

## Bangladesh market snapshot

|                                | Last closing |
|--------------------------------|--------------|
| DSEX Index                     | 5,053.49     |
| % change                       | 0.58%        |
| DS30 Index                     | 1,763.21     |
| % change                       | 0.83%        |
| DSES Index                     | 1,159.64     |
| % change                       | 0.77%        |
| Turnover (BDT mn)              | 8,481.27     |
| Turnover (USD mn)              | 100.97       |
| % change                       | 0.51%        |
| Market Capitalization (BDT bn) | 4,045        |
| Market Capitalization (USD bn) | 48.16        |
| % change                       | 0.38%        |

Source: Dhaka Stock Exchange

## International market snapshot

|                              | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 30,069.79    |
| % change                     | -0.49%       |
| Nikkei 225                   | 26,475.11    |
| % change                     | -0.27%       |
| FTSE 100                     | 6,555.39     |
| % change                     | +0.08%       |

Source: Bloomberg

## Exchange rate

| Currency | BDT    |
|----------|--------|
| USD      | 84.80  |
| EUR      | 102.81 |
| GBP      | 113.99 |
| INR      | 1.15   |

Source: Bangladesh Bank

## Money market

| Date        | Call Money Rate Range | Weighted Average (%) |
|-------------|-----------------------|----------------------|
| 06-Dec-2020 | 1.00-5.25             | 1.86                 |
| 03-Dec-2020 | 1.00-5.25             | 1.89                 |

Source: Bangladesh Bank

## Commodities

|                            | Price    | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 48.40    | -0.80%   |
| Gold Spot, USD/t oz        | 1,868.07 | +0.29%   |
| Cotton, USD/lb             | 72.15    | -0.32%   |

Source: Bloomberg

## Bank and NBFIs

### Another pvt bank gets go-ahead

Bangladesh Bank (BB) on Monday gave its seal of approval to Citizen Bank Limited, asking the lender to boost paid-up capital to Tk 5.0 billion within two years. Toufika Aftab is the chairman of the proposed private commercial bank (PCB). Another proposed bank, Peoples Bank Limited, is still in the pipeline for getting the final approval. Meanwhile, Mohammad Masoom has already joined the proposed Citizen Bank as its managing director (MD) and chief executive officer (CEO).

<https://today.thefinancialexpress.com.bd/first-page/another-pvt-bank-gets-go-ahead-1607364144>

## Fuel and Power

### BERC moves to set LPG price at retail level

The Bangladesh Energy Regulatory Commission (BERC) has finally initiated a move to set the price of liquefied petroleum gas (LPG) at the consumer level. The public hearing might take place between 14 -18 January next as BERC was taking time to complete the pre-hearing process. The move to fix LPG price came against the backdrop of a show-cause notice issued by the High Court seeking explanation on why action would not be taken against the regulator for its failure to set LPG price.

<https://www.dhakatribune.com/business/2020/12/07/berc-moves-to-set-lpg-price-at-retail-level>

### NBR scraps tax rebate on Petrobangla's LNG import

The National Board of Revenue (NBR) has scrapped tax rebate facility on import of liquefied natural gas (LNG) by the Petrobangla. The VAT law does not permit the Petrobangla to enjoy VAT rebate on import of LNG, as the entity imports the fuel at high prices and sells at low prices. As per the VAT and Supplementary Duty (SD) Act 2012, businesses are not entitled to claim VAT rebate, if they pay VAT at lower or reduced or truncated-based or specific rate than the ideal rate (15 per cent).

<https://today.thefinancialexpress.com.bd/first-page/nbr-scraps-tax-rebate-on-petrobanglas-lng-import-1607364013>

## Textile

### BGMEA seeks fresh stimulus as second wave of Covid bites

Apparel exporters on Monday demanded five years to repay the loans disbursed by the government under the stimulus package to help the sector offset the fallout of the pandemic. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) also pushed for a new stimulus package to pay workers' wages as the second wave of Covid-19 has hit the sector. The cash already disbursed requires factories to clear the debt in 18 equal instalments in two years, with a grace period of six months. The BGMEA wanted the six-month grace period to be extended to a year.

<https://today.thefinancialexpress.com.bd/first-page/bgmea-seeks-fresh-stimulus-as-second-wave-of-covid-bites-1607363870>

<https://www.thedailystar.net/business/news/bgmea-reiterates-demand-fresh-round-stimulus-2007645>

### Telecommunication

#### **BTRC firm on previous price over Robi spectrum renewal**

Mobile phone operator Robi Axiata Limited will have to pay in full for the renewal of spectrum which was purchased by the operator 15 years ago and is scheduled to expire on December 19. The commission will not issue any discount to the telecom operator in allocation of the 11.6 Megahertz of spectrum. The telecom regulator approved the spectrum price at a commission meeting held recently, keeping the rate unchanged as it was determined at the spectrum auction held on February 14, 2018.

<https://www.newagebd.net/article/123707/btrc-firm-on-previous-price-over-robi-spectrum-renewal>

### Capital Market

#### **November sees 1.5 lakh new BO accounts**

Attracted by a positive market over the last few months, investors opened around 1.5 lakh new beneficiary owner (BO) accounts in November alone. Market insiders said the initial public offering (IPO) market has made a turnaround in the last few months and investors are receiving profit from the primary market during this period. Moreover, the Bangladesh Securities and Exchange Commission (BSEC) has approved IPOs of some branded firms- including Walton Hi-Tech Industries and Robi Axiata Limited. As a result, the rate of BO account opening has increased in the brokerage firms.

<https://tbsnews.net/economy/stock/november-sees-15-lakh-new-bo-accounts-168583>

### Stock

#### **Maksons to set up three tex units at Misarai at \$112m**

Maksons Group, a local textile giant, plans to spend an estimated \$112 million in setting up three new textile units at the Bangabandhu Sheikh Mujib Shilpa Nagar at Mirsarai under Chattogram. The export-oriented industries-Metro Spinning Ltd, Maksons Spinning Mills Ltd and Maksons Spinning Mills Ltd Unit 02-will be set up in an area spreading over 30 acres of land. The industrial units are expected to create an estimated 4,000 jobs directly and indirectly. The proposed units will manufacture different categories of value-added yarn, fabric and chemicals. Textile goods worth an estimated \$100-150 million will be exported annually.

<https://today.thefinancialexpress.com.bd/first-page/maksons-to-set-up-three-tex-units-at-misarai-at-112m-1607364231>

<https://www.thedailystar.net/business/news/maksons-group-invest-111m-bangabandhu-shilpa-nagar-2007649>

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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.

| <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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