

Bangladesh market snapshot

	Last closing
DSEX Index	4,928.08
% change	0.09%
DS30 Index	1,719.86
% change	0.06%
DSES Index	1,121.16
% change	0.40%
Turnover (BDT mn)	8,813.30
Turnover (USD mn)	104.92
% change	12.03%
Market Capitalization (BDT bn)	3,998
Market Capitalization (USD bn)	47.59
% change	0.01%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,157.97
% change	+2.95%
Nikkei 225	25,108.21
% change	+1.08%
FTSE 100	6,186.29
% change	+4.67%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.71
GBP	111.59
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
08-Nov-2020	1.00-5.25	2.07
05-Nov-2020	1.00-5.25	1.92

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.01	-0.92%
Gold Spot, USD/t oz	1,878.09	+0.81%
Cotton, USD/lb	69.91	-0.13%

Source: Bloomberg

Economy

Three firms to invest \$10.32m

Three companies will invest \$10.32 million for setting up food- and agro-processing industries on six acres of land at Jamalpur Economic Zone (JEZ). As per their proposals to the Bangladesh Economic Zones Authority (BEZA), the ventures are expected to generate 550 jobs. According to the investment proposals, Max Infotech will invest \$2.68 million in establishing agro-processing, food and beverage plant on two acres of land through creating 250 employments. Novel Navigation will establish a woven bag-making industry on two acres of land with an investment of \$4.76 million by generating 100 job opportunities. Reliance Solutions will set up two industrial units each on one acre of land. It will establish an agro-processing unit at a cost of \$1.15 million to produce freeze-dried aloe vera powder and potato starch powder. Another unit with an investment of \$1.73 million will prepare medical and surgical items. Each industrial unit will create 200 jobs.

<https://today.thefinancialexpress.com.bd/trade-market/three-firms-to-invest-1032m-1604946416>

Bank and NBFIs

BB cuts credit risk for banks to speed up stimulus fund disbursement

Microfinance institutions will take loans from three banks to ensure that the government's Tk 3,000 crore stimulus package smoothly reaches marginal businesses farmers and low-income professionals. The Bangladesh Bank, however, has not increased the loan ceiling for microfinance institutions (MFIs) from the stimulus package. The initiative will help banks reduce the risks in the implementation of the packages. As per the rule, the central bank had said a bank could lend up to Tk 150 crore or 30 per cent of its last three years' average loan to an MFI, or whichever was lower. If a bank channels the whole fund to a single MFI, the lender's loan may enter into a risky zone. Three banks, instead of one as per previous rules, will now be allowed to give out the loans to an MFI, meaning that the three will share the credit risk.

<https://www.thedailystar.net/business/news/bb-cuts-credit-risk-banks-speed-stimulus-fund-disbursement-1992261>

Fuel and Power

Bangladesh halts bid to import spot LNG

Bangladesh has cancelled tenders to import LNG (liquefied natural gas) from spot market in December as evaluators found too 'expensive' the bidding for two 138,000-cubic metre LNG cargoes. Rupantarita Prakritik Gas Company Ltd (RPGCL), which oversees LNG imports, may go for re-tender to get expected price quotes from bidders. Vitol Asia Pte Ltd was the lone bidder for both tenders for early and late December deliveries of cargoes. It quoted \$7.60 and \$6.89 per million British thermal unit (MMBTu) respectively. The quoted prices are higher than the import price of LNG from long

-term contractors Qatargas and Oman's Trading International (OTI).

<https://today.thefinancialexpress.com.bd/last-page/bangladesh-halts-bid-to-import-spot-lng-1604943453>

Real Estate

A boost for real estate

The government has halved the tax for transferring immovable property by the companies located in city corporation areas of Dhaka and Chattogram. The property transfer tax has been cut to 1.0 per cent from 2.0 per cent by issuing a gazette notification. The reduced tax rate will come into effect from December 1, 2020. Earlier, there was 2.0 per cent transfer tax on the total value of immovable property, mainly land, for all.

<https://today.thefinancialexpress.com.bd/first-page/a-boost-for-real-estate-1604942811>

Capital Market

IPO subscription of Crystal Insurance opens today

The IPO subscription of Crystal Insurance Company will commence today (Tuesday) while subscription of Energypac Power Generation is set to open on December 7. Crystal Insurance aims to raise Tk 160 million from the capital market. The company will issue 16 million ordinary shares at an offer price of Tk 10 each under the fixed price method.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-crystal-insurance-opens-today-1604945192>

Krishibid Feed re-applies for Tk30cr IPO

Krishibid Feed Limited has re-applied to Bangladesh Securities and Exchange Commission (BSEC) for issuance of an Initial Public Offering (IPO) to raise Tk30 crore from the capital market (using fixed price method) to expand its business. Earlier, the company had submitted an application for IPO to the commission on 28 October 2019. But, on 12 August 2020, the company withdrew this application, citing covid-19 concerns. Krishibid Feed Limited is primarily engaged with the manufacture, sales and distribution of all sorts of feed for poultry, fish and cattle. The company also manufactures, distributes, exports and imports all kinds of agro feed - anywhere in Bangladesh and abroad. Krishibid Feed wanted to use Tk7 crore for buildings and other construction, Tk4.09 crore for plants and machinery, Tk10 crore for repayment of bank loans, Tk2.85 crore for diesel generators and Tk4.07 crore for delivery vans.

<https://tbsnews.net/economy/krishibid-feed-re-applies-tk30cr-ipo-155893>

Five institutional investors barred from bidding in next 3 IPOs

The Bangladesh Securities and Exchange Commission (BSEC) has barred top five bidders from participating as eligible investors in the next three initial public offerings under the book-building method for their aggressive pricing. The stock market regulator on Sunday issued letters to the five institutional investors in this regard. Earlier, BSEC had asked

for explanations from the top five bidders who took part in the initial public offerings of Walton Hi-Tech Industries and Mir Akhter Hossain in this regard.

<https://www.dhakatribune.com/business/stock/2020/11/08/five-institutional-investors-barred-from-bidding-in-next-3-ipos>

Stock

Another sign of a reviving economy: IFAD Autos profit up in Jul-Sep

IFAD Autos, the sole distributor of Indian commercial vehicle giant Ashok Leyland, saw its profits soar 37.6 per cent between July and September to Tk 172.4 crore as the reopening of the economy from June led to a sharp recovery in sales. During the period, the company- which imports buses, covered vans, trucks, minivans, tippers, tractors and other heavy-duty commercial vehicles from India- logged in sales of Tk 187.8 crore, up 4.4 per cent year-on-year.

<https://www.dhakatribune.com/business/stock/2020/11/09/another-sign-of-a-reviving-economy-ifad-autos-profit-up-in-jul-sep>

Advent Pharma warned for breaching rules

The Financial Reporting Council (FRC) has found that Advent Pharma breached regulations while appointing its external auditor for fiscal 2018-19. The company's board of directors appointed Ahmed Zaker & Co as the external auditor without a recommendation from its audit committee. The FRC issued a warning to Advent Pharma and instructed the animal healthcare product maker to avoid repeating its mistake, which was a breach of the corporate governance code.

<https://www.thedailystar.net/business/news/advent-pharma-warned-breaching-rules-1992265>

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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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