

## Bangladesh market snapshot

	Last closing
DSEX Index	5,049.80
% change	-0.07%
DS30 Index	1,760.23
% change	-0.17%
DSES Index	1,158.41
% change	-0.11%
Turnover (BDT mn)	7,195.94
Turnover (USD mn)	85.67
% change	-15.15%
Market Capitalization (BDT bn)	4,049
Market Capitalization (USD bn)	48.20
% change	0.08%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	30,173.88
% change	+0.35%
Nikkei 225	26,743.52
% change	+1.04%
FTSE 100	6,558.82
% change	+0.05%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	102.70
GBP	113.46
INR	1.15

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
07-Dec-2020	1.00-5.25	1.83
06-Dec-2020	1.00-5.25	1.86

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	48.61	-0.47%
Gold Spot, USD/t oz	1,862.27	-0.44%
Cotton, USD/lb	72.10	+0.17%

Source: Bloomberg

## Economy

### ADB approves \$50m loan for microenterprises

The Asian Development Bank (ADB) has approved a \$50 million loan to help restore the economic activities of microenterprises in Bangladesh, which have been severely affected by the COVID-19 pandemic. The loan will scale up the ongoing Microenterprise Development Project, approved by ADB in 2018 to provide a \$50 million credit line to Palli Karma Sahayak Foundation (PKSF), a government development finance and capacity building organisation. Under the ongoing project, the PKSF, through its 77 partner organisations, has so far provided loans to 39,580 microenterprises, generating 91,430 jobs in rural areas. The new credit line to the PKSF will provide loans to at least an additional 30,000 microenterprises affected by COVID-19, 70 per cent of which are women-led.

<https://today.thefinancialexpress.com.bd/last-page/adb-approves-50m-loan-for-microenterprises-1607451966>

### Amount of proposed investment dips by 72pc

The amount of proposed local and foreign investments declined by 72.16 per cent or Tk 36,165 crore in the July-September period of the current fiscal year 2020-2021 compared with that in the same period of the FY 2019-2020. 213 firms made investment proposals worth Tk 13,952 crore in the first quarter of FY21 against Tk 50,117 crore in investment proposals made by 249 entities in the same period of FY20. Foreign direct investment proposals plummeted by 92.61 per cent or Tk 16,115 crore in the period of FY21 compared with that in the same period a year ago.

<https://www.newagebd.net/article/123791/amount-of-proposed-investment-dips-by-72pc>

### Bumpy road awaits exporters

The rise of mega trading blocs, potential adverse consequences of LDC graduation, growing competition in key markets and a weakened multilateral system will make Bangladesh's trade journey challenging during the eighth five-year plan period. Average tariffs facing Bangladesh's export are set to rise by 9 per cent, and potential shipment loss could be to the tune of 14 per cent following the graduation to a developing nation in 2024. Following graduation, Bangladesh will lose 1 per cent to 4 per cent of its annual exports amounting to \$7 billion.

<https://www.thedailystar.net/business/news/bumpy-road-awaits-exporters-2008221>

## Telecommunication

### BTRC to issue licence to assemble telecom equipment locally

The Bangladesh Telecommunication Regulatory Commission has drafted a set of instructions on issuing registration certificates for local assembling and manufacturing of telecommunication service-related equipment other than mobile phone handsets. The

registration certificate issuance process for local assembling and manufacturing of mobile phone handsets has already been enacted by the commission. The move of the telecom regulator came at a time when a number of companies of the country have already started exporting technology-enabled products including internet of things and artificial intelligence devices to different destinations.

<https://www.newagebd.net/article/123792/btrc-to-issue-licence-to-assemble-telecom-equipment-locally>

## Capital Market

### Robi's IPO lottery draw tomorrow

The initial public offering (IPO) lottery draw of Robi Axiata, the largest ever IPO in Bangladesh's capital market history, will be held tomorrow (Thursday). Around 1.28 million general investors applied for Robi's IPO shares out of total 2.4 million BO accounts. Applications for Robi's IPO shares have been oversubscribed by 5.74 times against the public offering of nearly Tk 3.88 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/robis-ipo-lottery-draw-tomorrow-1607442490>

### T-bonds' listing with bourses soon

Treasury bonds will be listed with exchanges soon to diversify the share market from the conventional equity-based on. Treasury bonds were, however, listed with the prime bourse in 2003, but those were de-listed in 2011 as Bangladesh Bank started its own secondary market operations named 'MI Module market'. Currently, there are 269 treasury bonds invested by the county's financial institution and individuals. People at the central bank have been in the process of re-listing the fixed-income tools with the bourses.

<https://today.thefinancialexpress.com.bd/first-page/t-bonds-listing-with-bourses-soon-1607450598>

### BSEC requests police to prevent 6 directors of 3 cos from leaving country

Alif Manufacturing Company director Azimul Islam, Imam Button Industries directors Mohammed Ali, Jebunessa Akhter, Hamida Begum and Lokman Chowdhury, and United Airways Limited director Tasbirul Ahmed Chowdhury are the six directors. The regulator in the letter said that the directors raised funds through initial public offerings, repeated public offerings and right offer and sold a significant amount of shares on the secondary market. The directors violated various securities rules in conducting those activities.

<https://www.newagebd.net/article/123793/bsec-requests-police-to-prevent-6-directors-of-3-cos-from-leaving-country>

## 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.

<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 %

#### **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, CFA	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	COO & 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

1st Floor  
6, Dilkusha C/A  
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 - 02  
Dhaka- 1229  
Bangladesh

#### Extension of Main Office

NIK Tower (3rd & 4th Floor)  
55 Dilkusha C/A  
Dhaka-1000  
Bangladesh

#### Extension of Main Office

Plot# 12, (2nd Floor, West side)  
Road # 05 Dhanmondi, Dhaka  
Bangladesh

#### Chattogram Office

Muntasir Centre (5th Floor)  
253, Wasa Circle, Dampara  
Khulshi, Chattogram  
Bangladesh