

## Bangladesh market snapshot

	Last closing
DSEX Index	5,621.77
% change	-0.33%
DS30 Index	2,048.07
% change	-1.16%
DSES Index	1,265.94
% change	-1.19%
Turnover (BDT mn)	17,081.07
Turnover (USD mn)	203.35
% change	8.28%
Market Capitalization (BDT bn)	4,703
Market Capitalization (USD bn)	55.98
% change	0.21%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	31,097.97
% change	+0.18%
Nikkei 225	28,139.03
% change	+2.36%
FTSE 100	6,873.26
% change	+0.24%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	104.55
GBP	115.42
INR	1.16

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
06-Jan-2021	1.00-5.25	2.27
05-Jan-2021	1.00-5.25	2.21

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	55.99	+2.96%
Gold Spot, USD/t oz	1,849.01	-3.39%
Cotton, USD/lb	79.77	+0.01%

Source: Bloomberg

## Economy

### Revenue collection up 2pc in Jul-Dec

Revenue collection grew 2 per cent year-on-year to Tk 108,471 crore in the July-December period but the receipts were the lowest in recent years as the economy is yet to return to normalcy. On the back of increased receipts from import and export activities and income tax, tax officials collected a higher amount of revenue in the first half of the fiscal year than a year ago. Collection of valued-added tax, the main source of revenue for the government, dropped in the preliminary estimate.

<https://www.thedailystar.net/business/news/revenue-collection-2pc-jul-dec-2024221>

### Forex reserves dip to \$42 billion

The country's foreign exchange reserves have come down to \$42 billion within a week after exceeding the \$43 billion mark for the first time. The reserves fell following payment for import bills of \$1.27 billion through the Asian Clearing Union. The reserves increased amid the pandemic due to a high growth in remittance, suspension of investment spending and a decline in demand.

<https://tbsnews.net/economy/forex-reserves-dip-42-billion-182347>

## Textile

### Apparel exporters refuse to use ICDs

Country's apparel exporters have turned down the Chittagong Port Authority's proposal to release the goods imported by them from the private inland container depots (ICDs), termed as off-docks. They accused the private ICD operators of charging higher fees and taking more time than the CPA for releasing the goods. However, the ICD operators dismissed the allegations. It takes six to seven days to get the consignments released from the off-docks as compared to only two days at the port.

<https://today.thefinancialexpress.com.bd/first-page/apparel-exporters-refuse-to-use-icds-1610213770>

<https://www.newagebd.net/article/126728/bgmea-opposes-cpa-plea-to-release-imported-goods-from-private-icds>

## Fuel and Power

### Kalapara awaits another 1,320MW power plant

Another coal-based power plant is being set up in Dhankhali area under Kalapara of Patuakhali district to generate 1,320 megawatts (MW) of electricity. The plant will cost an estimated Tk 20,000 crore with joint investment from Bangladesh's Rural Power Company and China's Norinco International Cooperation. It will generate electricity at Tk 6 per unit. With about 27 per cent of the infrastructure development work already been completed, the plant is scheduled to start production in February 2023. Construction of another coal-based power plant of the same capacity started in the same area in January 2020.

<https://www.thedailystar.net/business/news/kalapara-awaits->

[another-1320mw-power-plant-2025161](#)

#### **Bidding to continue**

The government will continue to float tenders to import liquefied natural gas (LNG) from spot market despite non-submission of 'suitable' offers from bidders over the past several months. In the last half a dozen tenders, state-run Rupantarita Prakritik Gas Company Ltd (RPGCL) could bag only tender in September within the price of its expectations. Hence, the RPGCL could so far import only one 138,000-cubic metre LNG cargo from spot market. The cargo was delivered in late September.

<https://today.thefinancialexpress.com.bd/first-page/bidding-to-continue-1610214173>

#### **Capital Market**

##### **Only 10 IPO applications in pipeline**

The country's capital market has only 10 initial public offering applications in the pipeline as 10 companies are waiting to raise Tk 318 crore from the market through IPOs. Of the 10 pending IPO applications, nine have been submitted for raising capital under the fixed price method of IPO while only one company- JMI Hospital Requisite Manufacturing Limited- has applied to raise fund under the book building method.

<https://www.newagebd.net/article/126638/only-10-ipo-applications-in-pipeline>

##### **4.34 lakh BO accounts used only for IPO subscription**

As investments in the primary market are risk-free, a section of investors only opt for shares in initial public offerings (IPOs). More than 4.34 lakh or 17% of the total beneficiary owner (BO) accounts are used for IPO subscription only. Recently, Bangladesh Securities and Exchange Commission (BSEC) has issued a directive making it mandatory for investors to have at least Tk20,000 investment each in the secondary market to apply for IPO shares.

<https://tbsnews.net/economy/stock/434-lakh-bo-accounts-used-only-ipo-subscription-182368>

#### **Stock**

##### **Olympic Industries buys more land for factory expansion**

Olympic Industries, the maker of popular Energy Plus biscuit, is set to purchase additional 1.75 decimals land adjacent to its factory in Lolati, Narayanganj for about Tk 8.2 lakh. This comes after the company last month bought 16 decimals land for Tk 60 lakh to go with the 513.84 decimals it had bought earlier in August. The disclosure comes after the company last month announced a fresh investment plan of Tk 42 crore to expand its production capacity and introduce more premium variety cracker and hard dough biscuits.

<https://www.dhakatribune.com/business/2021/01/08/olympic-industries-buys-more-land-for-factory-expansion>

### **SS Steel to enter ceramics market**

SS Steel announced that it would spend about Tk 200 crore to buy a 75 per cent stake in Southeast Union Ceramic Industries in an effort to expand its product base in the construction sector. Southeast Union Ceramic sells its products under the brand name of SEUCL and FONDI.

<https://www.thedailystar.net/business/news/ss-steel-enter-ceramics-market-2024237>

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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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