

## Bangladesh market snapshot

	Last closing
DSEX Index	3,603.95
% change	-4.47%
DS30 Index	1,203.43
% change	-4.87%
DSES Index	834.78
% change	-4.49%
Turnover (BDT mn)	4,290.34
Turnover (USD mn)	51.08
% change	5.51%
Market Capitalization (BDT bn)	2,874
Market Capitalization (USD bn)	34.21
% change	-3.85%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	21,237.38
% change	5.20%
Nikkei 225	16,726.55
% change	-1.68%
FTSE 100	5,086.81
% change	-3.93%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.95
EUR	93.42
GBP	102.39
INR	1.15

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
16-Mar-2020	5.00-5.50	5.16
15-Mar-2020	4.50-5.50	5.19

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	25.05	0.68%
Gold Spot, USD/t oz	1,473.51	-0.84%
Cotton, USD/lb	55.46	-2.08%

Source: Bloomberg

## Economy

### Govt seeks funds from development partners to fight coronavirus

The government is seeking funds from development partners to help the health ministry combat the spread of the novel coronavirus. On Monday, the officials of the health ministry sat with the Asian Development Bank (ADB) in Dhaka to mobilise resources, as the number of people affected by the deadly virus has kept on rising and the government yesterday confirmed the maiden virus-related death. Earlier, the Economic Relations Division (ERD) forwarded a proposal to the World Bank for \$100 million following a request from the health ministry.

<https://www.thedailystar.net/business/news/govt-seeks-funds-development-partners-fight-coronavirus-1882765>

### WB, ADB launch funds for nations

The World Bank and IFC's Boards of Directors have approved increased \$14 billion package of fast-track financing to assist companies and countries in their efforts to prevent, detect and respond to the rapid spread of COVID-19. The package will strengthen national systems for public health preparedness, including for disease containment, diagnosis, and treatment, and support the private sector, said a WB Group press release. IFC, a member of the World Bank Group, will increase its COVID-19 related financing availability to \$8.0 billion under the \$14 billion package, up from an earlier \$6 billion, to support private companies and their employees hurt by the economic downturn caused by the spread of COVID-19.

<https://today.thefinancialexpress.com.bd/last-page/wb-adb-launch-funds-for-nations-1584553631>

### BB caught napping as Bangladesh grapples with coronavirus

A good number of banks in the US, Canada and many other countries around the world have temporarily shut their branches or scaled back their retail operations as part of their efforts to flatten the curve on coronavirus. Not just that, central banks around the world are coming up with rescue packages to help their economies tide over the coronavirus-induced slowdown. For instance, the Federal Reserve, the central bank of the US, has cut interest rate to essentially zero on March 15 and launched a massive \$700 billion quantitative easing programme to shelter the economy from the effects of the virus.

<https://www.thedailystar.net/business/news/bb-caught-napping-bangladesh-grapples-coronavirus-1882768>

### Panic buying pushes commodity prices up

Prices of some commodities in Dhaka city increased on Wednesday in what traders attributed to panic buying amid fears of the COVID-19 viral pandemic. Amid a virtual lockdown, thousands of families sought to make a food stock. Prices of rice, pulses, flour, potato,

beef, egg, both imported and local spices have risen in the last two days for the reason, said traders. In many places, the FE found a shortage of dry food, hand sanitisers, oral saline, toilet paper, baby diaper and bath soaps.

<https://today.thefinancialexpress.com.bd/first-page/panic-buying-pushes-commodity-prices-up-1584553159>

### **Contractors must submit tax files before bidding: Kamal**

Any contractor interested to take part in bidding for government procurement has to submit updated tax file and income tax certificate from now, Finance Minister AHM Mustafa Kamal said yesterday. There was a provision for submitting tax certificate, but many of the bidders did not comply with it, as it was not mandatory, he said. The minister believes the step will help the government find out new taxpayers.

<https://www.thedailystar.net/business/news/contractors-must-submit-tax-files-bidding-kamal-1882723>

### **BD-flagged feeder vessels on int'l route from Apr**

HR Lines Limited, a subsidiary of Karnaphuli Group, is set to launch the country's first flagged feeder vessels on Bangladesh-Singapore-Malaysia route in the first week of April. They will save time and ease the country's export-import activities with Singapore and Malaysia, which will finally link Bangladesh to North America and European markets, an HR Lines official said. The new freight service, 'Bangladesh Express Service (BES)', will transport around 10,000 twenty-foot equivalent unit (TEU) containers per month.

