

Bangladesh market snapshot

	Last closing
DSEX Index	4,959.18
% change	0.21%
DS30 Index	1,723.91
% change	0.41%
DSES Index	1,142.68
% change	0.14%
Turnover (BDT mn)	9,761.28
Turnover (USD mn)	116.21
% change	-4.86%
Market Capitalization (BDT bn)	3,737
Market Capitalization (USD bn)	44.49
% change	0.18%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,133.31
% change	-0.56%
Nikkei 225	23,211.11
% change	+0.52%
FTSE 100	5,937.40
% change	+2.39%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.41
GBP	112.66
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
06-Sep-2020	0.75-5.25	3.12
03-Sep-2020	1.00-5.25	3.55

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.02	+0.02%
Gold Spot, USD/t oz	1,926.51	-0.37%
Cotton, USD/lb	65.25	+0.40%

Source: Bloomberg

Economy

Vision paper scales back growth target

The government has shifted from its earlier stance of achieving double-digit economic growth to a more realistic approach in the newly-devised vision paper by FY2041. Yet, the government has taken an ambitious 9.02 per cent economic growth rate target on an average between FY2021 and FY2041. In the last plan from FY2011 to FY2020, the government set a target to achieve double-digit growth in the terminal year, which was not achieved.

<https://today.thefinancialexpress.com.bd/last-page/vision-paper-scales-back-growth-target-1599501264>

Bank and NBFIs

BD revises eligibility for investment in WEBS

The central bank has revised the eligibility for purchasing wage-earner bonds (WEBS) in a move that could frustrate many potential investors. Bangladeshi people, who are now working with foreign shipping and airlines companies, will not be eligible to invest in the fixed-income instrument. Bangladeshi people working in foreign offices or liaison offices but owned by Bangladeshi entrepreneurs will also not be able to purchase the bond. Pension money derived from overseas companies received in foreign exchange abroad by Bangladeshi expatriates will not be allowed to invest in the bond.

<https://today.thefinancialexpress.com.bd/first-page/bd-revises-eligibility-for-investment-in-webs-1599500830>

<https://www.newagebd.net/article/115651/overseas-pension-earnings-not-investable-in-wage-earner-bond-bb>

Stimulus packages: Disbursement picks up as business normalises

Banks have hastened loan disbursements under stimulus packages with businesses gradually beginning to recover from the pandemic's shocks and public movement returning to normal. Under the Tk20,000 crore package for small and medium-sized enterprises (SMEs), the Bangladesh Bank approved loans amounting to Tk4,100 crore till August; which was four times higher than Tk510 crore approved till July 15. The approved loans under another Tk30,000 crore package—meant for large industries—also doubled to Tk20,000 crore in August from July's amount.

<https://tbsnews.net/economy/banking/stimulus-packages-disbursement-picks-business-normalises-129760>

Fuel and Power

Four power distribution companies to provide services through Bida's OSS

Aimed at improving the ease of doing business in the country, the Bangladesh Investment Development Authority (Bida) is set to incorporate the services of four power distribution companies into its One Stop Service (OSS) portal. Authorities of the Dhaka Power Distribution Company, Bangladesh Rural Electrification Board, Northern Electricity Supply Company, and West Zone Power

Distribution Company Limited will sign the deals with Bida at an event at the Bida premises in Dhaka on Tuesday.

<https://tbsnews.net/economy/four-power-distribution-companies-provide-services-through-bidas-oss-129739>

Textile

Apparel leads export recovery

A big relief came for the garment sector, which typically contributes more than 84 per cent of the national exports in a year, when international retailers and brands started to gradually accept their cancelled work orders. About 58 per cent of Bangladesh's total exports are destined for the EU while a walloping 64 per cent of the country's garment shipments head for the same area. Therefore, the EU's economic recovery is a major factor for the recovery of Bangladesh's economy, employment and export receipts. Since the EU and US markets are slowly returning to normal, so is Bangladesh's export.

