

Bangladesh market snapshot

	Last closing
DSEX Index	5,503.68
% change	-0.43%
DS30 Index	2,120.40
% change	-1.20%
DSES Index	1,250.91
% change	-0.13%
Turnover (BDT mn)	8,638.67
Turnover (USD mn)	102.84
% change	-13.24%
Market Capitalization (BDT bn)	4,687
Market Capitalization (USD bn)	55.80
% change	-0.65%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,613.02
% change	+0.29%
Nikkei 225	30,344.97
% change	+0.17%
FTSE 100	6,710.90
% change	-0.56%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	102.68
GBP	117.91
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
16-Feb-2021	1.00-5.25	1.64
15-Feb-2021	1.00-5.25	1.67

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	65.12	+1.21%
Gold Spot, USD/t oz	1,783.70	+0.43%
Cotton, USD/lb	89.90	-0.03%

Source: Bloomberg

Economy

Bangladesh among few whose remittance surges in 2020: Report

Bangladesh became an exception among top remittance recipient countries amid the Covid-19 pandemic as expats sent \$19.8 billion to the country in 2020, an 8% increase on the previous year's. The country's remittance inflow was \$18.4 billion in 2019. The novel coronavirus pandemic has had an enormous impact on jobs and wages in many sectors of the global economy, and the crisis negatively influenced the flow of migrant remittances across the globe. Besides Bangladesh, Mexico and Pakistan also registered a remittance inflow increase of 9% and 4% respectively in 2020 compared to 2019.

<https://tbsnews.net/economy/bangladesh-among-few-whose-remittance-surges-2020-report-203455>

Bank and NBFIs

Bangladesh Bank forms committee to probe role of its officials, others in BIFC scam

The Bangladesh Bank has formed a fact finding committee to investigate role of individuals, including its officials, in irregularities that took place in Bangladesh Industrial Finance Company Ltd. Besides the irregularities in BIFC, the committee would also scrutinise financial irregularities and scams occurred in other non-bank financial institutions.

<https://www.newagebd.net/article/130487/bangladesh-bank-forms-committee-to-probe-role-of-its-officials-others-in-bifc-scam>

Fuel and Power

Govt to buy Tk 624cr LNG from Singapore firm

The government yesterday approved two proposals to buy a total of 67.2 lakh MMBTU liquefied natural gas from spot market for Tk 623.64 crore to meet the growing demand for the super-chilled fuel. Vitol Asia Pte Ltd of Singapore will supply the fuel. Under one of the proposals, Petrobangla, a corporation of the energy and mineral resources division, will buy 33,60,000 MMBTUs (million British thermal units) of LNG for about Tk 310.98 crore. Each MMBTU will cost \$9.3123. The second proposal will see Petrobangla buy 33,60,000 MMBTU LNG for about Tk 312.65 crore. The fuel is priced at \$9.3611 per MMBTU.

<https://www.thedailystar.net/business/news/govt-buy-tk-624cr-lng-singapore-firm-2046853>

<https://today.thefinancialexpress.com.bd/first-page/cabinet-body-approves-first-spot-lng-purchase-1613584495>

Capital Market

Lub-rref to hold IPO lottery draw Feb 23

Lub-rref (Bangladesh), a local lubricant producer, is set to hold initial public offering (IPO) lottery draw on February 23 to allocate 45.24 million ordinary shares. The general investors had applied to buy more than 12 times higher the number of IPO shares as they

applied for the company's shares worth Tk 7.57 billion in total.

<https://today.thefinancialexpress.com.bd/stock-corporate/lub-rref-to-hold-ipo-lottery-draw-feb-23-1613580162>

Stock

BATBC eyeing export market

British American Tobacco (BATBC) is set to invest Tk 192.5 crore to increase the production capacity of its factory in Savar in light of upcoming export opportunities. They have been considering exploring this opportunity but the pandemic pushed our investment plan back. The development comes a week after the Bangladesh subsidiary of the British multinational tobacco company posted its highest profits yet in 2020 as the demand for cigarettes during the outbreak of Covid-19 has proved resilient.

<https://www.dhakatribune.com/business/2021/02/18/batbc-eyeing-export-market>

<https://www.newagebd.net/article/130462/batbc-to-open-separate-export-unit-invest-tk-192cr>

IDLC Finance declares 35% cash dividend

IDLC Finance Limited has declared 35% cash dividend to its shareholders for 2020 that ended on 32 December. To approve the dividend and audited report and others agenda the company will hold an annual general meeting (AGM) on 31 March 2021. The record date for the AGM has set on 11 March. At the end of last year, the company posted consolidated earnings per share of Tk5.85, which was 45% higher than the previous year.

<https://tbsnews.net/economy/stock/idlc-finance-declares-35-cash-dividend-203524>

Robi pits the blame of no-dividend on the promised tax break it has yet to get

Robi, the country's second-largest mobile operator, has once again sought tax break from the government it was promised for getting listed on the bourse. The withdrawal of the 2 per cent turnover tax was one of the two conditions Robi had for going public, the talks of which began from 2013 at least. If the minimum tax is withdrawn, Robi would be a profitable company and would be able to reward its investors generously.

<https://www.dhakatribune.com/business/2021/02/17/robi-pits-the-blame-on-no-dividend-on-the-promised-tax-break-it-has-yet-to-get>

Disclaimer

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UCB Capital Management Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh. UCB is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc. ("RBLT"), 40 Wall Street 59th Floor, New York NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UCB. RBLT accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of RBLT and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Ownership and Material Conflicts of Interest

RBLT or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. RBLT, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. RBLT is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

RBLT or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither UCB nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

UCB may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of UCB.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

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 %

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyst(s), that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

Contact Us

Research Team

Md. Hasib Reza, CFA	Head of Research	hasib.reza@ucb.com.bd	+880 1755 658 997
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, CFA	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

Investment Strategist

Syed Adnan Huda, CFA	COO & Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
----------------------	----------------------	-----------------------	-------------------

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Assistant Vice President	rahman.tahmidur@ucb.com.bd	+880 1726 995 520

Office Premises

Head Office

1st Floor
6, Dilkusha C/A
Dhaka 1000
Bangladesh

Corporate Office

Bulus Center
(Level-2)
Plot-CWS (A)-1, Road No - 34
Gulshan Avenue
Dhaka 1212
Bangladesh

Extension of Main Office

Room # 126, DSE Tower (Level # 8)
Plot 46, Road-21, Nikunja - 02
Dhaka- 1229
Bangladesh

Extension of Main Office

NIK Tower (3rd & 4th Floor)
55 Dilkusha C/A
Dhaka-1000
Bangladesh

Extension of Main Office

Plot# 12, (2nd Floor, West side)
Road # 05 Dhanmondi, Dhaka
Bangladesh

Chattogram Office

Muntasir Centre (5th Floor)
253, Wasa Circle, Dampara
Khulshi, Chattogram
Bangladesh