

## Bangladesh market snapshot

	Last closing
DSEX Index	4,008.29
% change	0.80%
DS30 Index	1,330.83
% change	0.53%
DSES Index	920.69
% change	0.37%
Turnover (BDT mn)	3,481.39
Turnover (USD mn)	41.45
% change	149.49%
Market Capitalization (BDT bn)	3,122
Market Capitalization (USD bn)	37.17
% change	0.46%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	23,719.37
% change	+1.22%
Nikkei 225	19,498.50
% change	+0.79%
FTSE 100	5,842.66
% change	+2.90%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	91.67
GBP	99.90
INR	1.11

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range	Weighted Average (%)
24-Mar-2020	4.40-5.50	5.17
23-Mar-2020	4.25-5.50	5.16

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	31.48	-4.14%
Gold Spot, USD/t oz	1,696.65	+0.77%
Cotton, USD/lb	54.40	+0.85%

Source: Bloomberg

## Economy

### Govt's Tk 5,000cr lifeline for farmers all set

The central bank and agriculture ministry have finalised a Tk 5,000 crore rescue package for farmers, rice millers, producers of all agro-products and owners of dairy farms. Since the countrywide shutdown was announced farmers have been passing sleepless nights as it essentially ruptured the distribution network for fresh produce tipping them towards a pool of losses. With the hope of pulling them out of the pits, the government has prepared the package, which is due to be announced in a hvtallowed to take loans at 5 per cent interest from the packet. A fresh refinance scheme will be constituted with the Bangladesh Bank's own funds to implement the package.

<https://www.thedailystar.net/business/news/govts-tk-5000cr-lifeline-farmers-all-set-1892125>

### Shutdown lands cos in trouble

Businesses are facing difficulties in submitting VAT returns due to country-wide shutdown induced by COVID-19 outbreak. They demanded of the government to extend the time for submission of return and waiver of late fees considering the existing situation. Under the existing VAT law, the businesses require to pay Tk 10,000 late fee for their failure in submission of VAT returns online within the deadline. They are required to pay 2.0 per cent additional taxes as interest on their payable VAT for the delay.

<https://today.thefinancialexpress.com.bd/first-page/shutdown-lands-cos-in-trouble-1586623761>

### Deluged with tax cut pleas, NBR in a quandary

The National Board of Revenue (NBR) is overwhelmed with pleas for tax cuts as it starts preparing the next year's budget. And much of the requests are not just 'opportunistic' appeals, but genuine cases of businesses being ravaged by the coronavirus pandemic. The government is in a dilemma over offering large-scale tax cuts to help businesses. At the end of the first eight months of the current fiscal year, when the pandemic was yet to hit the economy, the government was facing a revenue shortfall of around Tk50,000 crore. This puts the government in a quandary.

<https://www.tbsnews.net/economy/deluged-tax-cut-pleas-nbr-quandary-68002>

### Now handset assemblers, venture capital and private equity firms demand aid from stimulus package

Mobile phone manufacturers have sought loans from the government-announced stimulus package to offset the fallout of the coronavirus pandemic as all the handset assembling factories are now closed due to lockdown. In a letter to Finance Minister AHM Mustafa Kamal, the Bangladesh Mobile Phone Manufacturers' Association (BMPMA) demanded loans from the Tk 30,000-crore stimulus package that the government would provide as working

capital to industrial units and service sectors hit by the pandemic. In another development, the Venture Capital and Private Equity Association of Bangladesh (VCPEAB) has sought Tk 450 crore from the government's stimulus package for paying six months' salaries of employees of start-ups and clear their office rents. The association said there are about 300 start-ups in Bangladesh that are in distress over the anticipation of more than Tk 450 crore losses as sales of products and services have come to a standstill.

<https://www.thedailystar.net/business/news/now-handset-assemblers-venture-capital-and-private-equity-firms-demand-aid-stimulus-package-1892113>

### **Bank and NBFI**

#### **Stimulus loans to be 3-year revolving fund**

The finance ministry has devised out the strategy on how the two packages worth Tk50,000 crore would be lent to industries, services sectors and SMEs, at 50 percent or more subsidised interests. A borrower can get a loan from this revolving fund during the three-year-life of the programme.

