

Bangladesh market snapshot

	Last closing
DSEX Index	4,858.36
% change	-1.19%
DS30 Index	1,647.60
% change	-1.30%
DSES Index	1,098.64
% change	-0.92%
Turnover (BDT mn)	8,751.07
Turnover (USD mn)	104.18
% change	10.24%
Market Capitalization (BDT bn)	3,971
Market Capitalization (USD bn)	47.28
% change	-0.63%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,586.90
% change	+0.57%
Nikkei 225	23,543.95
% change	-0.32%
FTSE 100	6,016.65
% change	+0.65%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.30
GBP	110.66
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
08-Oct-2020	1.50-5.25	2.52
07-Oct-2020	1.50-5.25	2.36

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.53	-0.75%
Gold Spot, USD/t oz	1,927.26	-0.16%
Cotton, USD/lb	68.89	+1.85%

Source: Bloomberg

Economy

Govt to use forex reserves for development projects

The government has decided to use the country's ballooning foreign exchange reserves to implement development projects. The government is carrying out a study to select the probable projects where forex reserves will be invested. The funds would be repaid in foreign currencies so that the reserves remain the same.

<https://www.thedailystar.net/business/news/govt-use-forex-reserves-development-projects-1976561>

Tariffs after LDC graduation to cause exports down

Bangladesh's graduation to a developing country would affect its export competitiveness and export earnings in the global market, as the existing trade preferences will no longer be in place. If Bangladesh gets the nod in the upcoming triennial review meeting of the United Nations' Center for Policy Development (CPD) in February, next year, the country will graduate in 2024. After 2024, Bangladesh will enjoy a three-year grace period and enjoy duty-free market access to global markets until 2027. Bangladesh has to pay a 9.5% tariff to enter the European market, the largest destination for Bangladeshi apparel goods, instead of the previous duty-free benefit, after the graduation. On the other hand, in case of Canada the tariff rate would be 17% followed by 8.71% in Japan, 8.61% in India and 16.2% in China, where Bangladeshi exporters enjoy duty-free market access.

<https://www.dhakatribune.com/business/economy/2020/10/11/tariffs-after-ldc-graduation-to-cause-exports-down>

Covid cranks up e-Commerce

Bangladesh's e-Commerce has got a big boost as its market size has swelled by 30 times over the last five years. The suppliers' and customers' devotion to the online platform for conducting business and purchasing products have helped electronic trade expand in the country. The size of e-Commerce in Bangladesh climbed to Tk 166.16 billion until August of this year, roughly 29.67 times the amount in 2016.

<https://today.thefinancialexpress.com.bd/first-page/covid-cranks-up-e-commerce-1602434940>

<https://tbsnews.net/economy/e-commerce-sale-grows-24-times-over-three-years-143923>

Textile

Apparel exporters brace for fresh hiccups amid second wave, US polls

The wait for a Covid-19 vaccine, a second wave of infections in the western world and the upcoming US election may lead to hiccups in the recovery of Bangladeshi garment shipments. The shipments had started rebounding with the reopening of stores by western retailers and brands, restoring the familiar humming of machineries in factories. The manufacturers have been fearing that the rebounding

of export of garment items might be affected to some extent because of a possible second wave of Covid-19 and any complication centring the US election.

<https://www.thedailystar.net/business/news/apparel-exporters-brace-fresh-hiccups-amid-second-wave-us-polls-1976553>

Cement

Cement sales rise slightly

The cement makers are finally getting some respite from the Covid-19 fallout thanks to a slight increase in sales but they believe it will not be possible to book any profit this year. By the end of 2020, sales could reach 80 per cent of what it was last year. Bulk orders for cement are coming as the construction work on the government's major development projects resumed in July. Besides, expatriate workers are going back to their jobs, leading to a ripple effect on the rural economy that will impact the cement sector.

<https://www.thedailystar.net/business/news/cement-sales-rise-slightly-1976353>

Insurance

Regulator to cut life ins cos' lapsed policies

The Insurance Development and Regulatory Authority (IDRA) has issued a circular on Sunday with the aim of reducing the number of lapsed policies of the life insurance companies. Lapsed policy is one of the key impediments to raise insurance penetration rate that has been less one 1.0 per cent for long in the country. The agents or development officers will get 10 per cent less commission of the accrued amount in the first year.

<https://today.thefinancialexpress.com.bd/last-page/regulator-to-cut-life-ins-cos-lapsed-policies-1602435587>

Tannery

Recovery still slow in leather sector

A return to normalcy is still a far off reality for Bangladesh's leather sector as the ongoing coronavirus pandemic has led to low domestic demand and a decline in exports. The sector's earnings between July and September totalled \$225.15 million, down 11.49 per cent from that in the corresponding period the previous year, when it was \$254.3 million. During the July-September period of the ongoing fiscal, leather shipments declined by 22.45 per cent year-on-year while that of leather goods 17.49 per cent and of leather footwear 6.83 per cent.

<https://www.thedailystar.net/business/news/recovery-still-slow-leather-sector-1976541>

Capital Market

Cut-off price of Mir Akhter shares set at Tk 60 each

The cut-off price of shares of Mir Akhter Hossain Ltd, a construction & engineering company, has been fixed at Tk 60 each through electronic bidding by eligible investors. 245 institutional and eligible investors

offered different prices to buy the company's shares. Among them, most bids were Tk 50 and Tk 61 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/cut-off-price-of-mir-akhter-shares-set-at-tk-60-each-1602430388>

Thrust on proper maintenance of consolidated customer's account

The securities regulator has started the job of ensuring compliance in operations of mutual funds in a bid to make such funds the alternative of FDR (fixed deposit receipts). The incumbent commissioners will remain stick to the stance of ensuring corporate governance in the capital market as long as they are in position at the securities regulator.

<https://today.thefinancialexpress.com.bd/stock-corporate/thrust-on-proper-maintenance-of-consolidated-customers-account-1602430221>

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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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