

Bangladesh market snapshot

	Last closing
DSEX Index	3,969.31
% change	-3.89%
DS30 Index	1,333.28
% change	-3.50%
DSES Index	926.41
% change	-3.28%
Turnover (BDT mn)	3,736.94
Turnover (USD mn)	44.49
% change	-8.73%
Market Capitalization (BDT bn)	3,111
Market Capitalization (USD bn)	37.04
% change	-3.19%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	23,185.62
% change	9.36%
Nikkei 225	17,431.05
% change	-6.08%
FTSE 100	5,366.11
% change	2.46%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	94.36
GBP	104.31
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
12-Mar-2020	4.50-5.50	5.15
11-Mar-2020	4.50-5.50	5.21

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	32.98	-2.57%
Gold Spot, USD/t oz	1,547.06	1.13%
Cotton, USD/lb	58.99	-2.48%

Source: Bloomberg

Economy

ADB provides \$400m to upgrade international road corridor

The Asian Development Bank yesterday signed an agreement with Bangladesh to provide €360 million, or \$400 million, to help upgrade the Dhaka-Northwest international trade corridor. The project is part of a priority international transport corridor that connects Bangladesh with Bhutan, India, and Nepal, said Manmohan Parkash, country director of the Manila-based multilateral lender, in a press release. The assistance forms the second tranche of \$1.2 billion ADB loans for the second South Asia Sub-regional Economic Cooperation (SASEC) Dhaka - Northwest Corridor Road Project.

<https://www.thedailystar.net/business/news/adb-provides-400m-upgrade-international-road-corridor-1881376>

Italian retailers considering cancelling work orders: Munshi

Some European clothing retailers, especially the ones based in Italy, are mulling over cancelling or deferring work orders from Bangladesh amid a fall in apparel sales because of the coronavirus pandemic, said Commerce Minister Tipu Munshi yesterday. Italy is the worst-affected European country, where the government ordered closure of all shops, bars and restaurants as its coronavirus-induced death toll surpassed 1,400 on Saturday.

<https://www.thedailystar.net/business/news/italian-retailers-considering-cancelling-work-orders-munshi-1881436>

ICAB proposes corporate tax rationalisation

The Institute of Chartered Accountants of Bangladesh on Sunday recommended a number of amendments to the Income Tax Ordinance 1984, including rationalisation corporate tax and tax at source, for getting new investment in the country. ICAB officials said that the archaic ordinance should be amended for higher revenue generation and tax-GDP ratio, increase in the private sector investment, employment generation, export diversification and attract more foreign direct investment. The institution came up with the suggestions at a members' conference on Sunday.

<https://www.newagebd.net/article/102314/icab-proposes-corporate-tax-rationalisation>

It's better to skip marginal taxpayers

Making tax-return submission mandatory for all TIN holders would not be fair, said chairman of National Board of Revenue, or NBR. Abu Hena Md Rahmatul Muneem on Sunday said Taxpayers Identification Number is required for opening bank accounts. He was speaking at a seminar on income tax reform in the upcoming budget, organised by the Institute of Chartered Accountants of Bangladesh at its office in Dhaka. Former ICAB president Humayun Kabir chaired the session.

<https://today.thefinancialexpress.com.bd/last-page/its-better-to-skip-marginal-taxpayers-1584294313>

Capital Market

Merchant bankers yet to get funds for stock market investment

Merchant bankers did not get a single penny in more than a month since the central bank announced to help banks form up to Tk200 crore funds each for investing in the stock market. The Bangladesh Bank has relaxed capital market investment rules for banks so that they can increase investment, but still many banks look least interested in it, said Md Sayadur Rahman, president of Bangladesh Merchant Bankers Association.

<https://tbsnews.net/economy/banking/merchant-bankers-yet-get-funds-stock-market-investment-56791>

Eight banks form Tk 1,335cr in special funds for stocks

Eight banks have formed special funds worth Tk 1,365 crore for investing in the stock market and three other banks would complete the stock market fund formation by this week, BB executive director and spokesperson Md Serajul Islam said on Sunday. Of the eight banks, Sonali Bank, Janata Bank, Shahjalal Islami Bank, Islami Bank, Social Islami Bank and United Commercial Bank have formed Tk 200 crore in stocks fund each.