<https://today.thefinancialexpress.com.bd/last-page/bd-flagged-feeder-vessels-on-intl-route-from-apr-1584553489>

### **Bank and NBFIs**

#### **4 SoBs may take over Tk 5,232cr Navana loans with 51 banks, NBFIs**

Troubled four state-owned banks have initiated moves to take over around Tk 5,232 crore in loans of 17 subsidiaries of Navana Group from 51 banks and non-bank financial institutions as the group is struggling to repay debts. The initiatives of the banks, which are suffering from high non-performing loans, came following instruction of the finance ministry. The SoBs which are going to take over Navana loans are Sonali, Rupali, Agrani and Janata.

<https://www.newagebd.net/article/102578/4-sobs-may-take-over-tk-5232cr-navana-loans-with-51-banks-nbfis>

### **Govt to gauge feats of bank bosses**

With the financial health of publicly-owned banks deteriorating, the government has moved to evaluate the performance of chief executive officers, or CEOs, officials say. In a recent meeting, the financial institutions division decided to set the key performance indicator for the CEOs of state-owned commercial banks so that their activities can be assessed. The targets will be set against each of the indicators and the

central bank has been given seven working days to accomplish the work.  
<https://today.thefinancialexpress.com.bd/last-page/govt-to-gauge-feats-of-bank-bosses-1584553251>

## Textile

### Garment exporters voice concerns

Garment manufacturers yesterday raised their concerns with western retailers and brands as they are cancelling orders and putting them on hold due to a significant drop in sales in western markets for coronavirus pandemic. So far, work orders worth \$93.06 million in 69 garment factories have been cancelled and put on hold by international retailers and brands, according to Huq.

<https://www.thedailystar.net/business/news/garment-exporters-voice-concerns-1882741>

## Capital Market

### Bourses shorten trading session

Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) have announced to shorten their trading sessions by one hour from Thursday in response to coronavirus fear. Both the bourses have said in a press release on Wednesday that trading will begin at 10:30am as usual. But it will end at 1:30pm instead of 2:30pm until further notice. Exchange authorities called for avoiding public gathering in the stock market and trade online instead to avert the risk of coronavirus infection.

<https://www.tbsnews.net/economy/stock/bourses-shorten-trading-session-58174>

### Stocks' freefall continues as maiden coronavirus-related death confirmed

Investors passed another terribly gloomy day yesterday as the key index of the Dhaka Stock Exchange plunged 4.46 per cent on a day an elderly man with underlying health conditions became the first Bangladeshi to die after testing positive for coronavirus. DSEX shed 168.60 points to end at 3,603, the lowest since May 12, 2013, as the fast-spreading coronavirus kept investors at bay. Stocks have lost 627 points, or 14.83 per cent, in the last four trading days. It fell 18.41 per cent since the virus was first detected in the country on March 7.

<https://www.thedailystar.net/business/news/stocks-freefall-continues-maiden-coronavirus-related-death-confirmed-1882756>

### DSE ignores calls to quarantine the market

Increasing calls from investors to suspend stock trading – to halt the market's free-fall amid coronavirus fears – has led the Dhaka Stock Exchange to shorten trading time by an hour. Investors and analysts said the move could heavily impact the market as more investors would face forced sales of their shares. The Philippines shut its market two days ago. Trading at many other markets, such as in Sri Lanka and Jordan, were paused to prevent further slumps. However, the DSE is moving very slowly – as if they want to see how far the market can decline.

<https://www.tbsnews.net/economy/stock/dse-ignores-calls-quarantine->

[market-58186](#)

## Stock

### **Provide bank statements to independent directors: HC**

The High Court (HC) on Wednesday asked the bank managers concerned to provide bank statements of the Northern Jute Mills to its two independent directors appointed by the court. The HC also asked the bank managers to receive any payments in favour of the company and deposit them to the frozen bank accounts of the company. A one-member HC bench of Justice Muhammad Khurshid Alam Sarkar passed the order after hearing a petition filed by the two independent directors. On March 2, the High Court appointed Barrister Taisir Mahmud and Advocate Prince Al Masud as the independent directors and the signatories to the bank accounts of the Northern Jute Mills.

<https://today.thefinancialexpress.com.bd/stock-corporate/provide-bank-statements-to-independent-directors-hc-1584550265>

## 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.

<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 %

#### **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

Rajib Kumar Das	Head of Research	rajib.das@ucb.com.bd	+880 1730 797 728
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	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
Md. Asif Muntasir Shakkhor	Research Associate	asif.muntasir@ucb.com.bd	+880 1713 205 696

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
Md. Hasib Reza, CFA	Assistant Vice President	hasib.reza@ucb.com.bd	+880 1755 658 997

### 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

#### DSE Extension Office

Room # 633, 9/E DSE Annex  
Building (5 th Floor)  
Motijheel C/A, Dhaka 1000  
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.