

Bangladesh market snapshot

	Last closing
DSEX Index	5,861.02
% change	2.49%
DS30 Index	2,194.98
% change	3.34%
DSES Index	1,322.67
% change	1.95%
Turnover (BDT mn)	19,826.44
Turnover (USD mn)	236.03
% change	18.32%
Market Capitalization (BDT bn)	4,938
Market Capitalization (USD bn)	58.78
% change	2.60%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,068.69
% change	+0.19%
Nikkei 225	28,325.95
% change	+0.57%
FTSE 100	6,754.11
% change	-0.65%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	103.07
GBP	114.64
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
11-Jan-2021	1.00-5.25	2.08
10-Jan-2021	1.00-5.25	2.01

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	57.33	+1.33%
Gold Spot, USD/t oz	1,859.49	+0.25%
Cotton, USD/lb	82.07	+0.45%

Source: Bloomberg

Economy

Bangladesh makes strong case for LDC graduation

Bangladesh is set to meet the LDC graduation criteria for the consecutive second time and will be recommended for graduation during the upcoming triennial review of the Committee for Development Policy (CDP) of the United Nations next month. The country has called on the international community for the continuation of support measures for an extended period to make the upcoming graduation smooth and sustainable.

<https://www.thedailystar.net/business/news/bangladesh-makes-strong-case-ldc-graduation-2026853>

<https://today.thefinancialexpress.com.bd/last-page/bd-makes-strong-case-for-leaving-poors-club-1610475223>

China top investor in EZs

China is top foreign investor in the country's economic zones (EZ) as the number of its formal proposals outstrips 13 other nations. Between fiscal year 2018 and December of 2020, China grabbed more than one-third of the proposals made in the zones. The US-China trade conflicts are forcing Chinese manufacturers to relocate their production facilities to alternative locations and Bangladeshi zones will be able to attract those investors. In FY 2019, China was the largest source of FDI in Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/china-top-investor-in-ezs-1610475035>

Bank and NBFIs

Stimulus Funds: BB steps in as banks charge higher interest

The central bank yesterday asked banks not to impose more than 4.5 per cent interest rate on the funds disbursed from the stimulus package for the large borrowers in the industrial and service sectors. Some banks had imposed 9 per cent interest rate on the borrowers just after they gave out the loans under the package worth Tk 40,000 crore in violation of a central bank instruction.

<https://www.thedailystar.net/business/news/bb-steps-banks-charge-higher-interest-2026873>

<https://www.dhakatribune.com/business/2021/01/13/banks-told-not-to-charge-more-than-4-5-interest-on-stimulus-funds>

Stimulus package implementation deadline extended till 31 March

The Bangladesh Bank has extended till 31 March 2021 the deadline for disbursement of the rest of Tk20,000 crore incentive loans among the cottage, micro, small and medium enterprise (CMSME) entrepreneurs. This opportunity will only apply to the banks and financial institutions that have failed to meet the target of disbursement of stimulus package.

<https://tbsnews.net/economy/stimulus-package-implementation-deadline-extended-till-31-march-184648>

Sustainable Financing: BB sets minimum disbursement target

Banks and non-bank financial institutions (NBFIs) will have to disburse at least 15 per cent of their outstanding loans in the form of sustainable financing every year in order to promote the environment-friendly businesses. Of the 15 per cent, 2 percentage points must be in the form of green financing. Under the sustainable financing, lenders distribute loans to set up machinery that enable lower carbon emission compared to traditional ones.

<https://www.thedailystar.net/business/news/bb-sets-minimum-disbursement-target-2026849>

Textile

Longer home stays raise use of casual wear

People limiting movements to their homes for social distancing needs apparently proved a boon for local knitwear manufacturers, as their shipments have fared relatively well in 2020 on the back of increased demand globally. Their use has risen significantly because people have increased the amount of time they spend at home and prefer to wear such comfortable clothing. Knitwear shipments, which dropped 31 per cent year-on-year to \$5.7 billion in the January-June period, scored a rebound in the year's second half.

<https://www.thedailystar.net/business/news/longer-home-stays-raise-use-casual-wear-2026889>

Fuel and Power

Public hearing on LPG price begins tomorrow

Public hearing to fix the price of liquefied petroleum gas (LPG) begins tomorrow (Thursday). Bangladesh Energy Regulatory Commission (BERC) will continue hearing until January 17 and 18 unless it concludes on Thursday. Consumers are eyeing rational pricing of the cooking fuel to keep their monthly costs within budget while businessmen are eyeing on good margin on its sales.

<https://today.thefinancialexpress.com.bd/last-page/public-hearing-on-lpg-price-begins-tomorrow-1610475269>

Capital Market

eGeneration to raise Tk 15cr from market

Local system integration and software solutions provider eGeneration is set to raise Tk 15 crore from the stock market to expand its IT business in the coming years. Subscriptions for the initial public offering (IPO) started to be accepted since yesterday and will continue until January 18. The IPO proceeds will be used to buy commercial space and repay loans. The business also plans to invest Tk 1.83 crore of the fund to enhance its IT infrastructure for the development of digital healthcare platforms to increase revenue generation.

<https://www.thedailystar.net/business/news/egeneration-raise-tk-15cr-market-2026881>

BSEC tightens noose on capital market gamblers

On Tuesday, the Bangladesh Securities and Exchange Commission (BSEC) asked the managing directors of both the stock exchanges to investigate any unusual price movement and deviation in earnings per share of listed companies from now onwards. If any company's share price rises or falls by more than 50 per cent in a month, an investigation must be carried out. The bourses will consider market manipulation, insider trading and other market abuses during the investigation. An investigation must also be carried out if the company's earnings per share, annual or periodic, changes by 50 per cent or more compared with the previous year or period. The bourses were also asked to inquire into price and volume changes by 30 per cent or more in 10 working days before the publication of any price-sensitive information.

<https://www.dhakatribune.com/business/2021/01/13/bsec-tightens-noose-on-capital-market-gamblers>

<https://www.newagebd.net/article/127024/bourses-asked-to-probe-abnormal-price-eps-deviation-of-cos>

Capital-raising from bourse set to become more rigorous

The Bangladesh Securities and Exchange Commission (BSEC) is set to amend a number of rules today particularly with the view to tightening the capital-raising process through the initial public offering (IPO). It will also raise the quota facility for the general investors at the commission meeting today. The commission also proposed to make it mandatory for a listed company to get the consent from the regulator regarding raising capital through issuing equity shares. A directive would be issued soon. Meanwhile, the regulator also moved to launch a price bar for bidding in the book-building method.

<https://www.dhakatribune.com/business/2021/01/13/capital-raising-from-bourse-set-to-become-more-rigorous>

<https://www.newagebd.net/article/127025/bsec-to-raise-ipo-quota-for-general-investors>

Stock

United Airways kicked out from bourse's main board

The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday delisted the now-defunct United Airways (BD) and sent it to the over-the-counter (OTC) market. United Airways have been grounded since March 7, 2016 and is unlikely to take off again. The lapsing stock price is of great concern as 97.5 per cent of United Airways's shares are in the possession of general investors and institutes. In other words, sponsor-directors have parachuted off the crashing company, holding just 2.5 per cent of the stakes. Subsequently, with the view to protecting the interest of investors, the BSEC has decided to remove the company from the mainboard.

<https://www.dhakatribune.com/business/2021/01/13/united-airways-kicked-out-from-bourse-s-main-board>

<https://tbsnews.net/economy/stock/united-airways-sent-over-counter-market-184747>

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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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