<https://www.newagebd.net/article/102315/eight-banks-form-tk-1335cr-in-special-funds-for-stocks>

Dhaka stocks crash to its lowest in five years

Dhaka stocks plunged to its five-year low yesterday amid coronavirus-induced sell-off as fears grew that the fast-spreading disease would hurt both global and local economies and the earnings of listed companies. DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), lost 160.64 points, or 3.88 per cent, to close the day at 3,969.31 -- the lowest since May 4, 2015, when the market ended at 3,959.73.

<https://www.thedailystar.net/business/news/dhaka-stocks-crash-its-lowest-five-years-1881439>

BD Paints is seeking Tk 20cr to scale up production. But the basis for the optimism is suspect.

BD Paints, a relatively new entrant to the Bangladesh's paint landscape, plans to raise Tk 20 crore from the capital market in order to ramp up its production capacity -- even though about 60 per cent of its existing capacity remains unutilised. The disclosure, which was pulled from the company's initial public offering prospectus submitted to the Bangladesh Securities and Exchange Commission in March 20 last year, raises questions about the necessity of the funds -- and the paint manufacturer's debut on the bourse.

<https://www.thedailystar.net/business/news/bd-paints-seeking-tk-20cr-scale-production-the-basis-the-optimism-suspect-1881445>

Textile

Trade war proves a boon for apparel

Bangladesh's apparel exports to the US grew 16.09 per cent year-on-

year to \$637 million in January amid the US-China trade war. Apart from Bangladesh, four other countries, which are among the top 10 garment producers worldwide, also saw their shipment to the US market rise in January, according to data from the Office of Textiles and Apparel (OTEXA) of the US. Garment exports from Vietnam grew 4.25 per cent to \$1.39 billion, from Indonesia 3.48 per cent to \$445 million, from Cambodia 25.61 per cent to \$319 million and from Honduras 1.07 per cent to 155 million year-on-year, OTEXA data showed.

<https://www.thedailystar.net/business/news/rustle-action-plan-coronavirus-1878199>

<https://www.newagebd.net/article/102311/rmg-goods-pile-up-at-factories-as-buyers-ask-for-shipment-delay>

Telecom

NBR rejects internet infrastructure companies plea to cut VAT

Bangladesh Telecommunication Regulatory Commission will hold a public hearing on March 30 to listen to subscribers' complaints and suggestions about mobile phone services. To participate at the event, interested mobile subscribers will have to get registered by filling in a form on the BTRC web site, said a notice of the commission issued on Sunday.

<https://www.newagebd.net/article/102312/nbr-rejects-internet-infrastructure-companies-plea-to-cut-vat>

Bank and NBF

BB to form €200m fund for green industrialisation

The central bank is set to create a €200 million fund to provide low-cost loans to environment-friendly industrial plants. This is the first time the Bangladesh Bank has set up a euro fund. Previously, it formed three US dollar funds for the businesses. The BB board took the decision on March 12. The fund will be set aside from the foreign exchange reserves, creating a win-win situation for both the central bank and the businesses given the negative interest rates in the eurozone.

<https://www.thedailystar.net/business/news/bb-form-eu200m-fund-green-industrialisation-1881382>

Stocks

Swiss institutional investor raises its stakes in BATBC

The current rout of the Dhaka bourse has a silver lining: many well-performing companies are becoming bargains. Swiss wealth management firm Pictet spotted this opening, which is why one of the funds it manages is set to grab 5.25 lakh shares, or 0.29 per cent, of heavyweight British American Tobacco Bangladesh (BATBC) at the prevailing market price. Yesterday, the only listed tobacco company's share traded at Tk 910.20, so the purchase will set back PICTET LUX A/C THS KFFC (THS Kingsway Fund) by about Tk 47 crore.

<https://www.thedailystar.net/business/news/bb-form-eu200m-fund-green-industrialisation-1881382>

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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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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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
Md. Asif Muntasir Shakhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

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.