

Bangladesh market snapshot

| | Last closing |
|--------------------------------|--------------|
| DSEX Index | 4,008.29 |
| % change | 0.80% |
| DS30 Index | 1,330.83 |
| % change | 0.53% |
| DSES Index | 920.69 |
| % change | 0.37% |
| Turnover (BDT mn) | 3,481.39 |
| Turnover (USD mn) | 41.45 |
| % change | 149.49% |
| Market Capitalization (BDT bn) | 3,122 |
| Market Capitalization (USD bn) | 37.17 |
| % change | 0.46% |

Source: Dhaka Stock Exchange

International market snapshot

| | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 24,242.49 |
| % change | +2.99% |
| Nikkei 225 | 19,897.26 |
| % change | +3.15% |
| FTSE 100 | 5,786.96 |
| % change | +2.82% |

Source: Bloomberg

Exchange rate

| Currency | BDT |
|----------|-------|
| USD | 84.95 |
| EUR | 91.67 |
| GBP | 99.90 |
| INR | 1.11 |

Source: Bangladesh Bank

Money market

| Date | Call Money Rate Range | Weighted Average (%) |
|-------------|-----------------------|----------------------|
| 02-Apr-2020 | 5.00-5.00 | 5.00 |
| 01-Apr-2020 | 5.00-5.00 | 5.00 |

Source: Bangladesh Bank

Commodities

| | Price | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 28.08 | +0.93% |
| Gold Spot, USD/t oz | 1,682.82 | -2.03% |
| Cotton, USD/lb | 52.86 | -0.30% |

Source: Bloomberg

Economy

Govt requests World Bank for early release of \$250m budget aid

The government has requested the World Bank, or WB, to disburse US\$250 million as budgetary support within this fiscal from the \$750 million the global lender had pledged to offer as development support credit. The Economic Relations Division, or ERD, has recently urged the Washington-based lender to release the loans as Bangladesh seeks to cushion the economic blow in the aftermath of coronavirus outbreak. The budget aid, the second tranche of the \$750 million development support credit the WB committed in 2018, is supposed to be extended during the fiscal year, 2019-20 provided the government complies with terms and conditions.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-requests-world-bank-for-early-release-of-s250m-budget-aid-1587264660>

Export earnings fall by 18.29% in March: EPB data

Export earnings in March declined by 18.29 percent year on year to \$2.73 billion due to a fall in shipment of apparels, according to data from the Export Promotion Bureau (EPB). This was, however, not a direct result of the current Covid-19 outbreak, an expert said. The earnings for March 2019 were \$3.34 billion, the EPB data also said. This year's March receipts was also 28.61 percent lower than the monthly target of \$3.82 billion. Furthermore, the overall earnings fell by 6.24 percent year on year between July and March period (the first nine months of the current fiscal year) to \$28.97 billion.

<https://www.thedailystar.net/business/news/export-earnings-fall-1829-march-epb-data-1894480>

Pvt ICDs can handle six more imported items

The National Board of Revenue (NBR) issued an order on Saturday, allowing the Chattogram-based private inland container depots (ICDs) or off-docks to handle six more imported goods. The goods are - all types of seeds and fibres, drug administration-approved products for pharmaceutical companies, yarns, insecticides, fungicides, herbicides, and tyre cord. It is an ad-hoc basis measure that will continue until June 30.

<https://today.thefinancialexpress.com.bd/first-page/pvt-icds-can-handle-six-more-imported-items-1587229715>

Lockdown worsens Ctg port logjam

Average submission of bills of entry and bill of export slid by 85 to 90 per cent between March 26 and April 11, resulting in huge congestion at the Chittagong port. The officials blamed the importers for not getting the goods released citing shortages of labour and transport besides the closure of industrial units exacerbated by nationwide lockdown. But importers said they are facing difficulties in obtaining original documents due to closure of DHL parcel service, getting Import Permit (IP) and other certifications from the relevant clearance agencies.

<https://today.thefinancialexpress.com.bd/first-page/lockdown-worsens-ctg-port-logjam-1587229783>

Bank and NBFI

19.20 lakh MFS accounts created in RMG sector since April 4

Around 19.20 lakh mobile financial service (MFS) accounts have been created since April 4 in the readymade garment (RMG) sector following a move of the government to provide salaries and allowances of the workers and employees through mobile banking. The accounts have been opened through three MFS providers – Bkash, Rocket and Nagad, said a media statement of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), reports BSS. Out of the 19.20 lakh accounts, around 9.70 lakh have been opened through Bkash while 5.50 lakh through Rocket and 4 lakh through Nagad.

<https://www.dhakatribune.com/business/banks/2020/04/18/19-20-lakh-mfs-accounts-created-in-rmg-sector-since-april-4>

Nagad gets BB permission for mobile banking

After more than one year of operation as a digital wing of the Bangladesh Post Office, Nagad has received permission to operate as a full-fledged mobile financial services (MFS) provider like bKash and Rocket. Bangladesh Bank has issued Nagad a licence for an interim period of six months.

<https://tbsnews.net/economy/banking/nagad-gets-bb-permission-mobile-banking-70978>

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

| | | | |
|----------------------------|-------------------------|----------------------------|-------------------|
| 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.