

## Bangladesh market snapshot

	Last closing
DSEX Index	4,740.40
% change	-0.58%
DS30 Index	1,590.88
% change	-0.51%
DSES Index	1,081.34
% change	-0.22%
Turnover (BDT mn)	10,213.40
Turnover (USD mn)	121.59
% change	4.60%
Market Capitalization (BDT bn)	3,562
Market Capitalization (USD bn)	42.40
% change	-0.28%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
<b>Dow Jones Industrial Average</b>	29,398.08
% change	-0.09%
<b>Nikkei 225</b>	23,193.80
% change	-1.40%
<b>FTSE 100</b>	7,388.73
% change	-0.60%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	92.03
GBP	110.48
INR	1.19

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-Feb-2020	4.50-5.50	5.07
16-Feb-2020	4.50-5.50	5.06

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	58.29	0.98%
Gold Spot, USD/t oz	1,601.75	0.01%
Cotton, USD/lb	69.15	0.41%

Source: Bloomberg

## Economy

### High hope comes crashing down

The hope was high, almost touching the sky, when in 2019 Bangladesh moved eight notches up on the ease of doing business index. Everybody expected that foreign direct investment (FDI), especially those shifting from China, would pour in because of the congenial atmosphere here. The rising FDI trend, an 19.47% rise to \$1.7 billion, in the first half of the year also tallied well with the high hope. But, to utter dismay, the situation was just the reverse at the end of year, with the country witnessing a slump in receiving FDI despite improved infrastructure and apparent political calm.

<https://www.dhakatribune.com/business/2020/02/19/high-hope-comes-crashing-down>

### Moody's sees minimal impact of China virus outbreak on Bangladesh growth

Global rating agency Moody's Investors Service on Tuesday said that the impact of China's economic slowdown due to the coronavirus outbreak on Bangladesh economic growth would be minimal. But, it warned that the supply chain disruption due to virus outbreak would have a significant repercussion for intra-regional trade in Asia Pacific including Bangladesh. Moody's in its latest report titled 'Sovereigns—Asia Pacific: regional growth update following coronavirus outbreak' retained the gross domestic product growth projection for Bangladesh at 7.8 per cent for the current fiscal year 2019-2020.

<https://www.newagebd.net/article/99960/moodys-sees-minimal-impact-of-china-virus-outbreak-on-bangladesh-growth>

### Dhaka-Kathmandu task force to boost bilateral trade

Bangladesh and Nepal have decided to form a task force to promote bilateral trade and investment between the two countries. Visiting Nepalese Foreign Minister Pradeep Kumar Gyawali disclosed this on Tuesday while talking to reporters after a bilateral meeting between the two countries held in the state guesthouse Meghna. The task force will work to explore ways and means to promote trade and investment, he said, adding that the present volume of bilateral trade is very modest and there is an ample scope to enhance it.

<https://today.thefinancialexpress.com.bd/first-page/dhaka-kathmandu-task-force-to-boost-bilateral-trade-1582046725>

### Tk6000cr project to enhance Mongla port capacity

In order to enable Mongla port to cope with growing cargo pressure and contribute to the regional trade network, the shipping ministry wants to double its cargo handling capacity and increase its container-handling ability four-fold. To meet the target, the ministry has proposed a project of building two container terminals, a container handling yard, a container delivery yard, a vessel jetty

and some other infrastructure in the port. The project will cost an estimated Tk6014.62 crore in total. The Indian Exim Bank will provide Tk4459.41 (\$530 million), with the remaining money coming from government funds.

<https://www.tbsnews.net/economy/tk6000cr-project-enhance-mongla-port-capacity-45787>

#### **Four projects to aid neighbouring transits, business hubs get nod**

The government yesterday approved four projects costing Tk 9,454 crore for facilitating transit of goods from India, Bhutan and Nepal, setting up internal business hubs and attracting foreign investment. The projects were given the go-ahead at yesterday's meeting of Executive Committee of the National Economic Council (Ecneec), which was chaired by Prime Minister Sheikh Hasina.

<https://www.thedailystar.net/business/news/four-projects-aid-neighbouring-transits-business-hubs-get-nod-1870054>

#### **ECNEC endorses nine projects at Tk 136.39b**

The Executive Committee of the National Economic Council (ECNEC) has approved nine projects, involving a total cost of Tk 136.39 billion. The ECNEC approved the projects at its weekly meeting, presided over by Prime Minister Sheikh Hasina, held at the National Economic Council (NEC) in the city on Tuesday. Planning Minister M A Mannan briefed reporters after the meeting.

