

Bangladesh market snapshot

	Last closing
DSEX Index	4,734.15
% change	3.71%
DS30 Index	1,592.33
% change	3.62%
DSES Index	1,075.74
% change	2.86%
Turnover (BDT mn)	9,162.59
Turnover (USD mn)	109.08
% change	25.42%
Market Capitalization (BDT bn)	3,555
Market Capitalization (USD bn)	42.33
% change	2.44%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,398.08
% change	-0.09%
Nikkei 225	23,505.97
% change	-0.77%
FTSE 100	7,409.13
% change	-0.58%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	92.03
GBP	110.83
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range	Weighted Average (%)
13-Feb-2020	4.50-5.50	5.07
12-Feb-2020	4.50-5.50	5.08

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	57.24	-0.14%
Gold Spot, USD/t oz	1,582.55	-0.10%
Cotton, USD/lb	68.41	-0.32%

Source: Bloomberg

Bank and NBFIs

14 banks cut default loans by 30pc, NRBC alone 77pc

Fourteen banks have reduced their default loans by more than 30 percent in three months of last year, thanks to massive loan rescheduling on relaxed terms offered to clean up the bank books. Mostly new generation banks saw a substantial fall in their classified loans during the period. Among the new banks, NRB Commercial Bank saw the highest 77 percent cut in its default loans while another new bank, NRB Bank achieved the second-highest 57 percent reduction in its default loans, according to Bangladesh Bank data released on Sunday.

<https://www.tbsnews.net/economy/banking/14-banks-cut-default-loans-30pc-nrbc-alone-77pc-45301>

Top court's concern over banks' status

The Appellate Division of the Supreme Court has expressed its dismay at the present status of the country's banking sector. The banking industry is worsening day by day and the government is supplying money to help them [banks] sustain, it observed. A four-member bench, headed by Chief Justice Syed Mahmud Hossain, made the observation while hearing an appeal filed by International Leasing and Financial Services Limited (ILFSL).

<https://today.thefinancialexpress.com.bd/first-page/top-courts-concern-over-banks-status-1581874182>

Economy

Real time remittance inflow from Malaysia soon

Expatriate Bangladeshis in Malaysia, the fifth highest source of remittance for the country, would soon be able to send in money to their near and dear ones at home on a real time basis thanks to a novel arrangement between Malaysian fintech firm Valyou, British bank Standard Chartered and local mobile financial service platform bKash. As per the arrangement, the terms of which has not been hammered out yet, remitters will be able to send in their hard-earned money in real time by opening a mobile wallet with Valyou, a subsidiary of Telenor Group.

<https://www.thedailystar.net/business/news/real-time-remittance-inflow-malaysia-soon-1869121>

Soaring post office deposits to come crashing down

Savings accounts in post offices saw soaring deposits in recent years thanks to high interest rates offered by the government to tempt people in the suburbs and rural areas to use formal channels for parking their funds. Deposits in ordinary accounts in post offices more than doubled to Tk 2,930 crore in fiscal 2018-19 from Tk 1,325 crore four years earlier, according to data from the Department of National Savings (DNS).

<https://www.thedailystar.net/business/news/soaring-post-office-deposits-come-crashing-down-1869106>

'Catch' tax-dodging foreign workers, ACC chief tells NBR officials

Anti-Corruption Commission (ACC) chairman Iqbal Mahmood on Sunday asked the National Board of Revenue officials to 'catch' the identified tax-dodging foreign nationals working in Bangladesh. He came up with the call at a training programme organised for the ACC and NBR officials at the BCS Tax Academy auditorium in the capital. Iqbal also asked the NBR officials to strengthen connections with the Bangladesh Investment Development Authority (BIDA) and immigration and passports department concerned so that nobody could evade taxes and misappropriate public money.

<https://www.newagebd.net/article/99808/catch-tax-dodging-foreign-workers-acc-chief-tells-nbr-officials>

Telecommunication

Govt sets floor rate in violation of telecom law

The government has set only the floor rate of incoming international calls at 0.6 US cents per minute, slashing the rate by 65.71 per cent, in violation of the Bangladesh Telecommunication Act, 2001. To this end, the Bangladesh Telecommunication Regulatory Commission issued a notice on February 13 that also allowed international gateway operators, which bring international call to the country, to share revenue with the government at the floor rate. The BB circular, however, did guarantee that the rate cut would be beneficial for the customers. Earlier, the incoming international call rate was set at between 1.75 US cents and 2.5 US cents.

<https://www.newagebd.net/article/99804/govt-sets-floor-rate-in-violation-of-telecom-law>

GP to run out of SIM cards soon: Yasir

Grameenphone chief executive officer Yasir Azman on Sunday said that the operator feared that it would run out of SIM cards soon as the Bangladesh Telecommunication Regulatory Commission refrained from approving new number block to GP. The operator needs 50,000 new SIM cards per day to meet market demand, he said, adding that the existing customers of the operator would not face any problem due to the reason.

<https://www.newagebd.net/article/99806/gp-to-run-out-of-sim-cards-soon-yasir>

Capital Market

Securities regulator rejects 3 IPO applications

The Bangladesh Securities and Exchange Commission (BSEC) has recently rejected the Initial Public Offering (IPO) applications of three companies. The companies are PEB Steel Alliance Ltd, Achia Sea Foods Ltd and Union Insurance Company Ltd. Besides, Meera Agro Inputs Ltd – a small-cap company – withdrew its IPO application last week.

<https://www.tbsnews.net/economy/stock/securities-regulator-rejects-3-ipo-applications-45175>

Textile

Tk1,500 crore loss feared for garments accessories

The garments accessories and packaging sector may incur Tk1,200-1,500 crore in losses if the present deadlock in import from China continues for 3-4 months further. The Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association on Saturday expressed this concern at a press conference in Dhaka about the damaging effects of coronavirus in China.

<https://www.tbsnews.net/economy/rmq/tk1500-crore-loss-feared-garments-accessories-45049>

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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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