

Bangladesh market snapshot

	Last closing
DSEX Index	5,545.09
% change	1.79%
DS30 Index	2,146.14
% change	2.20%
DSES Index	1,260.22
% change	1.74%
Turnover (BDT mn)	10,822.73
Turnover (USD mn)	128.84
% change	35.00%
Market Capitalization (BDT bn)	4,748
Market Capitalization (USD bn)	56.53
% change	1.97%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,458.40
% change	+0.09%
Nikkei 225	30,564.19
% change	+1.60%
FTSE 100	6,756.11
% change	+2.52%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	102.79
GBP	117.43
INR	1.17

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
14-Feb-2021	1.00-5.25	1.57
11-Feb-2021	1.00-5.25	1.72

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.63	+0.52%
Gold Spot, USD/t oz	1,824.68	+0.32%
Cotton, USD/lb	89.75	+1.23%

Source: Bloomberg

Economy

Economy making uneven recovery

Bangladesh's economy is making an uneven recovery with larger firms at a faster pace and small and medium enterprises (SMEs) falling behind, said the Centre for Policy Dialogue (CPD) yesterday. Smaller firms, people belonging to the low-income category and the poor (people) in general have been affected disproportionately and have not received adequate government support.

<https://www.thedailystar.net/business/news/economy-making-uneven-recovery-2045509>

Bank and NBF

Credit card-based transactions rise by 23pc in July-Dec

The amount of credit card-based transactions increased by 23.43 per cent or Tk 1,594.7 crore year-on-year in July-December of 2020 as a section of people used the financial product as a last resort for purchasing essential goods due to income erosion amid the COVID-19 outbreak. People were also becoming more used to online transactions after the coronavirus outbreak. The amount of credit card-based transactions rose to Tk 8,400.7 crore in the July-December period of 2020 against Tk 6,806 crore in the same period of 2019.

<https://www.newagebd.net/article/130290/credit-card-based-transactions-rise-by-23pc-in-july-dec>

Textile

Bangladeshi apparel sees sharper fall in prices than Vietnamese

Bangladeshi apparel items have witnessed a sharper fall in prices compared to the Vietnamese products in the European Union and US markets. The price of 100 kilogrammes of made-in-Bangladesh cotton fibre T-shirt declined by 1 per cent year-on-year to 1,091.5 euros in 2020. However, the same product manufactured in Vietnam saw a 3 per cent price rise, reaching 2,157.9 euros last year.

<https://www.thedailystar.net/business/news/bangladeshi-apparel-sees-sharper-fall-prices-vietnamese-2045521>

Capital Market

Floor price of stocks can be revised for corporate declaration

The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to allow floor prices of listed stocks to be revised for corporate declarations such as bonus shares or rights share issuance. Considering dilution effect of corporate declaration, a company's adjusted price would be revised floor-price.

<https://www.thedailystar.net/business/news/floor-price-stocks-can-be-revised-corporate-declaration-2045501>

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-consider-adjusted-share-price-as-the-revised-floor-price-1613403987>

BSEC seeks investment strategy from institutions

The Bangladesh Securities and Exchange Commission (BSEC) has asked institutional investors to submit a comprehensive investment proposal listing all the issues through Bangladesh Merchant Bankers Association (BMBA), so that the regulator can take steps to resolve them. BMBA President Md Sayadur Rahman said at present, investors who hold 10% or more shares of a company are not eligible to buy or sell their shares without approval from the stock exchanges. He proposed that the limit should be increased to 25%.

<https://tbsnews.net/economy/stock/bsec-seeks-investment-strategy-institutions-202300>

Stock

UCB gets license for MFS subsidiary

Bangladesh Bank has provided a license to UCB Fintech Company, a subsidiary of United Commercial Bank (UCB), to offer mobile financial services (MFS) replacing its existing "Ucash" brand. The fintech is expected to launch the replacement MFS, "Upay", by mid-March this year. It obtained the license on the last week of December 2020. This is the second such subsidiary MFS company in the country after bKash, which introduced its operation in 2011. Ucash customers will be shifted to Upay and enjoy all kinds of services as per the central bank regulations.

<https://www.thedailystar.net/business/news/ucb-gets-licence-mfs-subsiidiary-2045497>

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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 %

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