<https://www.thedailystar.net/business/news/japanese-firms-most-optimistic-their-prospects-bangladesh-out-asia-1870060>

#### **Japanese firms most optimistic of their prospects in Bangladesh out of Asia**

Bangladesh is the top choice for Japanese companies seeking to expand business in Asia and Oceania in the next two years due to its high potential and profitability, according to a survey by the Japan External Trade Organisation (JETRO). Some 70.3 per cent of the Japanese companies in Bangladesh are mulling expanding business in the next one to two years, 23.4 per cent believe their operations would remain the same and 1.6 per cent are pondering over going for a reduction. The statistics are from the '2019 JETRO Survey on Business Condition of Japanese Companies in Asia and Oceania', which is yet to be released officially.

<https://www.thedailystar.net/business/news/japanese-firms-most-optimistic-their-prospects-bangladesh-out-asia-1870060>

#### **Telecommunication**

##### **No end to GP and NBR's disputes**

Grameenphone has been refraining from paying value-added tax (VAT) on rentals of Bangladesh Railways' optical fibre since March 2018 as it is not being furnished with invoice by the revenue administration as stipulated by the laws. The amount of unpaid VAT by Grameenphone is

Tk 20 crore and the due amount is only increasing over time, according to a letter from BR to the National Board of Revenue in October last year. In response, the NBR asked its field office -- Large Taxpayers Unit (LTU)-VAT -- to take action as per law.

<https://www.thedailystar.net/business/news/no-end-gp-and-nbrs-disputes-1870066>

#### **BTRC floats tender to block illegal handset import**

Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday floated a tender to purchase equipment for setting up a National Equipment Identity Register (NEIR) in a move to stop illegal import of mobile phones. The NEIR will be a central database for International Mobile Equipment Identity (IMEI), a unique 15-digit identification or serial number inbuilt in mobile phones or smartphones.

<https://www.thedailystar.net/business/news/btrc-floats-tender-block-illegal-handset-import-1870051>

#### **Engineering**

##### **'Made in Bangladesh' smartphones headed to US**

Walton is set to export smartphones to the US, in what can be viewed as a remarkable endorsement of the leaps taken by Bangladesh's manufacturing sector. The first consignment of the smartphones, which would be priced between \$100 and \$200, will be out of the gates of Walton Digi-Tech Industries's plant in Chandra, Gazipur in March 1. The smartphones are bound for a renowned American brand and Walton is the original equipment manufacturer, Alam said, while declining to disclose the name of the brand.

<https://www.thedailystar.net/business/news/made-bangladesh-smartphones-headed-us-1870069>

#### **Stock**

##### **BSEC approves AFC Agro Biotech's Tk100 crore bond**

The Bangladesh Securities and Exchange Commission (BSEC) has accorded nod to AFC Agro Biotech Ltd for issuing a non-convertible zero-coupon bond worth Tk100 crore. After its 719th commission meeting on Tuesday, the securities regulator said the five-year bond will be privately placed to various institutional and qualified investors. The listed company will repay some of its bank loans from the money collected through the bond. A portion of the proceeds will be used as the company's working capital as well.

<https://www.tbsnews.net/economy/stock/bsec-approves-afc-agro-biotechs-tk100-crore-bond-45879>

#### **Capital Market**

##### **BSEC approves IPO of Express Ins**

The securities regulator has approved the IPO proposal of Express Insurance which will raise a capital worth Tk 260.79 million under fixed price method. It also approved the appointment of six independent directors for Dhaka Stock Exchange (DSE) and seven others for

Chittagong Stock Exchange (CSE). The approvals came Tuesday at a meeting held at the office of Bangladesh Securities and Exchange Commission (BSEC).

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-ipo-of-express-ins-1582048362>

### **DSE daily turnover scales Tk 10b-mark**

The daily trade turnover on Dhaka Stock Exchange (DSE) scaled Tk 10 billion-mark on Tuesday, for the first time in more than one year, amid investors' growing confidence in the market. Turnover, a crucial indicator of the market, stood at Tk 10.21 billion on the country's premier bourse, climbing further by 4.61 per cent over previous day's mark of Tk 9.76 billion. It was the biggest single-day transaction since January 31, 2019, when the turnover totaled a record of Tk 10.24 billion.

<https://today.thefinancialexpress.com.bd/first-page/dse-daily-turnover-scales-tk-10b-mark-1582046884>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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