

Bangladesh market snapshot

	Last closing
DSEX Index	5,640.19
% change	0.54%
DS30 Index	2,072.04
% change	0.64%
DSES Index	1,281.21
% change	0.20%
Turnover (BDT mn)	15,774.64
Turnover (USD mn)	187.79
% change	-38.06%
Market Capitalization (BDT bn)	4,693
Market Capitalization (USD bn)	55.87
% change	0.34%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	30,829.40
% change	+1.44%
Nikkei 225	27,553.09
% change	+1.84%
FTSE 100	6,841.86
% change	+3.47%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	104.29
GBP	115.57
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
05-Jan-2021	1.00-5.25	2.21
04-Jan-2021	1.00-5.25	2.04

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	54.75	+0.83%
Gold Spot, USD/t oz	1,918.08	-0.03%
Cotton, USD/lb	80.30	+0.30%

Source: Bloomberg

Economy

World Bank revises up GDP growth projection

The World Bank has revised its GDP growth projection upwards for Bangladesh to 2 per cent for the last fiscal year, although the figure is still far lower than the government's estimate. In June, the Washington-based lender had said that Bangladesh's economy would grow by 1.6 per cent in FY20 as the coronavirus pandemic battered the country. It had also forecast the economy to expand by 1 per cent in the current fiscal year. It further revised the growth forecast upwards for the next fiscal year to 1.6 per cent.

<https://www.thedailystar.net/business/news/world-bank-revises-gdp-growth-projection-2023713>

Tax returns filing rate falling with rise in TIN holders

The rate of income tax returns has gradually been falling over the years proportionately with the amount of electronic taxpayers' identification numbers although the absolute number of returns filed is increasing. Out of 50.72 lakh TIN holders in the country as of June 30, 2020, only 47.50 per cent or 24.09 lakh individual taxpayers filed income tax returns in the current fiscal year 2021. A total of 26.63 lakh or 52.41 per cent of the TIN holders did not file tax returns. Only 1.44 per cent of the country's 16.75 crore population filed tax returns in the year.

<https://www.newagebd.net/article/126461/tax-returns-filing-rate-falling-with-rise-in-tin-holders>

Bank and NBFIs

BB moves to boost cashless transactions

Bangladesh Bank yesterday rolled out an interoperable QR code as a part of its efforts to boost cashless transactions across the country, particularly in rural areas. The uniform digital payment method named 'Bangla QR', will help clients pay their bills for purchased goods and services through any mobile banking application, mobile financial service (MFS) or payment service provider (PSP). The central bank's initiative came at a time when a growing number of population have started preferring to do transactions digitally because of convenience.

<https://www.thedailystar.net/business/news/bb-moves-boost-cashless-transactions-2023721>

<https://today.thefinancialexpress.com.bd/first-page/bb-issues-guidelines-on-bangla-qr-payments-1609956171>

Govt's H1 bank borrowing stands at 2.38pc of target

The government's net bank borrowing in the first half of the current fiscal year accounted for 2.38 per cent of its budgetary target for the fiscal year 2020-2021 amid poor implementation of the annual development programme and surge in sales of national savings certificates. The government's net borrowing from the banking system was just Tk 2,022.39 crore till December 29, 2020 against its borrowing of Tk 48,016 crore from banks in the first half of the

fiscal year 2019-2020. In first half of FY21, the government's borrowing dropped by 95.79 per cent or Tk 45,994 crore compared with that in the same period of the previous fiscal year.

<https://www.newagebd.net/article/126462/govts-h1-bank-borrowing-stands-at-238pc-of-target>

Amazing growth in bank deposits

The deposit growth in the country's banking sector increased by a record 13 per cent to approximately Tk 12.5 trillion in October last year, even as interest rate is at historic low. Time deposit expanded to over Tk 11.1 trillion in October, while the demand deposit to Tk 1.3 trillion. The deposit growth in October, 2019 was 12.2 per cent.

<https://today.thefinancialexpress.com.bd/first-page/amazing-growth-in-bank-deposits-1609955882>

Textile

BGMEA to avail law firm's advice on GSP extension

The BGMEA has signed an agreement with Sidley Austin LLP to receive advisory services in efforts to get duty-free trade benefits to the European Union extended once Bangladesh leaves the group of least developed countries (LDCs). The graduation from least developed to a developing nation in 2024 is set to mark the end of the Generalised System of Preferences (GSP), a component of which is the EU's Everything But Arms (EBA) initiative.

<https://www.thedailystar.net/business/news/bgmea-avail-law-firms-advice-gsp-extension-2023697>

Real Estate

Housing sector sees almost complete rebound

The real estate and housing industry passed a relatively good year thanks to policy support for purchasing property with untaxed income as well as cheap bank loans. In the budget of the current fiscal year, the government allowed the use of untaxed income to purchase property, land and apartments in certain areas, without having to answer for the source. Besides, banks provide home loans at very cheap interest rates of below 10 per cent as a secured investment for the lenders, according to industry players. With this backdrop, the real estate industry enjoyed a quick rebound from the Covid-19 fallout.

<https://www.thedailystar.net/business/news/housing-sector-sees-almost-complete-rebound-2023725>

Capital Market

Lovello's IPO subscription to end today

The initial public offering (IPO) subscription of Lovello Ice Cream – an ice cream brand of Taufika Foods and Agro Industries Ltd – will end today. The IPO subscription began on 3 January, 2021. Previously, on 15 October last year, the securities regulator approved the IPO proposal of Lovello Ice Cream to raise Tk30 crore from the capital market by issuing three crore shares. Each share of the company will have a face value of Tk10. Lovello is due to invest its IPO funds in expanding its business and

repaying its bank loans.

<https://tbsnews.net/economy/stock/lovellos-ipo-subscription-end-today-181789>

There is Tk 21,000cr of dividend begging to be claimed

The Bangladesh Securities and Exchange Commission (BSEC) has found Tk 21,000 crore of undistributed and unclaimed dividend by listed companies, which it now plans to use to safeguard the interests of the capital market and its general investors. The stock market regulator will form a capital market stabilisation fund with the unclaimed dividend through a notification on Thursday. The regulator would control the volatility and liquidity of the capital market through the fund.

<https://www.dhakatribune.com/business/2021/01/07/there-is-tk-21-000cr-of-dividend-begging-to-be-claimed>

<https://www.newagebd.net/article/126464/bsec-to-form-tk-21000-crore-market-stabilisation-fund>

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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	COO & 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

1st Floor
6, Dilkusha C/A
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 - 02
Dhaka- 1229
Bangladesh

Extension of Main Office

NIK Tower (3rd & 4th Floor)
55 Dilkusha C/A
Dhaka-1000
Bangladesh

Extension of Main Office

Plot# 12, (2nd Floor, West side)
Road # 05 Dhanmondi, Dhaka
Bangladesh

Chattogram Office

Muntasir Centre (5th Floor)
253, Wasa Circle, Dampara
Khulshi, Chattogram
Bangladesh