<https://www.thedailystar.net/business/news/apparel-leads-export-recovery-1957681>

Capital Market

BSEC suspends Beximco Synthetics shares trading as co seeks delisting

The Bangladesh Securities and Exchange Commission on Monday suspended trading of the shares of Beximco Synthetics Ltd with effect from yesterday after the company applied for delisting its shares from the country's stock exchanges. It is the first time that any company wanted to delist its shares voluntarily. As the company wanted to delist its shares, the commission suspended trading of the shares of the company so that no one could manipulate prices of the company's shares.

<https://www.newagebd.net/article/115650/bsec-suspends-beximco-synthetics-shares-trading-as-co-seeks-delisting>

BSEC exempts Robi from specific clauses of Public Issue Rules

The Bangladesh Securities and Exchange Commission (BSEC) has decided to exempt Robi Axiata Limited, the country's second-largest telecom operator, from some clauses of Public Issue Rules for its initial public offering (IPO). Consequently, 136.1 million shares - which will be offered by Robi's employees under an Employee Stock Purchase Plan (ESPP) - will be considered as part of the IPO. Robi will comply with the distribution of securities under the fixed price method to omit the employees' portion. Earlier, Robi took an exemption from a directive of the Financial Reporting Council (FRC) which stated that it is mandatory for IPO issuers to issue shares against "share money deposit".

<https://tbsnews.net/economy/stock/bsec-exempts-robi-specific-clauses-public-issue-rules-129688>

CDBL yet to receive BO fee from 87 brokerage firms

Many brokerage firms are not paying the dues of government, securities regulatory and depository authority despite the firms realise BO

(beneficiary owner's) account maintenance fees from their clients on regular basis. A total of 87 brokerage firms still remain non-compliant in case of paying the dues that come from BO account maintenance fees. Of the non-compliant brokerage firms, some have paid the dues of the CDBL partially. As part of the regulatory move, the CDBL suspended the trading at Sinha Securities, a brokerage firm of Dhaka Stock Exchange (DSE), in last week as the firm has not been paying the dues of different authorities including the depository authority since 2016. The CDBL has dues amounting to around Tk 50 million to Sinha Securities.

<https://today.thefinancialexpress.com.bd/stock-corporate/cdbl-yet-to-receive-bo-fee-from-87-brokerage-firms-1599496236>

Stock

PK Halder willing to come back, refund swindled billions

Proshanta Kumar Halder, popularly known as PK Halder, who allegedly swindled billions from a number of banks and financial institutions and fled the country some months back, has expressed his willingness to return to the country ' under the custody of the court' and refund the money to their rightful owners. The International Leasing and Financial Services Limited (ILFSL) following its consultation with Halder filed a petition with the High Court in this connection. Halder while officiating as the managing director of Reliance Finance Ltd, a non-bank financial institution, had made his relatives directors of three other leasing companies to swindle money. Together, they had allegedly misappropriated an estimated Tk 35 billion from four NBFIs and left the country last year.

<https://today.thefinancialexpress.com.bd/first-page/pk-halder-willing-to-come-back-refund-swindled-billions-1599500639>

Padma Oil inks business deal with Beximco LPG Unit-1

The state-owned petroleum distributor Padma Oil Company has signed an agreement with Beximco LPG Unit-1 to sell liquefied petroleum gas (LPG). Padma Oil will sell the LPG by establishing LPG refueling station and parallel to sale of petroleum oil through its registered filling stations. Padma Oil will receive royalties of Tk 0.50 per liter sale of LPG.

<https://today.thefinancialexpress.com.bd/stock-corporate/padma-oil-inks-business-deal-with-beximco-lpg-unit-1-1599496790>

Disclaimer

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UCB Capital Management Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh. UCB is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc. ("RBLT"), 40 Wall Street 59th Floor, New York NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UCB. RBLT accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of RBLT and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Ownership and Material Conflicts of Interest

RBLT or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. RBLT, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. RBLT is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

RBLT or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither UCB nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

UCB may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of UCB.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

We calculate our target price by weighting DCF, DDM, SOTP, asset-based and other relative valuation methods, and applying appropriate premiums/ discounts and/or other relevant adjustments.

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 %

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyst(s), that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

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	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
----------------------	----------------	-----------------------	-------------------

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.