

Bangladesh market snapshot

	Last closing
DSEX Index	4,287.38
% change	-2.21%
DS30 Index	1,435.00
% change	-1.86%
DSES Index	999.07
% change	-1.66%
Turnover (BDT mn)	4,289.28
Turnover (USD mn)	51.06
% change	3.32%
Market Capitalization (BDT bn)	3,315
Market Capitalization (USD bn)	39.47
% change	-1.55%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	25,864.78
% change	-0.98%
Nikkei 225	20,749.75
% change	-2.72%
FTSE 100	6,462.55
% change	-3.62%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	95.88
GBP	110.88
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
05-Mar-2020	4.50-5.50	5.11
04-Mar-2020	4.50-5.50	5.10

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	33.86	-25.20%
Gold Spot, USD/t oz	1,692.74	1.13%
Cotton, USD/lb	61.25	-2.45%

Source: Bloomberg

Economy

Trade deficit eases 2.3pc in 7 months as import from China slows

The country's trade deficit eased by 2.33 per cent or \$230 million in the first seven months of the current fiscal year 2019-2020 as import, specifically from China, contracted further in January due to the coronavirus outbreak. Experts said that the drop in trade deficit would not be positive for the economy rather it would weaken the country's industrial output and subsequent fall in export earnings.

<https://www.newagebd.net/article/101633/trade-deficit-eases-23pc-in-7-months-as-import-from-china-slows>

Economists point out challenges, voice concerns over future

Despite Bangladesh's steady GDP growth in the last decade, eminent economists have voiced concerns over the future of the economy. Economists cited some sectors as serious challenges to the government, such as the current situation of the stock market, revenue collection, private investment and employment. All of these indicators are lagging behind the GDP growth. They also identified the imbalance between the government's income and expenditure, ineffectiveness of regulatory bodies and income inequality as major challenges.

<https://tbsnews.net/economy/economists-point-out-challenges-voice-concerns-over-future-53632>

ICCB launches new international trade terms

Experts and business leaders on Sunday said that the new version of International Commercial Terms (Incoterms) set by the International Chamber of Commerce would be helpful for reducing complexities in the international trade and business as the rules defined responsibilities of sellers and buyers for the delivery of goods under sales contracts. The latest edition of Incoterms will provide certainty and clarity to business and traders everywhere, they said at the launching ceremony of the trade terms, held at the Hotel Intercontinental in the capital.

<https://www.newagebd.net/article/101634/iccb-launches-new-international-trade-terms>

<https://www.newagebd.net/article/101631/commerce-minister-fears-export-fall-due-to-coronavirus-outbreak>

Bangladesh-Vietnam to work together for boosting blue economy: Rezaul

Describing the existing relations between Bangladesh and Vietnam as excellent, Fisheries and Livestock Minister SM Rezaul Karim today said both the countries will work together to boost the blue economy. The potential sectors between the two countries can be identified primarily by forming a joint working group, Rezaul said.

<https://tbsnews.net/economy/bangladesh-vietnam-work-together-boosting-blue-economy-rezaul-53551>

BPGMEA wants cut in duty on raw materials

The plastic goods manufacturers demanded setting up a separate department for tariff and trade facilitation, and reducing import duty on different raw materials. Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) recently put forward the demands in its budget proposal to the National Board of Revenue (NBR) for fiscal year (FY) 2020-21. The trade body proposed reducing import duty on intermediate goods for manufacturing packaging products of pharmaceutical, agriculture and food items from 25 to 5.0 per cent.

<https://today.thefinancialexpress.com.bd/trade-market/bpgmea-wants-cut-in-duty-on-raw-materials-1583683073>

Many businesses yet to get registered, not paying VAT

Many businesses have not yet got registered or not paying value added tax (VAT), says a top official of VAT Commissionerate. It is not possible to mobilise more revenue collection without bringing those business people under the VAT net, said M Zakir Hossain, Commissioner of Jashore VAT Commissionerate, on the eve of starting operations for conducting VAT payers' survey in Jashore, reports BSS. The Jashore VAT Commissionerate began operations in a bid to identify 5,000 new VAT payers over the next three months in Jashore.

<https://today.thefinancialexpress.com.bd/trade-market/many-businesses-yet-to-get-registered-not-paying-vat-1583683133>

Bank and NBFIs

Worrying time for bank depositors

The fear that the sizeable cut in interest rates of deposits by banks is likely to push the potential depositors to cooperative societies and multi-level marketing (MLM) firms is very much real. The cooperatives and MLM companies are known for their fraudulent activities and thousands have already burnt their fingers being trapped by these entities. These firms usually do promise very high return on deposits and at an opportune moment decamp with funds. In most cases, educated people can avoid the lure of fraudulent cooperatives and MLMs. But half-educated and illiterate savers can easily be trapped by these firms.

<https://today.thefinancialexpress.com.bd/editorial/worrying-time-for-bank-depositors-1583673811>

Telecom

BTRC's public hearing on telcos' service on Mar 30

Bangladesh Telecommunication Regulatory Commission will hold a public hearing on March 30 to listen to subscribers' complaints and suggestions about mobile phone services. To participate at the event, interested mobile subscribers will have to get registered by filling in a form on the BTRC web site, said a notice of the commission issued on Sunday.

<https://www.newagebd.net/article/101635/btrcs-public-hearing-on-telcos-service-on-mar-30>

Mobile operators cool down on investment plans

The mobile industry's combined investment fell 19 per cent year-on-year

to Tk 3,695.72 crore in 2019, the lowest in recent years, as the regulatory regime continues to spook the foreign owners of the top three carriers. Mobile carriers are not investing adequately into their network, a development that is directly hampering their service quality and customers are getting substandard service, industry insiders say. The scenario was totally depressing last year because of the restriction on the top players that prevented them from setting up new towers.

<https://www.thedailystar.net/business/news/mobile-operators-cool-down-investment-plans-1878208>

Textile

Rustle up an action plan for coronavirus

The government should draw up an action plan to counter the impact of the raging coronavirus on the local economy and trade and commerce, said businesspeople yesterday, on the day Bangladesh confirmed the presence of the novel virus in the country. Yesterday, Bangladesh confirmed three cases of COVID-19. Of them, two recently returned from the coronavirus-stricken Italy. A family member of one of the two is the third person struck by the virus.

<https://www.thedailystar.net/business/news/rustle-action-plan-coronavirus-1878199>

Capital Market

Market operators, not government, should find remedies, says Kamal

Finance minister AHM Mustafa Kamal on Sunday reiterated that the operators would identify problems in the country's share market and also find out solutions to the problems. He also said that the government would not solve the problems but could only extend all-out cooperation to the operators in solving those. The finance minister was addressing a roundtable on country's economic trend in a city hotel. He made the comments while focusing on problems stated earlier by Dhaka Stock Exchange's shareholder director Rakibur Rahman.

<https://www.newagebd.net/article/101636/market-operators-not-government-should-find-remedies-says-kamal>

Coronavirus sinks stocks

Dhaka stocks fell for the third consecutive session yesterday as investors, shaken by the declines in the global stock markets owing to fast-spreading coronavirus, were mostly cautious. The DSEX, the benchmark index of the Dhaka Stock Exchange, shed 97.1 points, or 2.2 per cent, to fall below 4,300 points.

<https://www.thedailystar.net/business/news/coronavirus-sinks-stocks-1878187>

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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

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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
Md. Asif Muntasir Shakkhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

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

DSE Extension Office

Room # 633, 9/E DSE Annex
Building (5 th Floor)
Motijheel C/A, Dhaka 1000
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.