

Bangladesh market snapshot

	Last closing
DSEX Index	5,094.88
% change	0.49%
DS30 Index	1,775.16
% change	0.46%
DSES Index	1,169.53
% change	0.51%
Turnover (BDT mn)	9,366.11
Turnover (USD mn)	111.00
% change	13.48%
Market Capitalization (BDT bn)	4,106
Market Capitalization (USD bn)	49.00
% change	1.07%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	30,068.81
% change	-0.35%
Nikkei 225	26,728.97
% change	-0.33%
FTSE 100	6,564.29
% change	+0.08%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	102.65
GBP	113.27
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
08-Dec-2020	1.00-5.25	1.85
07-Dec-2020	1.00-5.25	1.83

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	49.04	+0.37%
Gold Spot, USD/t oz	1,840.05	+0.03%
Cotton, USD/lb	72.73	-0.44%

Source: Bloomberg

Bank

BB asks banks to keep higher provision

The Bangladesh Bank on Thursday issued a circular asking all scheduled banks to maintain additional 1 per cent provision against all unclassified loans along with the loans shown in the special mention accounts. The central bank also tightened rules in transferring unrealised interest income to the income account with a view to ensuring sound financial health of the banks and enhancing shock absorbing capacity of the entities. The BB came up with the instruction amid apprehension of the economists and researchers of a spike in defaulted loans once the regulatory forbearance issued for the year 2020 would be over in the year 2021 as a large portion of the loans have become irregular amid the coronavirus outbreak in the country.

<https://www.newagebd.net/article/123963/bb-asks-banks-to-keep-higher-provision>

Economy

Padma Bridge's full length takes shape

The country's longest 6.15-kilometre road-cum-rail bridge over the Padma is now visible with the installation of the last span on its piers on Thursday. With this, the setting up of composite steel truss structures on the bridge was also completed. The Chinese contractor placed the span on piers 12 and 13 around 12:02 pm, thus establishing a link between Jajira and Mawa points.

<https://today.thefinancialexpress.com.bd/public/first-page/padma-bridges-full-length-takes-shape-1607623168>

Govt plans fresh apparel stimulus

The garment sector is on way to receive a second round of stimulus, with government plans reasoning that it has been severely affected by the second wave of the coronavirus pandemic.

"If the situation worsens further, the government is ready to give (it)," said Commerce Minister Tipu Munshi at a virtual event of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

<https://www.thedailystar.net/business/news/govt-plans-fresh-apparel-stimulus-2010517>

Two Chinese firms to invest \$28.69m

Two Chinese companies are set to invest around Tk 244 crore, equivalent to \$28.69 million, in Bangladesh for establishing manufacturing units for non-woven personal protective equipment (PPE), steel structural items and ready-mix concrete. The duo will sign an agreement with Bangladesh Economic Zones Authority (Beza) tomorrow to take lease of land to set up the factories at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN).

<https://www.thedailystar.net/business/news/two-chinese-firms-invest-2869m-2010521>

Capital Market

BSEC moves to accelerate cos' listing process

The Bangladesh Securities and Exchange Commission has taken various measures to expedite companies' public offering and listing processes to reduce the time taken up in the processes along with the expenses incurred by the companies. BSEC executive director and spokesperson Rezaul Karim told New Age that the regulator would cut down the time to a maximum 10 days to start trading on the stock exchange after subscription for public offering ends.

Currently, it takes at least 30 working days to begin trading after the end of subscription, he said. If a company complies with all the rules and regulations, it would get the approval for IPO within 60 days, he said.

<https://www.newagebd.net/article/124065/bsec-moves-to-accelerate-cos-listing-process>

Disclaimer

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UCB Capital Management Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh. UCB is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc. ("RBLT"), 40 Wall Street 59th Floor, New York NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UCB. RBLT accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of RBLT and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Ownership and Material Conflicts of Interest

RBLT or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. RBLT, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. RBLT is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

RBLT or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither UCB nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

UCB may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of UCB.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

We calculate our target price by weighting DCF, DDM, SOTP, asset-based and other relative valuation methods, and applying appropriate premiums/ discounts and/or other relevant adjustments.

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 %

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyst(s), that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

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, CFA	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	COO & Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
----------------------	----------------------	-----------------------	-------------------

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

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

Corporate Office

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

Extension of Main Office

Room # 126, DSE Tower (Level # 8)
Plot 46, Road-21, Nikunja - 02
Dhaka- 1229
Bangladesh

Extension of Main Office

NIK Tower (3rd & 4th Floor)
55 Dilkusha C/A
Dhaka-1000
Bangladesh

Extension of Main Office

Plot# 12, (2nd Floor, West side)
Road # 05 Dhanmondi, Dhaka
Bangladesh

Chattogram Office

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