

## Bangladesh market snapshot

	Last closing
DSEX Index	4,156.32
% change	3.70%
DS30 Index	1,390.16
% change	3.27%
DSES Index	960.41
% change	3.35%
Turnover (BDT mn)	3,283.35
Turnover (USD mn)	39.09
% change	-34.25%
Market Capitalization (BDT bn)	3,231
Market Capitalization (USD bn)	38.46
% change	2.82%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	23,851.02
% change	-7.79%
Nikkei 225	19,867.12
% change	0.85%
FTSE 100	6,138.40
% change	2.89%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	97.28
GBP	111.58
INR	1.15

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
09-Mar-2020	4.50-5.50	5.15
08-Mar-2020	4.50-5.50	5.11

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	38.60	3.71%
Gold Spot, USD/t oz	1,656.73	0.44%
Cotton, USD/lb	61.73	0.52%

Source: Bloomberg

## Capital Market

### BB prods banks on special funds

The central bank has advised more than a dozen of scheduled banks to expedite the ongoing process of creating their special funds for investment in the capital market. In the latest move, Bangladesh Bank (BB) Governor Fazle Kabir and other high-ups communicated the advice to both public and private banks on Tuesday, according to officials. Out of the six state-owned commercial banks (SoCBs), the chairmen and managing directors (MDs) and chief executive officers (CEOs) of four SoCBs received the advice. In the moral suasion, the central bank high-ups asked the banks concerned to go for investment immediately avoiding procedural barriers, the officials said.

<https://today.thefinancialexpress.com.bd/first-page/bb-prods-banks-on-special-funds-1583862843>

<https://tbsnews.net/economy/banking/5-banks-build-tk1000cr-fund-stock-investment-8-pipeline-54547>

## Economy

### Bangladesh Bank resumes dollar buy as remittance rises, import falls

The Bangladesh Bank has resumed purchasing of the US dollars from the local market after three years with a view to keeping the prices of the greenbacks stable amid a fall in import payments in the wake of coronavirus. The supply of the US dollars in the country's local market has surged in recent months due mainly to the fall in import payments against the growing volume of remittance inflow. In the context of the identification of three coronavirus infected individuals in the country on Sunday, appreciation of the taka against the US dollar could be another disappointment for the exporters.

<https://www.newagebd.net/article/101820/bangladesh-bank-resumes-dollar-buy-as-remittance-rises-import-falls>

### ECNEC approves Tk 177.77b Matarbari deep-sea port

The Executive Committee of the National Economic Council (ECNEC) has approved the country's first deep-sea project that is estimated to cost Tk 177.77 billion, report agencies. The Japan International Cooperation Agency (JICA) will provide Tk 128.93 billion for the port to be built in Matarbari of Cox's Bazar, Planning Minister MA Mannan said at a media briefing in Dhaka on Tuesday after a meeting. The government and the Chittagong Port Authority, the agency assigned to implement the project, will provide a total of Tk 48.84 billion. The project is expected to be complete by 2026, according to a project document.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-approves-tk-17777b-matarbari-deep-sea-port-1583863994>

### **ADP implementation rate hits 3-yr low in July-Feb**

The rate of the implementation of the annual development programme in the eight months (July-February) of the current fiscal year 2019-2020 stood at a three-year low as the government agencies could execute only 37.09 per cent or Tk 79,786 crore of the ADP in the period. The previous lowest implementation rate of the government's development budget in the July-February period was 36.91 per cent in FY 2016-2017.

<https://www.newagebd.net/article/101819/adp-implementation-rate-hits-3-yr-low-in-july-feb>

### **Incentives for affected sectors suggested**

A government body has suggested providing special financial incentives to the coronavirus-affected sectors to help them offset the impacts. Business Promotion Council (BPC) that operates under the Ministry of Commerce (MoC), after a meeting with the trade bodies representing the affected sectors, sent a set of recommendations to the parent ministry last week.

<https://today.thefinancialexpress.com.bd/first-page/incentives-for-affected-sectors-suggested-1583863096>

### **Automation launch today to create savers' database**

Finance Minister AHM Mustafa Kamal will inaugurate an automation programme today (Wednesday) meant for creating a database of savers who will open savings accounts with directorate of posts. Two key savings accounts such as postal demand deposits and time deposits will be brought under this programme. As a result, the would-be account holders will have to submit their NIDs and TINs while opening such accounts.

<https://today.thefinancialexpress.com.bd/first-page/automation-launch-today-to-create-savers-database-1583863051>

### **ILO report on Bangladesh youth: 47% young women out of job, education, training**

Young women lag far behind young men in terms of employment, education and training, as 47% of such women do not belong to any of the three criteria compared to 10% young men in Bangladesh. They are in the age group of 15-24, says a report of the International Labour Organisation (ILO). Quoting the Global Employment Trends for Youth 2020 (GET youth 2020) released yesterday, the ILO says the youth unemployment rate in the Asia and the Pacific region has risen since 2012 and is estimated at 14.1% in 2020, compared to 13.7% globally.

<https://www.dhakatribune.com/business/2020/03/10/iilo-report-on-bangladesh-youth-47-young-women-out-of-job-education-training>

**Bank and NBF****Govt's bank borrowing soars**

Government's borrowing from the banking system continues to rise as it has taken fresh Tk2,154 crore loans in February to take the eight months' figure to Tk52,137 crore, up over 10 percent from the fiscal year's target. A massive revenue shortfall – Tk37,497 crore in the first seven months -- has forced the government to take money from banks, posing a threat to crowd out private sector credit. Amid this situation, the Bangladesh Bank in January increased the government borrowing target from 24 percent to 37.7 percent for the second half of the current fiscal year.

<https://tbsnews.net/economy/banking/govts-bank-borrowing-soars-54544>

**Bangladesh Bank has no plans to quarantine bank notes to check coronavirus spread**

South Korea's central bank started to quarantine all bank notes on March 6 for two weeks to remove any traces of coronavirus and even burn them as part of the government's efforts to contain the outbreak. Although three cases of coronavirus have so far been reported in Bangladesh, the country's central bank is yet to jump in to action, even though risks of transmission of the novel virus through bank notes is high given the economy's high dependency on cash. As of February, Bangladesh Bank has distributed paper notes worth of Tk 173,685.52 crore, and the local notes are usually filthier than those of other countries'.

<https://www.thedailystar.net/business/news/bb-has-no-plans-quarantine-bank-notes-check-coronavirus-spread-1879120>

**Textile****BGMEA vehemently disputes US senator's report on garment workers**

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has protested a report of US Senator Robert Menendez on labour rights and safety in the country's apparel factories. Last week, Menendez, who sits on the committee on foreign relations in the Senate, submitted a report to the committee titled "Seven Years after Rana Plaza, Significant Challenges Remain", expressing concerns over the welfare of the workers in the garment industry. More than 1,100 Bangladeshis were killed and thousands injured when Rana Plaza caved in on April 23, 2013 in the nation's deadliest industrial incident.

<https://www.thedailystar.net/business/news/bgmea-vehemently-disputes-us-senators-report-garment-workers-1879096>

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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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