

## Bangladesh market snapshot

	Last closing
DSEX Index	4,942.12
% change	0.46%
DS30 Index	1,725.64
% change	1.13%
DSES Index	1,120.47
% change	0.50%
Turnover (BDT mn)	9,288.51
Turnover (USD mn)	110.58
% change	13.17%
Market Capitalization (BDT bn)	3,980
Market Capitalization (USD bn)	47.39
% change	0.78%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	28,323.40
% change	-0.24%
Nikkei 225	24,325.23
% change	+0.91%
FTSE 100	5,910.02
% change	+0.06%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	99.44
GBP	110.16
INR	1.14

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
04-Nov-2020	1.00-5.25	2.09
03-Nov-2020	1.00-5.25	2.48

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	39.45	-3.62%
Gold Spot, USD/t oz	1,951.35	+0.09%
Cotton, USD/lb	68.62	-2.07%

Source: Bloomberg

## Economy

### Wage rate ticking up

Workers in Bangladesh are still making do with lower wages compared to the pre-pandemic level as the ongoing economic growth has not translated into higher incomes for them in a major way. Wages grew 6.03 per cent year-on-year in October this year. This is up from September's 5.95 per cent and August's 5.91 per cent. However, October's rate was lower than the pre-pandemic level of 6.51 per cent in February and 35 basis points below than in the same month a year ago.

<https://www.thedailystar.net/business/news/wage-rate-ticking-1991221>

### Bangladesh-Bhutan to ink trade deal 6 December

Bangladesh will sign its first bilateral trade agreement- Preferential Trade Agreement (PTA)- with Bhutan on 6 December. The agreement is likely to be signed at 4pm in Thimphu, the capital of Bhutan. Under the PTA agreement, 10 Bangladeshi products- including ready-made garments- will get duty-free access to the Bhutanese market while 16 Bhutanese items will get such access to the Bangladesh market. The two neighbouring countries will later be able to add more items to the duty-free list.

<https://tbsnews.net/economy/trade/bangladesh-bhutan-ink-trade-deal-6-december-155071>

### India's new customs rules to take toll on Bangladesh's exports

A new rule framed by India on determining the country of origin of a product is going to hurt Bangladesh's exports to India and undermine the efforts to narrow large trade imbalance between the two neighbours. The views came after the Indian authority issued a notification termed Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 in August. The new measure on rules of origin (RoO) are inconsistent with the trading agreements, particularly the treaty on the South Asian Free Trade Area (Safta). The move would affect Bangladesh's exports to India, which enjoyed a \$4.68 billion surplus.

<https://www.thedailystar.net/business/news/indias-new-customs-rules-take-toll-bangladeshs-exports-1991225>

## Bank and NBF

### Lenders witness surge in internet banking amid pandemic

Both internet banking transaction and the number of the service users have risen at a faster pace in recent months. The total value of transactions made through internet banking stood at Tk 6,800 crore in August, up 46.36 per cent year-on-year while users of the service increased nearly 30 per cent to 29.20 lakh. Lenders have recently taken several initiatives to embrace the branchless banking model, which includes agent banking, mobile financial services and so on.

<https://www.thedailystar.net/business/news/lenders-witness-surge->

[internet-banking-amid-pandemic-1991201](#)

### Pharmaceuticals

#### Healthcare Pharma going all out

Healthcare Pharmaceuticals Ltd (HPL) is going to invest about Tk 220 crore (\$25.68 million) to establish large-scale active pharmaceutical ingredient (API) and formulation facilities to meet their growing demand in Bangladesh. The company will produce API and formulated pharma products at the new manufacturing units to be established on 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram. Under the project, three facilities will be set up on API, finished products and biotech and its formulation and around 900 jobs will be created. The unit is expected to go into operation by 2022. HPL would finance the project through bank loans.

<https://www.thedailystar.net/business/news/healthcare-pharma-going-all-out-1990261>

### Fuel and Power

#### Govt to generate electricity from garbage in city

A waste-to-energy project has been finalised by the government to generate electricity from the garbage of Dhaka North City Corporation (DNCC) areas. The project aims at not only producing 42.5 MW electricity, but also disposing of the city's rubbish. Within two years, the project may come into generation. A similar project is now being implemented in Narayanganj in collaboration with the Narayanganj City Corporation, which will generate 6 MW power.

<https://today.thefinancialexpress.com.bd/last-page/govt-to-generate-electricity-from-garbage-in-city-1604770208>

### Food and Allied

#### Frozen food industry emerges as a bright spot amid pandemic gloom

A fair number of urban residents, particularly those in Dhaka, have opted to stock up on frozen or ready-to-eat meals in a bid to avoid going outside amid the current crisis. This shift has fuelled the demand for frozen and ready-to-eat snacks, raising hopes among producers that they will enjoy good business in the coming years. Encouraged by the rising demand, around 30 companies signed up to make frozen foods and snacks.

<https://www.thedailystar.net/business/news/frozen-food-industry-emerges-bright-spot-amid-pandemic-gloom-1991217>

### Stock

#### Sea Pearl bleeds with interest burden

The listed company- Sea Pearl Beach Resort and Spa Ltd- has eaten up in just three months the profit it earned in the first nine months of Fiscal Year 2019-20. Sea Pearl profited Tk4.44 crore in the year it went public while its earnings per share was Tk0.41. In 2018, the company's profit stood at Tk4.60 crore. Sea Pearl paid nearly Tk4 crore for loan interest, and had to rely on the profit it made in last three months as the income was almost zero. The fixed expenditure amid the pandemic-led business

slump in the last quarter put the company in loss in the end.

<https://tbsnews.net/economy/stock/sea-pearl-bleeds-interest-burden-154411>

### **Something fishy about Fine Foods' quarterly reports**

The fall in profit of Fine Foods in the last quarter of fiscal year 2019-20 raises eyebrows of the investors and analysts as the listed aquaculture and agro-based company registered its highest ever earnings in the previous three quarters. Earnings per share (EPS) of the producer of various fish and meat products stood at Tk 0.18 at the end of fiscal 2019-20 in June- a steep fall from Tk 1.44 three months ago. However, Fine Foods' sudden surge in profits between the first and third quarters was also suspicious since it showed considerably higher quarterly earnings compared to previous records.

<https://www.thedailystar.net/business/news/something-fishy-about-fine-foods-quarterly-reports-1991197>

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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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