<https://www.tbsnews.net/economy/banking/businesses-hit-covid-19-be-able-avail-subsidised-loans-working-capital-67948>

#### **Shutdown deepens DPS holders' worry**

Deposit pension scheme, or DPS, account holders in banks and financial institutions worry about paying their monthly deposits owing to lockdown enforced to slow the spread of deadly coronavirus. Under such an emergency, the depositors fear of penalty or having been deprived of bonus because of the failure in paying out regular instalments. Considering COVID pandemic, Bangladesh Bank already issued circular directing the banks not to charge late payment fees on credit cards until May 31. But it did not issue any such directive over DPS and personal loan payment.

<https://today.thefinancialexpress.com.bd/last-page/shutdown-deepens-dps-holders-worry-1586623380>

### **Fuel and Power**

#### **LPG prices remain exorbitant despite fall on global market**

The price of liquefied petroleum gas halved on the global market in April compared with last month with hardly any reflection on the market price of the item in Bangladesh. Like the other countries hit by the global coronavirus pandemic, demand for LPG fell sharply in Bangladesh too after a countrywide shutdown since March 26 cut down residential and other uses of the commodity. The government-owned LP Gas Limited has already proposed to reduce the price of LPG bottled by it, mainly for domestic consumption, by 22 per cent. If the proposed price cut is implemented, the price of a bottle of 12.5 kg of LPG sold by the government would go down to Tk 546 from Tk 700.

<https://www.newagebd.net/article/104209/lpg-prices-remain-exorbitant-despite-fall-on-global-market>

## Tobacco

### Tobacco factory operation amid shutdown sparks debate

An industries ministry's directive asking deputy commissioners and divisional commissioners across the country to cooperate with multinational tobacco companies in continuing their operations during the coronavirus crisis has sparked a debate. Tobacco companies said that they have kept their operations running after ensuring necessary safety measures for workers as tobacco is an agricultural and essential product. Meanwhile, anti-tobacco campaigners said tobacco increases the risk of coronavirus infection and demanded cancellation of the government directive and shutdown of factories. Economists said the operation of tobacco factories can be continued because it is a big sector that keeps the government's revenue collection and contribution to the economy running.

<https://www.tbsnews.net/companies/tobacco-factory-operation-amid-shutdown-sparks-debate-67771>

## Textile

### Garment owner's trim jobs defying govt plea

Thousands of garment workers have lost their jobs as factory owners are tightening their belts, despite closure of the units amid the coronavirus-induced lockdown. Factory authorities have been cutting their manpower despite the request from the government and the industry lobbyist groups to retain workers. Labour leaders, however, alleged that workers who have job experience of less than a year are being fired. The majority of the factory owners are laying off their units following the labour law provisions of 12 and 16, they said adding workers less than one year job age would not get any compensation meaning no April wages and Eid festival allowance. Expressing concern over the termination, trade union leaders expressed the fear of labour unrest that might deteriorate the current health situation of the country amid the outbreak of the pandemic.

<https://today.thefinancialexpress.com.bd/first-page/garment-owners-trim-jobs-defying-govt-plea-1586623987>

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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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## Contact Us

### Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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	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
Md. Asif Muntasir Shakkhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

### 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

6, Dilkusha C/A  
1st Floor  
Dhaka- 1000  
Bangladesh

#### Corporate Office

Bulus Center (Level-2)  
Plot-CWS(A)-1, Road No-34  
Gulshan Avenue  
Dhaka-1212  
Bangladesh

#### DSE Extension Office

Room # 633, 9/E DSE Annex  
Building (5 th Floor)  
Motijheel C/A, Dhaka 1000  
Bangladesh

#### Extension of Main Office

NIK Tower, 55 Dilkusha C/A,  
(4th Floor), Dhaka-1000.

#### Chattogram Office

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