

## Bangladesh market snapshot

	Last closing
DSEX Index	4,633.38
% change	2.21%
DS30 Index	1,581.46
% change	2.42%
DSES Index	1,088.33
% change	2.30%
Turnover (BDT mn)	11,203.85
Turnover (USD mn)	133.38
% change	6.90%
Market Capitalization (BDT bn)	3,522
Market Capitalization (USD bn)	41.93
% change	1.97%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	27,976.84
% change	+1.05%
Nikkei 225	23,272.34
% change	+1.88%
FTSE 100	6,280.12
% change	+2.04%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	99.74
GBP	110.86
INR	1.14

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range	Weighted Average (%)
10-Aug-2020	3.50-5.25	4.64
09-Aug-2020	3.50-5.25	4.68

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	45.40	-0.07%
Gold Spot, USD/t oz	1,936.38	+1.07%
Cotton, USD/lb	62.75	+0.88%

Source: Bloomberg

## Economy

### Standard Chartered foresees fast recovery for Bangladesh

Bangladesh may recover faster from the pandemic-ravaged economic slowdown than many other economies, a leading global bank says, analysing the trends in some key indicators including external balance. Balance of payment surplus, a healthy foreign exchange reserve and very low public debt-GDP ratio are among the factors that give Bangladesh room for boosting the growth. Despite a global recession which is shaping up to be historic in scale, Bangladesh might be one of only two ASEAN and South Asian economies – the other being Vietnam – to register a positive growth in 2020.

<https://www.tbsnews.net/economy/standard-chartered-foresees-faster-recovery-bangladesh-118633>

### Japan offers record \$3.15b credit line

Japan on Wednesday confirmed a record US\$3.15 billion in loans for Bangladesh to bankroll seven development projects. The funds under the 41st Official Development Assistance (ODA) package would be utilised for constructing the country's two metro rail lines, upgrading transport system, improving food security while developing urban areas. In May last year, Japan provided the 40th ODA loan package worth \$2.5 billion for financing five projects.

<https://today.thefinancialexpress.com.bd/first-page/japan-offers-record-315b-credit-line-1597252356>

## Bank and NBF

### Slow progress in fund disbursement

Banks and non-bank lenders could disburse only Tk 15 billion of the stimulus package until July 30 for smaller firms. The disbursed amount is just 7.50 per cent of total Tk 200 billion financial support meant for small and medium enterprises (SMEs). The support is to help the SMEs weather the adverse impact of the Covid-19 pandemic. Loans amounting to Tk 27.50 billion were sanctioned to more than 8000 SMEs during the period.

<https://today.thefinancialexpress.com.bd/first-page/slow-progress-in-fund-disbursement-1597251797>

<https://www.newagebd.net/article/113336/banks-show-reluctance-to-get-refinance-scheme-fund>

### Three state banks asked to submit action plans soon

The government has asked three state-owned banks to immediately submit time-bound action plans for spending Tk 7.50 billion which has been allocated by it as grant. Non-scheduled Palli Sanchay Bank, Karmasangs than Bank and specialised Probashi Kallyan Bank have received the government grant of Tk 2.5 billion each. The grant has been provided with an aim to soften the impacts of the Covid-19 pandemic and expedite the country's economic activities including keeping employment, production and supply situation stable in the country.

<https://today.thefinancialexpress.com.bd/last-page/three-state-banks-asked-to-submit-action-plans-soon-1597250584>

### **BB relaxes conditions for auditing export subsidy applications**

The Bangladesh Bank has cleared that banks can reappoint existing audit firms, after the expiration of their tenure, until new firms are appointed to audit applications for alternative cash incentives or export subsidies. Generally, banks can appoint listed audit firms for three years.

<https://www.tbsnews.net/economy/banking/bb-relaxes-conditions-auditing-export-subsidy-applications-118615>

### **Jute**

#### **BJMC invites pvt investors to visit closed state-owned jute mills**

The Bangladesh Jute Mills Corporation (BJMC) has invited the country's private sector entrepreneurs to visit the closed state-owned jute mills by August 20 to see the status of the units' machinery, assets and establishments in a bid to reopen the mills under private initiatives. The BJMC on Tuesday issued a notification inviting entrepreneurs and investors from the private sector to go for field visits so that they could get the real picture of the machinery and other assets of the mills and can give opinions on the models of reopening of the mills. The committee is reviewing public private partnership (PPP), joint venture, G2G and rental lease as possible models for the reopening of the mills.

<https://www.newagebd.net/article/113337/bjmc-invites-pvt-investors-to-visit-closed-state-owned-jute-mills>

### **Capital Market**

#### **Associated Oxygen under FRC scanner**

The Financial Reporting Council is investigating the financial data of Associated Oxygen Limited on suspicion of anomalies. The Bangladesh Securities and Exchange Commission, however, on July 15 approved the initial public offering of Associated Oxygen despite Dhaka Stock Exchange's reservations about the company's IPO. An IPO panel of the DSE, the country's premier bourse, made the reservations in January this year. Earlier on June 18, 2019, the DSE proposed 'no recommendation' about the company's IPO to the BSEC. The regulatory body had recently launched an investigation into the Associated Oxygen's financial documents on suspicion of financial flaws.

<https://www.newagebd.net/article/113339/associated-oxygen-under-frc-scanner>

#### **Krishibid Feed withdraws IPO due to pandemic havoc**

Krishibid Feed Limited has withdrawn its application of Initial Public Offering (IPO) from the Bangladesh Securities and Exchange Commission (BSEC). The company sent a letter to the commission in this regard on August 12, 2020. The principal activity and the nature of the business of Krishibid Feed is to manufacture, sell and distribute all sorts of poultry feed, fish feed and cattle feed. Apart from that, the company can manufacture, distribute, export and import all kinds of agro feed

anywhere in Bangladesh and abroad. The company wanted to raise Tk30 crore from the stock market to expand its business. The management of Krishibid Feed is concerned that the pandemic would further disrupt their business. So, they decided to withdraw the application for IPO.

<https://www.tbsnews.net/economy/stock/krishibid-feed-withdraws-ipo-due-pandemic-havoc-118654>

## Stock

### **SS Steel to increase authorised capital to Tk500 crore**

SS Steel has decided to increase its authorised capital to Tk500 crore from Tk300 crore. To make this happen, the company will have to amend clause-V of the memorandum of association and clause-5 of the articles of association. The company will also table its decision to acquire Saleh Steel Industries Limited before the EGM. SS Steel will invest Tk134 crore in Saleh Steel. Following the move, Saleh Steel will issue new shares to SS Steel.

<https://www.tbsnews.net/economy/stock/ss-steel-increase-authorised-capital-tk500-crore-118606>

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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

Md. Hasib Reza, CFA	Head of Research	hasib.reza@ucb.com.bd	+880 1755 658 997
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

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
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### 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.