

Bangladesh market snapshot

	Last closing
DSEX Index	5,376.46
% change	-2.33%
DS30 Index	2,023.47
% change	-3.23%
DSES Index	1,214.74
% change	-1.68%
Turnover (BDT mn)	7,898.04
Turnover (USD mn)	94.02
% change	2.37%
Market Capitalization (BDT bn)	4,584
Market Capitalization (USD bn)	54.57
% change	-2.28%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,385.76
% change	+0.76%
Nikkei 225	29,497.51
% change	+0.37%
FTSE 100	6,523.53
% change	+0.53%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	102.15
GBP	116.49
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
07-Feb-2021	1.00-5.25	1.92
04-Feb-2021	1.00-5.25	1.89

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	61.10	+0.89%
Gold Spot, USD/t oz	1,840.26	+0.52%
Cotton, USD/lb	86.16	+0.65%

Source: Bloomberg

Economy

Bangladesh Bank's dollar purchase slows in Jan as imports picking up

Bangladesh Bank's dollar purchasing spree slowed in January as demand for the greenbacks from businesses rose in the month amid a gradual increase in imports. The central bank purchased \$388 million in January against its monthly average purchase of \$916 million in the July-December period of the fiscal year of 2020-2021. At the end of January of FY21, the BB's purchase of the currency reached \$5.878 billion from \$5.49 billion in the July-December period of FY21.

<https://www.newagebd.net/article/129640/bangladesh-banks-dollar-purchase-slows-in-jan-as-imports-picking-up>

Global oil market recovery hints hike in domestic import cost

The rebound of global oil prices to pre-pandemic levels is likely to hit Bangladesh with a hike in its import costs. The black gold on Monday climbed back to \$60 a barrel having risen more than 50% in the last few months. The Bangladesh government will see a pressure if oil prices keep on rising in the global market. The increasing crude oil prices can also interrupt the supply during this irrigation period.

<https://tbsnews.net/economy/global-oil-market-recovery-hints-hike-domestic-import-cost-198760>

Unused project aid soars to \$48 billion

The volume of undisbursed project aid (PA) ballooned to more than US\$48 billion until December last, as many public agencies failed to utilise the same. The amount is more than enough to bankroll the annual development programme of the country for two years. The revised ADP for the year 2019-20 was worth US\$23 billion. The undisbursed foreign aid at the end of financial year (FY) 2019-20 was at \$48.82 billion.

<https://today.thefinancialexpress.com.bd/first-page/unused-project-aid-soars-to-48-billion-1612805835>

Bank and NBFI

Central bank likely to consider term loan moratorium extension proposal

The central bank will look into the bank owners' proposal seeking a three-year extension of paying term loan instalments. The bank association sought the extension in a letter to the governor of the central bank on 4 February. It expressed frustration over the lack of guidelines from the central bank on continuous or demand loans, saying these account for 65-70% of total loans.

<https://tbsnews.net/economy/banking/central-bank-likely-consider-term-loan-moratorium-extension-proposal-198733>

Engineering

Whirlpool Corp, Transcom Group form manufacturing joint venture

Whirlpool Corporation, world's leading kitchen and laundry appliance company, and Transcom Group, one of the renowned business houses in Bangladesh, has announced an agreement to set up a manufacturing plant in joint venture to make refrigerators in the country. The plant in Narsingdi, the northeastern district of Dhaka, will manufacture a wide range of technologically advanced refrigerators for sale by Whirlpool and Transcom under their respective brands.

<https://www.thedailystar.net/business/news/whirlpool-corp-transcom-group-form-manufacturing-joint-venture-2041633>

Fuel and Power

BPC makes Tk 30m profit daily

The Bangladesh Petroleum Corporation (BPC) still counts a Tk 30-million healthy profit daily despite a recent uptrend in petroleum products in the global market. It made a profit of around Tk 3.0 per litre in diesel as of February 07. The corporation sells around 10,000 tonnes of diesel a day in the domestic market. They also make a profit of around Tk 5.0 per litre in octane trading.

