shakkhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

### Institutional & Foreign Trade

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

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