

## Bangladesh market snapshot

	Last closing
DSEX Index	4,905.04
% change	0.44%
DS30 Index	1,711.60
% change	0.07%
DSES Index	1,117.44
% change	0.17%
Turnover (BDT mn)	9,880.70
Turnover (USD mn)	117.63
% change	1.31%
Market Capitalization (BDT bn)	3,985
Market Capitalization (USD bn)	47.44
% change	0.38%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	29,479.81
% change	+1.37%
Nikkei 225	25,385.87
% change	-0.53%
FTSE 100	6,316.39
% change	-0.36%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	99.89
GBP	112.15
INR	1.14

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
11-Nov-2020	1.00-5.25	2.09
10-Nov-2020	1.00-5.25	2.31

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.78	-1.72%
Gold Spot, USD/t oz	1,889.20	+0.66%
Cotton, USD/lb	70.40	-0.31%

Source: Bloomberg

## Economy

### Dhaka seeks duty-waiver for 12 more years past LDC graduation

Bangladesh has demanded before the United Nations export duty waivers on its products for 10 to 12 years past its graduation from a least developed country (LDC) to a developing one in 2024. Bangladesh has been lobbying with international communities, like the LDC group of the World Trade Organization (WTO), for the waiver. This is because the country's economy, exports, supply chains and employment have been severely damaged from the fallouts of the Covid-19.

<https://www.thedailystar.net/business/news/dhaka-seeks-duty-waiver-12-more-years-past-ldc-graduation-1995085>

## Bank and NBFIs

### Bank squeeze depositors in hunt for profit

The interest rate spread, which is the difference between the interest rate a bank pays to depositors and the interest rate it receives from loans to consumers, has started to widen again as banks awash with funds have started to slash rates on their deposit products. At the end of September, the spread, which is a key determinant of a financial institution's profitability or lack thereof, stood at 3 per cent after hitting a 12-month-low in July. A year earlier, it was 3.91 per cent. As part of its move to make funds cheaper for banks, the BB had slashed the repurchase agreement (repo) rate- which is the rate that is used to signal the central bank's monetary policy stance- by 50 basis points to 4.75 per cent. The central bank also cut the reverse repo rate by 75 basis points to 4 per cent and the bank rate by 100 basis points to 4 per cent.

<https://www.dhakatribune.com/business/banks/2020/11/15/bank-squeeze-depositors-in-hunt-for-profit>

### Most NBFIs see rise in profits

Most of the listed non-bank financial institutions (NBFIs) posted higher profits in the July-September quarter thanks to the lower provisioning regime amid the ongoing pandemic. IDLC Finance booked higher earnings per share, followed by DBH and National Housing Finance. BD Finance, the Investment Corporation of Bangladesh, LankaBangla, and Midas Financing returned to the black after incurring a loss in the same quarter last year. Uttara Finance and International Leasing Financial services drowned into losses in the quarter.

<https://www.thedailystar.net/business/news/most-nbfis-see-rise-profits-1995137>

## Textile

### Double whammy for apparel exporters for second wave, price cut

The garment sector fared well in the first quarter of the current fiscal year thanks to the reopening of western retail outlets after a pause for a few months since the Covid-19 outbreak. But now the threat of a possible second wave of the deadly virus and a price cut

from the buyers in an excuse of low demand from the end-customers are holding back the recovery of the multi-billion-dollar industry. The local exporters are fearing a slow recovery of apparel shipments as many buyers are thinking twice before placing work orders considering the second wave. With the havoc in the supply chain, the perennial shock of offering lower prices by the buyers has been emerging as a double whammy for the exporters.

<https://www.thedailystar.net/business/news/double-whammy-apparel-exporters-second-wave-price-cut-1994105>

## Pharmaceuticals

### Govt looks to ramp up API production for burgeoning pharma sector

Bangladesh, a laggard in the production of raw materials for the \$3 billion pharmaceuticals industry, has made a four-fold jump in the manufacturing of active pharmaceutical ingredient (API) in the last decade to meet growing demand. But the current API production is still minuscule as the country needs to import \$1.3 billion worth of raw materials every year for the pharmaceuticals sector. The government is setting up an API industrial park in Munshiganj to fill the void, cut reliance on foreign markets and save foreign currency. The park has been developed on 200 acres of land in the adjoining Dhaka-Chattogram Highway under Gazaria upazila at the cost of Tk 330 crore. It took around 12 years to build the estate after the government undertook the project in 2008.

<https://www.thedailystar.net/business/news/govt-looks-ramp-api-production-burgeoning-pharma-sector-1995145>

## Capital Market

### Robi's IPO hits market on Tuesday

The initial public offering of the country's second largest telecom operator, Robi Axiata Limited, worth Tk 523 crore will hit the market on Tuesday. This will be the largest IPO on the country's capital market. Robi will float 52.37 crore shares at an issue price of Tk 10 each.

<https://www.newagebd.net/article/121594/robis-ipo-hits-market-on-tuesday>

### BSEC to curb insider trading

The securities regulator has started developing a database of top officials, sponsor-directors and auditors of the listed companies, who are in the know about the price sensitive information (PSI), to fight against 'insider trading'. The information of the officials of the securities regulator and stock exchanges will also be included in the database. The regulatory move came in line with a work-plan approved recently to introduce market intelligence to curb rumours and suspicious transactions and other malpractices that hamper normal trading in the capital market.

<https://today.thefinancialexpress.com.bd/first-page/bsec-to-curb-insider-trading-1605373779>

## Stock

### Square Pharma logs higher earnings

Square Pharmaceuticals posted higher earnings in the July-September quarter as the number of people seeking healthcare has gone up following a dip in turnout in the previous quarters amid the pandemic. The country's biggest pharmaceutical manufacturer in terms of market capitalisation said its earnings per share rose by 17 per cent year-on-year to Tk 4.66 in the July-September. People are now returning to the hospitals and doctor's chambers for issues other than COVID-19. So, drug sales rose in the July-September quarter.

<https://www.thedailystar.net/business/news/square-pharma-logs-higher-earnings-1994069>

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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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