<https://today.thefinancialexpress.com.bd/last-page/bpc-makes-tk-30m-profit-daily-1612806201>

Textile

BTMA demands withdrawal of bond licence requirement

The Bangladesh Textiles Mills Association has demanded that the government should withdraw the Bangladesh Bank provision that makes the bonded warehouse licence mandatory for opening back-to-back letters of credit to encourage exports of local textiles. Many small and medium mills in the country were exporting locally produced fabrics and yarn but they were not getting the facility of back-to-back LCs due to the Foreign Exchange Transaction Guidelines of the Bangladesh Bank.

<https://www.newagebd.net/article/129639/btma-demands-withdrawal-of-bond-licence-requirement>

Clothes retailers cut orders while factories fight to survive

Clothes retailers in Europe and America sit on excess inventory and cut back on spring orders. Sourcing agents face late payments. Garment factories in Bangladesh are on the rack. Some major retailers are still nursing last year's clothes, which would have been sold off in clearance sales in normal times. The pain is consequently flowing to major garment manufacturing centres like Bangladesh, whose economies rely on textile exports. Factories are struggling to stay open.

<https://www.dhakatribune.com/business/2021/02/08/what-recovery-clothes-retailers-cut-orders-while-factories-fight-to-survive>

Capital Market

Road show on capital mkt begins today in Dubai

A four-day long road show titled "Rising of Bengal Tiger: Potentials of Bangladesh Capital Markets", to attract foreign investors and non-resident Bangladeshis (NRBs) to the country's stock market begins today (Tuesday) at Dubai in UAE. The stock market regulator- Bangladesh Securities and Exchange Commission (BSEC) is organising the road show, the first of its kind in outside the country. UCB Stock Brokerage Ltd (former name-UCB Capital Management Limited), which is one of the top brokers in the Dhaka bourse, will launch a digital booth at Dubai.

<https://today.thefinancialexpress.com.bd/stock-corporate/road-show-on-capital-mkt-begins-today-in-dubai-1612801168>

<https://www.dhakatribune.com/business/2021/02/09/bsec-holds-roadshow-in-dubai-to-lure-in-foreign-investors>

Lovello to make stock market debut on Wednesday

Lovello Ice Cream- a brand of Taufika Foods and Agro Industries- will make its debut on the country's stock exchanges on Wednesday. Under the code "TAUFIKA," Lovello shares will be trading under the "N" category. Lovello Ice Cream has raised Tk30 crore by issuing three crore shares at a face value of Tk10 each. The money is due to be used to purchase machinery and equipment, repay loans and meet IPO costs.

<https://tbsnews.net/economy/stock/lovello-make-stock-market-debut-wednesday-198664>

BSEC to make KYC policy mandatory in brokerage firms

The Bangladesh Securities and Exchange Commission (BSEC) has decided to make the maintenance of a KYC (know your clients) policy mandatory for brokerage firms in the stock market. Every year, the brokerage firms will input updated information of the beneficiary owner's (BO) accounts of the investors, as a result of which the number of unclaimed securities and traceless BO accounts will be reduced.

<https://tbsnews.net/economy/stock/bsec-make-kyc-policy-mandatory-brokerage-firms-198685>

Stock

Padma Oil signs business deal with two more LPG cos

The state-run listed company Padma Oil Company has signed agreements with two more LPG companies- Bashundhara LP Gas and Petromax LPG- as part of its business expansion. Under the agreement, the company will sell LPG (liquefied petroleum gas) by establishing LPG (Autogas) refuelling station parallel to the sale of petroleum oil through company's registered filling stations across the country. The Padma Oil Company will receive royalty of Tk 0.50 against per liter sale of LPG.

<https://today.thefinancialexpress.com.bd/stock-corporate/padma-oil-signs-business-deal-with-two-more-lpg-cos-1612801262>

<https://www.dhakatribune.com/business/2021/02/09/padma-oil-teams-up-with-bashundhara-and-petromax-to-sell-autogas>

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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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