

Bangladesh market snapshot

	Last closing
DSEX Index	5,126.43
% change	0.62%
DS30 Index	1,798.75
% change	1.33%
DSES Index	1,180.63
% change	0.95%
Turnover (BDT mn)	10,034.00
Turnover (USD mn)	119.00
% change	7.13%
Market Capitalization (BDT bn)	4,163
Market Capitalization (USD bn)	50.00
% change	1.37%

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 (%)
10-Dec-2020	1.00-5.25	1.74
09-Dec-2020	1.00-5.25	1.79

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

Economy

Covid Vaccine: First shipment arriving in Jan

The country will receive the first consignment of Oxford-AstraZeneca's Covid-19 vaccine in January, Health Minister Zahid Maleque yesterday said. Fifty lakh shots of the three crore doses of the vaccine could reach the country on any day of January, he said while addressing a procurement contract-signing ceremony of the vaccine at the Directorate General of Health Services (DGHS) in Dhaka. The remaining doses will come in phases with 50 lakh each month. Prof ABM Khurshid Alam, director general of the DGHS, signed the agreement on behalf of the government and Nazmul Hasan Papon, managing director of Beximco Pharmaceuticals Ltd, on behalf of the mediator company.

<https://www.thedailystar.net/frontpage/news/covid-vaccine-first-shipment-arriving-jan-2010873>

Import, export cost goes up as freight rates rise

Freight charges have risen in the last few weeks due to the adverse effects of Covid-19 on the global shipping sector, pushing the cost for importers and exporters in Bangladesh, industry people said.

Major mainline operations have increased the freight rates citing an acute shortage of empty containers following a surge in demand for imports. Besides, the ongoing coronavirus pandemic has disrupted the global supply chain, causing delays in shipment and congestion at several ports, they said.

<https://www.thedailystar.net/business/news/import-export-cost-goes-freight-rates-rise-2011101>

Garment exporters face storm as new orders drop

Apparel makers are once again facing trying times.

On the one hand, the flow of new orders for shipment during the summer has fallen. On the other hand, many buyers are deferring placement of new orders as retail sales in the West are yet to pick up because of the second wave of coronavirus infections. This forced a large number of garment manufacturers to cut back on their production and run below capacity at a time when their overheads have not dropped to that extent.

<https://www.thedailystar.net/bangladesh/news/garment-exporters-face-storm-new-orders-drop-2011077>

Tk 1,000cr fund for factories' tech upgrade

Bangladesh Bank is forming a Tk 1,000 crore fund to provide cheap loans to export-oriented industries to upgrade technologies they currently use. The eligible industries are of 32 types, all falling under top-priority and special development sectors. They include readymade garment factories making high-value additions in production, pharmaceuticals, software and IT-enabled services, jute goods and footwear and leather goods.

<https://www.thedailystar.net/business/news/tk-1000cr-fund-factories-tech-upgrade-2011081>

Separate stimulus coming to bail out small ventures

The government is going to come up with a new stimulus package to reach working capital to pandemic-hit small entrepreneurs through microfinance institutions (MFI). The size of the proposed bailout package might amount to Tk5,000-Tk10,000 crore. The microcredit lenders will disburse loans directly under the package to cottage, micro, small and medium enterprises (CMSME). In this case, lending might be at 12-13%. However, there will be no government subsidy on the interest rate.

<https://tbsnews.net/economy/separate-stimulus-coming-bail-out-small-ventures-171310>

Bank

Liquidity glut in banks

The advance-deposit ratio (ADR) of the country's banking sector dropped in September 2020 as stimulus money and remittances swelled deposits as against slower credit growth, bankers say. The ADR - a ratio between deposits and credit at any point of time-of all banks came down to 74 per cent as on September 24 from 76.22 per cent as on June 30 this year. It was 77.34 per cent as on December 31, 2019. Though loan is not a liquid asset for banks, deposits are the main source of banks' liquidity. The ADR indicates the portion of deposits used to extend the credit.

<https://today.thefinancialexpress.com.bd/first-page/liquidity-glut-in-banks-1607881898>

Stock

Govt, Beximco enter Oxford vaccine deal

The government on Sunday signed an agreement with Beximco Pharma on the procurement of Oxford-Astrazeneca vaccine from Serum Institute of India (SII). The agreement was signed at the Directorate General of Health Services (DGHS) where health minister Zahid Maleque was present. Director general of DGHS Professor Dr ABM Khurshid Alam and Beximco Pharma managing director Nazmul Hasan Papon signed the agreement on behalf of their respective organisations. Under the agreement, Bangladesh will import 30 million doses of vaccine in the next six months from Serum Institute of India, (5.0 million in each month). The agreement was sent to the SII, which will resend the agreement paper to Bangladesh by 15 December.

<https://today.thefinancialexpress.com.bd/first-page/govt-beximco-enter-oxford-vaccine-deal-1607882096>

Capital Market

BSEC asks non-compliant companies to reform boards

The Bangladesh Securities and Exchange Commission has asked companies which have failed to maintain at least 30 per cent joint shareholding by directors to appoint two additional independent directors to their boards for the purpose of reforming their boards. The BSEC issued a directive in this regard on December 10 with an immediate effect.

<https://www.newagebd.net/article/124265/bsec-asks-non-compliant-companies-to-reform-boards>

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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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