

Bangladesh market snapshot

	Last closing
DSEX Index	4,872.30
% change	0.69%
DS30 Index	1,670.45
% change	0.85%
DSES Index	1,112.97
% change	0.41%
Turnover (BDT mn)	5,480.74
Turnover (USD mn)	65.25
% change	-15.77%
Market Capitalization (BDT bn)	3,986
Market Capitalization (USD bn)	47.45
% change	0.98%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,606.31
% change	+0.39%
Nikkei 225	23,410.63
% change	-0.41%
FTSE 100	5,919.58
% change	+1.49%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	99.63
GBP	110.37
INR	1.16

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Oct-2020	1.50-5.25	2.72
14-Oct-2020	1.50-5.25	2.70

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.93	-0.53%
Gold Spot, USD/t oz	1,899.29	-0.49%
Cotton, USD/lb	69.92	+1.01%

Source: Bloomberg

Textile

Apparel exports to promising Asian markets take a tumble

The fallouts from the coronavirus pandemic caused a dip in apparel shipments from Bangladesh to three promising Asian markets- India, Japan and China- in the last fiscal year. Apparel exports to India declined 15.70 per cent to \$420.73 million in the fiscal year 2019-20 from \$499.09 million the year before. Apparel exports to Japan fell 11.86 per cent to \$961.94 million in fiscal 2019-20 from \$1.09 billion a year ago. In 2017-18, Bangladesh exported garment items worth \$846.74 million.

<https://www.thedailystar.net/business/news/apparel-exports-promising-asian-markets-tumble-1979821>

Capital Market

Robi IPO subscription to begin on 17 November

Robi Axiata Ltd, the country's second largest cell phone operator, is going to open for subscription on 17 November in the country's largest ever initial public offering (IPO). Investors will be able to apply to buy the company's primary shares until the evening of 23 November. The company has the securities regulator's approval to collect Tk523.7 crore from investors through the IPO where the new shares would be issued at face value of Tk10 each. Robi seeks to expand its network with the investors' money.

<https://tbsnews.net/companies/robi-ipo-subscription-begin-17-november-146335>

Regulator slaps two-yr lock-in on employees' shares

The securities regulator has imposed a two-year lock-in on Robi Axiata's shares which will be allotted to its employees. Robi will allot 136.1million shares to its employees under the Employee Share Purchase Plan (ESPP) at an offer price Tk 10 each. As per the existing rules, the three-year lock-in period on the shares of sponsors will remain unchanged.

<https://today.thefinancialexpress.com.bd/first-page/regulator-slaps-two-yr-lock-in-on-employees-shares-1602954291>

IPO subscription of Dominage Steel begins Monday

The initial public offering (IPO) subscription of Dominage Steel Building Systems is set to begin at 10:00am on Monday, aiming to raise Tk 300 million from the capital market. As per the regulatory approval, the Dominage Steel Building will issue 30 million ordinary shares with an offer price of Tk 10 each using the fixed price method.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-dominage-steel-begins-monday-1602946537>

BSEC okays Lovello Ice Cream IPO

The Bangladesh Securities and Exchange Commission (BSEC) on Thursday approved the prospectus for initial public offering (IPO) of Taufika Foods and Agro Industries Ltd's Lovello Ice Cream, to raise

Tk30 crore. Under the fixed price method, Lovello Ice Cream will offload three crore ordinary shares for Tk10 each. Of these, the company will allocate Tk9.04 crore for the acquisition of a plant and purchasing machinery, Tk5.78 crore for freezer purchase, Tk2.06 crore for vehicle purchases, Tk1.32 crore for investment in the depot to increase its capacity and Tk9 crore for repaying bank loans.

<https://www.dhakatribune.com/business/stock/2020/10/15/bsec-okays-lovello-ice-cream-ipo>

Stock

SINGER Bangladesh will offer newly-launched HygieneShield appliance products

SINGER Bangladesh will offer newly-launched HygieneShield appliances line up to consumers of Bangladesh soon. Beko, Europe's leading home appliance brand, has developed HygieneShield, a ground-breaking portfolio of household products, created in response to emerging consumer needs in the post-lockdown era. The new home appliances line uses UV light technology heat and steam for at-home disinfecting elimination of more than 99% bacteria and virus, including Covid-19.

<https://today.thefinancialexpress.com.bd/stock-corporate/singer-bangladesh-will-offer-newly-launched-hygienshield-appliance-products-1602946575>

BSRM's big push

BSRM Steels Ltd is set to invest Tk700 crore in a new plant to produce an additional 5 lakh tonnes of re-rolling products per year, aiming to catch up with growing market demand. The new manufacturing unit of the company is expected to go into operation by the middle of 2023.

<https://tbsnews.net/economy/industry/bsrms-big-push-146359>

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	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	Senior Executive Officer	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

Extension of Main Office
Room 126, DSE Tower Level- 8
Plot- 46, Road- 21, Nikunja
Dhaka- 1229
Bangladesh

Extension of Main Office
NIK Tower, 55 Dilkusha C/A,
(4th Floor), Dhaka-1000.

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