

Bangladesh market snapshot

| | Last closing |
|--------------------------------|--------------|
| DSEX Index | 4,382.06 |
| % change | 5.60% |
| DS30 Index | 1,487.26 |
| % change | 5.73% |
| DSES Index | 997.59 |
| % change | 6.09% |
| Turnover (BDT mn) | 4,113.67 |
| Turnover (USD mn) | 48.97 |
| % change | 53.79% |
| Market Capitalization (BDT bn) | 3,346 |
| Market Capitalization (USD bn) | 39.83 |
| % change | 4.75% |

Source: Dhaka Stock Exchange

International market snapshot

| | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 29,348.10 |
| % change | +0.17% |
| Nikkei 225 | 24,101.29 |
| % change | +0.25% |
| FTSE 100 | 7,674.56 |
| % change | +0.85% |

Source: Bloomberg

Exchange rate

| Currency | BDT |
|----------|--------|
| USD | 84.90 |
| EUR | 94.17 |
| GBP | 110.47 |
| INR | 1.19 |

Source: Bangladesh Bank

Money market

| Date | Call Money Rate Range (%) | Weighted Average (%) |
|-------------|---------------------------|----------------------|
| 16-Jan-2020 | 3.25-5.50 | 4.91 |
| 15-Jan-2020 | 3.25-5.50 | 4.98 |

Source: Bangladesh Bank

Commodities

| | Price | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 65.58 | +0.73 |
| Gold Spot, USD/t oz | 1,558.53 | +0.08% |
| Cotton, USD/lb | 71.25 | +1.47% |

Source: Bloomberg

Economy

Bangladesh Bank targets rise in money supply in H2 to boost pvt sector, stocks

The Bangladesh Bank has revised its monetary policy for the second half of the fiscal year 2019-2020, raising the target of broad money supply by 0.50 percentage points with a view to boosting investment in the private sector, including the capital market. The central bank also revised upward the government's bank borrowing target to 37.7 per cent from 24.3 per cent it had projected for the January-June period of FY20 when it announced the annual monetary policy statement in July last year. Besides, the BB kept its projection of attaining 14.8 per cent private sector credit growth unchanged.

<https://www.newagebd.net/article/97097/bangladesh-bank-targets-rise-in-money-supply-in-h2-to-boost-pvt-sector-stocks>

Bangladesh's exports to India cross \$1.0b in 2019

Bangladesh's exports to India crossed US \$ 1.0 billion mark in the last calendar year (2019), said Gurvinder Singh, Director (exhibitions) of Engineering Export Promotion Council of India (EEPC India) at a press conference in Dhaka on Sunday. The press conference was held in connection with a three-day Indian engineering trade show, styled 'INDEE Bangladesh 2020', which will kick off in the capital on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/bangladeshs-exports-to-india-cross-10b-in-2019-1579455718>

WB-Funded Projects/Programmes 2016-20: Only half the targets met

Bangladesh could achieve only a little more than half of the targets set by the World Bank Group for 84 projects and programmes in the last four years, says a draft performance review report of the World Bank Group. The government's prolonged processing requirements, delayed procurement and weak capacity are the major reasons behind the slow implementation of the projects, according to the report. The multilateral lender has already given Bangladesh \$10.06 billion under the Country Partnership Framework (CPF) for five years from fiscal 2015-16.

<https://www.thedailystar.net/frontpage/news/wb-funded-projectsprogrammes-2016-20-only-half-the-targets-met-1856455>

PM asks authorities to expand number of fast track projects

Prime Minister Sheikh Hasina said on Sunday more development initiatives alongside the existing 10 mega ones should be incorporated as fast track projects as she chaired a meeting to review their work progress, reports BSS. The premier said some of the mega projects were by now incorporated as the fast track ones but the Fast Track Project Monitoring Committee should supervise some more important big schemes.

<https://today.thefinancialexpress.com.bd/last-page/pm-asks-authorities-to-expand-number-of-fast-track-projects-1579457705>

Banks & NBFIs**Risky loans soaring. BB's plan? Hide figure.**

The central bank is planning to sweep the bulging stressed assets under the rug when it publishes its annual financial stability report in April such that it can paint a rosy picture of the banking sector. Stressed assets, which include default loans, restructured and rescheduled advances, have shot up 18.89 percent to Tk 222,162 crore in the six months to June last year, according to data from the Bangladesh Bank. The ratio of stressed assets in the banking sector was 22 percent of total loans as of June last year, up 16.10 percent from four-and-a-half years earlier.

<https://www.thedailystar.net/business/news/risky-loans-soaring-bbs-plan-hide-figure-1856347>

Telecommunication**BTRC makes bulk-SMS content pre-approval mandatory**

The Bangladesh Telecommunication Regulatory Commission (BTRC) has made mandatory the pre-approval of the contents of bulk-SMS on security grounds. BTRC in a notice issued on December 31 last year asked mobile phone operators that for two months, starting from January 15, all bulk-SMS contents should be vetted by the commission before circulating. The operators concerned have to apply for content vetting 10 days before the circulation.

<https://www.dhakatribune.com/business/2020/01/18/btrc-makes-bulk-sms-content-pre-approval-mandatory>

Stock**BRAC Bank, SME Foundation ink deal**

BRAC Bank Limited and SME Foundation have signed a partnership agreement for providing SME loans to the entrepreneurs in shoe-manufacturing clusters across the country, said a statement. Under the agreement, BRAC Bank and the SME Foundation will partner to offer working capital financing/term loan to the entrepreneurs at preferential rates. The financing arrangement is under refinancing facility of Bangladesh Bank. The entrepreneurs can avail loans ranging from BDT 0.1 million to Tk 2.5 million without any collateral. According to the agreement, BRAC Bank will receive BDT 120 million from SME Foundation.

<https://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-sme-foundation-ink-deal-1579455581>

Padma Oil Co approves 130pc dividend

Padma Oil Company Limited (POCL), a leading fuel oil company of the country, has approved 130 per cent dividend for shareholders of the company for the 2018-19 financial year.

<https://today.thefinancialexpress.com.bd/stock-corporate/padma-oil-co-approves-130pc-dividend-1579455794>

Capital Market

Govt mulls six measures to revive stock market

Government high-ups and stock market regulator at an emergency meeting on Thursday decided to implement six short-term measures to revive the country's ailing stock market. According to the statement of Bangladesh Securities and Exchange Commission (BSEC), the meeting discussed that banks and non-bank financial institutions would be asked to increase their investment in the stock market. The meeting also directed to enhance the investment capacity of state-run Investment Corporation of Bangladesh (ICB). Initiatives to enlist on the stock market good companies including multinational and government-owned companies were also emphasized at the meeting. It suggested that merchant bankers and institutional investors should give loan facilities on easy terms. Necessary measures should be taken to attract foreign investment and build their confidence in the country's stock market. Meanwhile, four state-run banks on Sunday decided to increase their investment in the stock market.

<https://www.dhakatribune.com/business/2020/01/19/govt-mulls-six-measures-to-revive-stock-market>

BB rolls out capital mkt support plan this week

The central bank is set to announce a long-term comprehensive plan this week aiming to support sustainable development of the country's capital market. Under the plan, the Bangladesh Bank (BB) will provide both liquidity and policy supports to the banks along with other capital market intermediaries, according to officials. As part of the move, BB Governor Fazle Kabir heard from the leaders of Bangladesh Merchant Bankers Association (BMBA) on Sunday on the latest situation of the stock market.

<https://today.thefinancialexpress.com.bd/first-page/bb-rolls-out-capital-mkt-support-plan-this-week-1579457317>

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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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