

## Bangladesh market snapshot

	Last closing
DSEX Index	4,471.51
% change	1.96%
DS30 Index	1,517.23
% change	1.72%
DSES Index	1,030.12
% change	1.36%
Turnover (BDT mn)	5,058.55
Turnover (USD mn)	60.22
% change	48.39%
Market Capitalization (BDT bn)	3,413
Market Capitalization (USD bn)	40.64
% change	1.67%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial	29,276.34
Average % change	0.00%
Nikkei 225	23,827.59
% change	+0.60%
FTSE 100	7,499.44
% change	+0.71%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	92.70
GBP	109.72
INR	1.19

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
10-Feb-2020	4.50-5.50	5.06
09-Feb-2020	4.50-5.50	5.04

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil),	54.96	+1.76%
Gold Spot, USD/t oz	1,568.25	+0.02%
Cotton, USD/lb	68.73	-0.01%

Source: Bloomberg

## Bank and NBFI

### BB braced for tighter grip on private banks

The rot starts at the top, it is often said. And it is this pandemic that the central bank is looking to tackle in the new Banking Companies Act. For instance, it has proposed interviewing both directors and managing directors of private banks before they are appointed, as per the draft of the amendment to the BCA that has been uploaded on the finance ministry's website on Monday for the opinion of the general public. All stakeholders has been requested to give their opinion within 21 working days. The Bangladesh Bank's intervention into the appointment of key personnel in private banks does not just end there: the interview board will also nominate additional and deputy managing directors, all top executive posts of the lenders.

<https://www.thedailystar.net/business/news/bb-braced-tighter-grip-private-banks-1866784>

### Bank Company Act (Amendment): BB for strict actions against willful defaulters

According to the draft bill, any borrower who fails to pay back his/her loans despite his/her ability will be termed as a willful defaulter. Bangladesh Bank (BB) has proposed strict actions against willful defaulters in the draft bill seeking amendment to the Bank Company act, 1991. The willful defaulters will be barred from traveling abroad in business class, issuance of trade licences, car and property registration, while their identities will be made public, says the draft bill. According to the draft bill, any borrower who fails to pay back his/her loans despite his/her ability will be termed as a willful defaulter.

<https://www.dhakatribune.com/business/2020/02/11/bank-company-act-amendment-bb-for-strict-actions-against-willful-defaulters>

## Economy

### Revenue shortfall can't stop stretching

Provisional data showed the National Board of Revenue (NBR) could log in Tk 124,500 crore in the first seven months of the fiscal year, missing the target by Tk 39,500 crore for the period. This suggests the government will have to either increase its borrowing from the banking sector or cut back on its expenditure plans for the fiscal year. In the first half of fiscal 2019-20, the government borrowed Tk 49,000 crore, which is 63 per cent of the year's target. Of the sum, Tk 43,600 crore from banks, which is eight times more than a year earlier. The NBR, the main collector, fell short of Tk 31,500 crore from its revenue goal in the first half of fiscal 2019-20.

<https://www.thedailystar.net/business/news/revenue-shortfall-cant-stop-stretching-1866781>

<https://www.newagebd.net/article/99293/nbrs-collection-shortfall-soars-to-tk-39542cr-in-july-jan>

### **Bangladesh eyeing \$50b in investment from Saudis**

Investment is set to top the priority list as two days of talks between Bangladesh and Saudi Arabia begin at Economic Relations Division (ERD) from today. The meetings are of a Joint Economic Commission formed by the two countries. It will comprise a 40-member Saudi delegation, led by a deputy minister for labour and social development and including 10 representatives from seven conglomerates.

