

Bangladesh market snapshot

	Last closing
DSEX Index	4,768.14
% change	0.72%
DS30 Index	1,599.01
% change	0.42%
DSES Index	1,083.70
% change	0.74%
Turnover (BDT mn)	9,763.88
Turnover (USD mn)	116.24
% change	6.56%
Market Capitalization (BDT bn)	3,572
Market Capitalization (USD bn)	42.52
% change	0.46%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,398.08
% change	-0.09%
Nikkei 225	23,523.24
% change	-0.69%
FTSE 100	7,435.22
% change	0.35%

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 (%)
16-Feb-2020	4.50-5.50	5.06
13-Feb-2020	4.50-5.50	5.07

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	57.07	-0.71%
Gold Spot, USD/t oz	1,587.00	0.37%
Cotton, USD/lb	68.97	0.82%

Source: Bloomberg

Economy

China's envoy now apprehends delays in mega projects

The Chinese ambassador to Bangladesh has gone back on his assurance from five days ago that Bangladesh's mega projects involving Chinese nationals would not face any hold-ups for the lethal coronavirus-imposed lockdown, in an indication of the escalating gravity of the disease. The number of deaths from the novel coronavirus has risen to 1,770 at the time of writing. There have been more than 71,000 cases worldwide, with the vast majority of those in mainland China.

<https://www.thedailystar.net/business/news/chinas-envoy-now-apprehends-delays-mega-projects-1869499>

FTA with Nepal in the final stage

Bangladesh is close to signing a free trade agreement (FTA) with Nepal, said Commerce Minister Tipu Munshi yesterday. Bangladesh exported products -- mainly jute goods, battery, garment, toiletries and pharmaceuticals -- worth \$38.05 million to Nepal in fiscal 2018-19 and imported goods worth \$18.13 million. Exports to Nepal to increase manifold in the near future after the signing of the FTA, Munshi said, adding that a secretary level meeting will be held on the signing of the FTA in Dhaka on March 3-4.

<https://www.thedailystar.net/business/news/fta-nepal-the-final-stage-1869493>

NBR wants to sniff firms with Tk100cr yearly transactions

In an effort to enhance revenue collection from the Value Added Tax (VAT) sector, the National Board of Revenue has sought information from all banks on the business firms whose annual transactions stood at Tk100 crore or more in any of the last five years. The revenue board's Audit, Intelligence and Investigation Wing has already sent a letter to all the banks to this end.

<https://www.tbsnews.net/economy/nbr/nbr-wants-sniff-firms-tk100cr-yearly-transactions-45459>

BD mission fears serious impact on bilateral trade

Bangladesh mission in China has expressed the fear that export-import trade between Dhaka and Beijing may face a major setback due to the outbreak of the coronavirus. The outbreak of the coronavirus may also hit the Chinese supply chain, thus hampering bilateral trade seriously, he added. Commercial Counsellor of the Bangladesh embassy in Beijing Mohammad Monsur Uddin in a letter, dated February 11 last, informed the commerce ministry about the latest situation in China where the coronavirus continues to spread.

<https://today.thefinancialexpress.com.bd/first-page/bd-mission-fears-serious-impact-on-bilateral-trade-1581960816>

Bank and NBFIs

Defaulted loans still going up

Defaulted loans crept up last year despite the government's attempts to subdue them -- by hook or by crook. A record Tk 50,186 crore was rescheduled last year, often by breaching banking norms, and yet defaulted loans hit Tk 94,313 crore at the end of 2019, up 0.42 percent year-on-year, according to data from the Bangladesh Bank. Defaulted loans, however, decreased last year in proportion to total outstanding loans: it stood at 9.32 percent, down from 10.30 percent at the close of 2018.

<https://www.thedailystar.net/frontpage/news/defaulted-loans-still-going-1869460>

Agrani in, Shahjalal out of banks' provision shortfall list

A dozen banks faced a combined provision shortfall of Tk10,797 crore at the end of December 2019, thanks to their rescheduling-spree of bad loans in a bid to show their defaulted loans lower than the real figure. The provision shortfall of 12 banks was around Tk12,000 crore at the end of September last year. This time, Agrani Bank has got into the list afresh while Shahjalal Islami Bank has come out of it, keeping the total number of banks suffering provision shortfalls unchanged.

<https://www.tbsnews.net/economy/banking/agrani-shahjalal-out-banks-provision-shortfall-list-45547>

Stock

Square Pharma to set up subsidiary worth Tk 3.50b

Square Pharmaceuticals Ltd on Monday decided to establish a wholly-owned subsidiary company named - Square Lifesciences Ltd- to manufacture pharmaceuticals oral solid dosage products. The company is expected that the project would be completed by June 2023. Each share of the company, which was listed on the Dhaka bourse in 1995, closed at Tk 206.10 on Monday, gaining 1.07 per cent over the previous day.

<https://today.thefinancialexpress.com.bd/stock-corporate/square-pharma-to-set-up-subsiidiary-worth-tk-350b-1581962215>

Telecommunication

BTRC cans 32 ISPs' licence

The telecom watchdog yesterday scrapped the licences of 32 internet service providers (ISP) for failing to pay their licence renewal fees on time. All 32 of the cancelled licences were category-C ones, as per the public notice from the Bangladesh Telecommunication Regulatory Commission (BTRC). According to regulations, category-C licence holders are allowed to provide internet services at the district and upazilla levels. The licence tenure of the ISPs had expired between 2014 and 2019 but some are still providing services to customers.

<https://www.thedailystar.net/business/news/btrc-cans-32-isps-licence-1869490>

BTRC finds mobile tower radiation within limit, not harmful

The Bangladesh Telecommunication Regulatory Commission on Monday said that radiation emitted by the existing mobile phone towers was within the regulatory limit and was found harmless to human health. The telecom regulator came up with the observation at a discussion on 'tower radiation: standards and recent survey findings' at a hotel in the capital. The BTRC and the Association of Mobile Telecom Operators of Bangladesh jointly organised the event.

<https://www.newagebd.net/article/99887/btrc-finds-mobile-tower-radiation-within-limit-not-harmful>

Engineering

Government plans automatic car assembling unit for Pragoti

The government has taken an initiative to set up an automatic assembling unit for Pragoti Industries Limited (PIL) to assemble car, bus and truck in the country as part of its plan of making the company a progressive manufacturing firm. There will be four production lines in the plant with state-of-the-art paint shop, body shop, press shop, machine shop, assembly and sub-assembly line, chassis line, trim and final assembly line and quality control facility, according to the plan of the industries ministry.

<https://www.newagebd.net/article/99886/government-plans-automatic-car-assembling-unit-for-pragoti>

Capital Market

Bulls returning to bourse

DSEX, the benchmark index of the premier bourse, continued the bullish trend for the fifth day straight, in an indication of the improving investor confidence thanks to BB's announcement of its long-awaited financial support for the bourse on February 10. Turnover also rose to a new high yesterday.

<https://www.thedailystar.net/business/news/bulls-returning-bourse-1869502>

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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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