

Bangladesh market snapshot

	Last closing
DSEX Index	5,527.39
% change	-0.32%
DS30 Index	2,146.16
% change	0.00%
DSES Index	1,252.55
% change	-0.61%
Turnover (BDT mn)	9,957.37
Turnover (USD mn)	118.54
% change	-8.00%
Market Capitalization (BDT bn)	4,717
Market Capitalization (USD bn)	56.16
% change	-0.65%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,522.75
% change	+0.20%
Nikkei 225	30,202.71
% change	-0.87%
FTSE 100	6,748.86
% change	-0.11%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	102.86
GBP	117.93
INR	1.17

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Feb-2021	1.00-5.25	1.67
14-Feb-2021	1.00-5.25	1.57

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	63.47	+0.19%
Gold Spot, USD/t oz	1,792.76	-0.10%
Cotton, USD/lb	89.67	+0.08%

Source: Bloomberg

Economy

Business confidence ticking up: Sanem

Business confidence in Bangladesh improved in the last quarter of 2020 as the economy strived to recover from the devastating impact of the coronavirus pandemic. The Business Confidence Index (BCI) of the South Asian Network on Economic Modelling (Sanem) went up to 55.24 per cent in the October-December. It was 51.06 per cent in the previous quarter.

<https://www.thedailystar.net/business/news/business-confidence-ticking-sanem-2046201>

<https://www.newagebd.net/article/130332/business-confidence-in-bangladesh-increases-in-slow-pace>

Private investment falls amid pandemic

The growth of private investment slimmed down over the past six months due to the Covid-19 fallouts, slow reform initiatives and high cost of doing business in the country. The ratio of private investment to gross domestic product fell to 12.72 per cent while local and foreign investment declined 72.16 per cent in the July-September period of fiscal 2020-21.

<https://www.thedailystar.net/business/news/private-investment-falls-amid-pandemic-2046173>

Bank and NBFIs

Card use hits all-time high

Use of both credit and debit cards hit an all-time high in December as people continued to fulfil their demand using the digital means, sidestepping the fear of economic losses caused by the pandemic. Total card loans held by lenders stood at Tk 1,561 crore in December, which is a fresh record in terms of the lending amount. The December's figure is up 8.84 per cent from that a month earlier and 23.78 per cent year-on-year. Clients also posted another spending record through debit cards, as the figure stood at Tk 18,795 crore, up 8.44 per cent from that a month earlier and 16.51 per cent year-on-year.

<https://www.thedailystar.net/business/news/card-use-hits-all-time-high-2046181>

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

Fuel and Power

Twin factors 'to prolong gas crisis'

Maintenance of Summit's floating storage and re-gasification unit (FSRU) along with subsequent lower-than-regular import of liquefied natural gas (LNG) is set to extend the country's existing gas crisis over the next couple of weeks. The state-run Petrobangla is importing a total of four LNG cargoes in February instead of regular five to six cargoes per month due to the Summit FSRU's maintenance. LNG re-gasification is now hovering around 400 million cubic feet per day (mmcf), which is 40 per cent of the

overall re-gasification capacity of the country's two FSRUs.

<https://today.thefinancialexpress.com.bd/first-page/twin-factors-to-prolong-gas-crisis-1613499670>

Telecommunication

NBR halves VAT on 4G licence, renewal fees

The National Board of Revenue (NBR) yesterday halved the valued-added tax (Vat) on licence issuance and renewal fees to 7.5 per cent in order to reduce the pressure on telecom service providers and increase tax collection. The move comes more than two weeks after the revenue authority exempted network operators from VAT on revenue shared with the Bangladesh Telecommunication Regulatory Commission (BTRC). Before the reduction, 15 per cent VAT was applicable on 4G licence issuance or renewal fees after the VAT and Supplementary Duty Act 2012 came into effect from July 1, 2019.

<https://www.thedailystar.net/business/news/nbr-halves-vat-4g-licence-renewal-fees-2046169>

<https://today.thefinancialexpress.com.bd/first-page/vat-rate-on-mobile-phone-operators-fees-halved-1613499894>

Capital Market

NRBC IPO oversubscribed by 11 times

The initial public offering (IPO) lottery draw of NRBC Bank will be held on March 3 to allocate its 120 million ordinary shares among successful applicants. The general investors have applied to buy 10.86 times higher the number of IPO shares being offered by the bank in its IPO. The private commercial bank raised Tk 1.20 billion by issuing 120 million ordinary shares at face value of Tk 10 each under the fixed price method.

<https://today.thefinancialexpress.com.bd/stock-corporate/nrbc-ipo-oversubscribed-by-11-times-1613494316>

Stock

BSEC summons Robi for not paying dividend from profit

The Bangladesh Securities and Exchange Commission yesterday summoned the officials of Robi Axiata to find out reasons why the mobile operator did not declare any dividend despite making a hefty profit last year. The telecom operator's profit after tax rose nine times year-on-year to Tk 155 crore and its revenue also grew 1.1 per cent to Tk 7,564 crore as of December 31 last year. But the company now believes that it should use the money it had made last year for its future growth instead of sharing it with the shareholders.

<https://www.thedailystar.net/business/news/bsec-summons-robi-not-paying-dividend-profit-2046165>

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-asks-robi-to-revise-no-dividend-decision-1613494265>

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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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