<https://www.thedailystar.net/business/news/revenue-shortfall-cant-stop-stretching-1866781>

<https://tbsnews.net/economy/saudi-firm-wants-invest-bay-terminal-construction-43941>

### **DP World submits \$1bn investment proposal details**

The Dubai-based global port operator DP World has submitted an Integrated Logistic Corridor Proposal to the Public Private Partnership Authority to invest \$1 billion in Bangladesh's ports and logistics service. The global port operating giant divided its investment into three parts in the proposal that was submitted in mid-January. DP World wants to make the lion share of its investment in three container terminal projects in the Chittagong port area. The company wants to invest \$700 million to equip, operate, and maintain Patenga Container Terminal

<https://tbsnews.net/economy/dp-world-submits-1bn-investment-proposal-details-43917>

### **Non-food inflation hits 40-month high in January on house rent hike**

The point-to-point inflation declined to 5.57 per cent in January this year from that of 5.75 per cent in December last year due to easing of prices of food items although the non-food inflation hit a 40-month high in January, according to Bangladesh Bureau of Statistics data. The point-to-point non-food inflation increased significantly to 6.30 per cent in January, standing at a 40-month high, from that of 5.55 per cent in the previous month due mainly to cost escalation for house rent and education materials in the month, the data released on Tuesday showed. The previous highest non-food inflation was 6.19 per cent in September, 2016.

<https://www.newagebd.net/article/99295/non-food-inflation-hits-40-month-high-in-january-on-house-rent-hike>

### **Dhaka may turn to WTO for redressal (India's persistent anti-dumping duty)**

As India declined to lift the anti-dumping duty on Bangladeshi goods, the commerce ministry high-ups have asked one of its wings to start dispute settlement procedure in the World Trade Organisation (WTO). India turned down Bangladesh's plea to withdraw the anti-dumping duty on jute goods, hydrogen peroxide and fishing net at the bilateral commerce secretary level meeting held in New Delhi in mid-January this year.

<https://today.thefinancialexpress.com.bd/first-page/dhaka-may-turn-to-wto-for-redressal-1581445413>

## **Policy on financial inclusion soon**

Bangladesh will adopt a national strategy within months to help promote inclusive economic growth, a senior government official said on Tuesday. "We're developing a national strategy for financial inclusion. The cabinet may adopt it by the next two or three months," said Financial Institutions Division senior secretary Md Ashadul Islam.

<https://today.thefinancialexpress.com.bd/trade-market/policy-on-financial-inclusion-soon-1581442999>

## **Fuel and Power**

### **ECNEC approves pipeline project (Oil import from India)**

Dhaka and New Delhi will jointly set up a 130-kilometre cross-border petroleum pipeline to import oil from the Indian state of Shiliguri. To facilitate the work, Bangladesh approved a Tk 3.06-billion project on Tuesday. With Prime Minister Sheikh Hasina in the chair, the Executive Committee of the National Economic Council (ECNEC) endorsed the land acquisition for the project. Eight other schemes at a combined total of Tk 24.22 billion were also endorsed.

<https://today.thefinancialexpress.com.bd/last-page/ecnec-approves-pipeline-project-1581446651>

## **Telecommunication**

### **Ecneec pours cold water on Teletalk's plans**

Teletalk, it often seems, is overindulged. But what transpired at the Executive Committee of the National Economic Council (Ecneec) yesterday suggests a break from custom: the state-run carrier's proposal for building towers and network at a cost of Tk 3,279.05 crore was scrapped. The reason being, the move went against telecom rules. According to telecom guidelines, no mobile operator is allowed to set up towers as four companies were awarded exclusive rights in 2018 to do so. And the Bangladesh Telecommunication Regulatory Commission stuck to that diktat. In spite of that, Teletalk proposed to install 3,000 new towers to expand its network in villages and get its network ready for 5G roll-out.

<https://www.thedailystar.net/business/news/ecnec-pours-cold-water-teletalks-plans-1866787>

## **Textile**

### **Coronavirus outbreak: BD apparel makers eye surge in work orders**

Global apparel buyers, both existing and new, are thinking to relocate work orders to Bangladesh from China which has been badly hit by the outbreak of coronavirus. However, the opportunity is wider for the knitwear sector with strong backward linkage industry. New virus rubbed salt in the wound of previous business relocation as buyers are thinking now of alternative sourcing destinations.

