

Bangladesh market snapshot

	Last closing
DSEX Index	4,928.98
% change	-0.62%
DS30 Index	1,751.82
% change	-0.22%
DSES Index	1,146.97
% change	-0.75%
Turnover (BDT mn)	4,355.62
Turnover (USD mn)	51.85
% change	12.03%
Market Capitalization (BDT bn)	3,711
Market Capitalization (USD bn)	44.17
% change	-0.10%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,076.82
% change	-0.52%
Nikkei 225	22,001.32
% change	0.06%
FTSE 100	7,331.85
% change	0.14%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.50
EUR	92.98
GBP	105.05
INR	1.18

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
16-Sep-2019	4.50-5.50	5.03
15-Sep-2019	4.50-5.50	5.03

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	64.49	-0.09%
Gold Spot, USD/t oz	1,510.80	-0.17%
Cotton, USD/lb	61.00	-0.62%

Source: Bloomberg

Economy

China won't bankroll new projects for now

China has turned down a proposal to fund the Barishal-Patuakhali-Kuakata four-lane project on the grounds that it will no more consider any new venture under the government-to-government cooperation. It has also requested Bangladesh to concentrate more on the timely execution of existing 27 projects for which it pledged more than \$25 billion. China will take a long time to evaluate and implement the listed projects involving large amounts. Hence, the government of China will not consider any new project out of the list.

<http://today.thefinancialexpress.com.bd/first-page/china-wont-bankroll-new-projects-for-now-1568742557>

ECNEC okays Tk 2.25b gridline project

The ECNEC approved installation of a high-voltage power transmission line project at a cost of Tk 2.25 billion in a bid to import power from Jharkhand in India. The Executive Committee of the National Economic Council (ECNEC) meeting on Tuesday endorsed the project along with seven others at a combine cost of Tk 89.68 billion. The government will import power from Jharkhand with the proposed power grid to augment local power supply. Under the project, the state-run Power Grid Company of Bangladesh (PGCB) will lay a 28-kilometre-long 400-kilovolt (kV) transmission line from Rahanpur to Monakosha border in Chapai Nawabganj.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-tk-225b-gridline-project-1568743051>

Saudi assures Bangladesh oil supply not to face disruption despite drone attacks

Crude oil supply to Bangladesh from Saudi Arabia will not be affected despite a disruption in oil production in the kingdom following drone attacks on an oilfield and a processing facility on Saturday. BPC officials on Tuesday said that they had already had communications with Saudi Aramco, the country's state-owned oil company, and the company confirmed the BPC about supplying the allocated crude oil scheduled for September. There are no scheduled shipments of the product in next two month.

<http://www.newagebd.net/article/84857/saudi-assures-bangladesh-oil-supply-not-to-face-disruption-despite-drone-attacks>

ADP execution slightly rises in July-Aug

Implementation of the annual development programme inched up to 4.48 per cent in two months (July-August) of the current fiscal year 2019-2020 against 3.49 per cent in the same period of the FY 2018-2019. The government's ADP implementation agencies including ministries and divisions could spend Tk 9,626 crore in July-August of FY20, up Tk 3,308 crore on the same period of FY19. A total of 58 ADP implementing agencies executed 5.19 per cent of ADP in July-August of the FY 2017-2018. The total allocation for the ADP for FY20 is Tk 2,15,114 crore including Tk 12,393 crore to be spent from the

own fund of state-owned enterprises. Of the total outlay, Tk 1,30,921 crore or 60.86 per cent will come from the government fund while Tk 71,800 crore or 33.38 per cent will come from foreign sources.

<http://www.newagebd.net/article/84859/adp-execution-slightly-rises-in-july-aug>

Handicraft exports post 12pc growth

There has been robust year-on-year growth in handicrafts exports thanks to the low production cost, availability of raw materials, low production cost, access to loans and entry into new markets. Export earnings from handicrafts fetched USD 3.36 million in the July–August period of FY2019–20, registering a 12 per cent growth from the USD 3 million earned during the same period in FY2018–19.

<http://www.theindependentbd.com/post/215841>

Bank

Banks relieved as loan-deposit ratio to stay unchanged

The central bank yesterday backtracked from its decision to lower the loan-deposit ratio as it looks to alleviate the sector's ongoing liquidity crunch and facilitate lower interest rate on lending. In a notice yesterday, the Bangladesh Bank said conventional banks would be allowed to keep the ratio at 85 percent and Shariah-based banks at 90 percent, relieving them of the stress of bringing down the ratios by September 30. This is a very time-befitting decision as the private sector credit growth has been maintaining a declining trend for months. Private sector credit growth hit a six-year low of 11.26 percent in July.

<https://www.thedailystar.net/business/news/banks-relieved-loan-deposit-ratio-stay-unchanged-1801576>

Textile

Social auditors protect brands, not RMG workers: report

Global social audit firms in the readymade garment sector have been protecting the profit and reputation of brands but failed to protect workers' safety and improving their working condition. The report exposed that multi-billion social auditing industry was operating as corporate social responsibility tool to protect brand reputation and profits while aggravating risks to garment workers.

<http://www.newagebd.net/article/84858/social-auditors-protect-brands-not-rmg-workers-report>

Engineering

Motorbike sales idle on budget measures

The demand was going strong until the budget struck and then sales plummeted – this is the motorcycle story today. Revving on ride sharing services like Uber and Pathao and a growing middle-class, motorcycle sales also zipped. The sales growth was 5.3 percent in July-August of 2018, which dropped to 2.7 percent during the same period of this year. The biggest disappointment came this August as 16 percent less motorcycles were sold. And all this because the government thought the growing motorcycle sector could be a good revenue earner and so

imposed additional duties and value added tax (VAT).

<https://tbsnews.net/economy/motorbike-sales-idle-budget-measures>

Stocks

Merger between BSRML and BSRM Steel Mills in the offing

Bangladesh Steel Re-Rolling Mills Ltd (BSRML) is set to merge with BSRM Steel Mills Ltd under the provision of section 228 and 229 of the Companies Act 1994. The merger and acquisition is subject to the consent of shareholders and approval from the High Court division of Supreme Court. Bangladesh Steel Re-Rolling Mills (a listed entity) is currently holding around 44.97 per cent stake in the (non-listed) BSRM Steel Mills Ltd. The board has decided to acquire 100 per cent stake of BSRM Steel Mills by Bangladesh Steel Re-Rolling Mills paving the way for merger of BSRM Steel Mills with Bangladesh Steel Re-Rolling Mills by issuing shares against rest of the stakes (around 55.03 per cent) of BSRM Steel Mills after completion of all legal and regulatory formalities.

<http://today.thefinancialexpress.com.bd/stock-corporate/merger-between-bsrml-and-bsrm-steel-mills-in-the-offing-1568737527>

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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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Contact Us

Research Team

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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

Institutional & Foreign Trade

Sonchoy Saha, CFA	Head of Institutional Sales	sonchoy.kumer@ucb.com.bd	+880 1755 615 313
Tahmidur Rahman	Senior Executive Officer	tahmid@blomberg.net 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

Chattogram Office

Ayub Trade Center
1269/B SK Mujib Road (4th
Floor)
Agrabad C/A, Chattogram
Bangladesh

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