<https://www.dhakatribune.com/business/2020/02/11/coronavirus-outbreak-bd-apparel-makers-eye-surge-in-work-orders>

## **RMG owners demand premium for green initiatives**

Green garment makers demanded a premium price for their products to make their business sustainable and to be more environment-friendly. If the global brands want to ensure sustainable sourcing chain, they should pay more, ready-made garment manufacturers said at the "PaCT Annual Meet" at a city hotel on Tuesday. The International Finance Corporation (IFC) organised the event.

<https://tbsnews.net/economy/rmg/rmg-owners-demand-premium-green-initiatives-43881>

<https://www.dhakatribune.com/business/2020/02/11/apparel-makers-want-extra-prices-for-clothing-manufactured-in-green-factories>

## **Food and Allied**

### **Govt set to miss Aman procurement target**

The government is likely to miss its Aman procurement target set for this season, despite offering attractive prices. Delay in starting Aman purchase drive and procedural complexities have been blamed for the government's poor performance in food grain collection. The Directorate General of Food (DGoF) has been able to procure 453,000 tonnes of the grain until February 6, which is only 50 per cent of the total collection target of 950,000 tonnes by February 28, according to the directorate.

<https://today.thefinancialexpress.com.bd/first-page/govt-set-to-miss-aman-procurement-target-1581445517>

## **Stock**

### **Rupali Bank disbursing Tk 500m interest-free agricultural credit**

Rupali Bank Limited has been disbursing interest-free credit among the poor farmers marking the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, reports BSS. The state-owned commercial bank has started disbursing agricultural credit among the marginal tomato farmers from January 01 this year under the 'Zero Coupon Lending Programme'.

<https://today.thefinancialexpress.com.bd/trade-market/rupali-bank-disbursing-tk-500m-interest-free-agricultural-credit-1581443258>

### **BSEC freezes 1.8cr placement shares of SS Steel amid allegation of anomalies**

The Bangladesh Securities and Exchange Commission has frozen around 1.8 crore placement shares of SS Steel Limited after a company alleged that the steel company was trying to embezzle its placement shares. The BSEC has recently instructed the Central Depository Bangladesh Limited not to free shares in the beneficiary owners' account of five investors, BSEC officials said. Of the shares, 99.91 lakh shares are held by Shorecap Holdings, 29.50 lakh shares held by Equity Growth Limited, 22.5 lakh shares held by Food Chain Asia, 15.5 lakh shares held by Absolute Return Limited and 12.5 lakh shares held by Shoma Alam Rahman, they said.

<https://www.newagebd.net/article/99297/bsec-freezes-18cr-placement-shares-of-ss-steel-amid-allegation-of-anomalies>

### **Embargo on Runner for issuing bonus shares**

The Bangladesh Securities and Exchange Commission (BSEC) placed an embargo on Runner Automobiles Ltd on issuing bonus shares until the latter completes its new three-wheeler manufacturing project. The decision came at a meeting held at the BSEC office on Tuesday. Earlier, the company decided to build a new plant in Mymensingh with a budget of Tk63 crore for manufacturing three-wheelers.

<https://tbsnews.net/economy/stock/embargo-runner-issuing-bonus-shares-43899>

### **Capital Market**

#### **BSEC allows Delta Hospital to explore cut-off price for IPO**

The securities regulator has allowed Delta Hospital Ltd to determine its cut-off price through eligible investors' bidding - a requirement for going public under the book building method. The approval came at a meeting at the office of Bangladesh Securities and Exchange Commission (BSEC) on Tuesday chaired by its chairman Dr. M Khairul Hossain. The Delta Hospital will float IPO (initial public offering) shares under the book building method to raise a capital worth Tk 500 million, according to the BSEC approval.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-allows-delta-hospital-to-explore-cut-off-price-for-ipo-1581443978>

<https://tbsnews.net/economy/stock/securities-regulator-okays-delta-hospitals-ipo-bidding-43849>

<https://www.newagebd.net/article/99296/delta-hospital-allowed-to-discover-share-price-for-tk-50cr-ipo>

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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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