

Bangladesh market snapshot

	Last closing
DSEX Index	4,902.16
% change	0.50%
DS30 Index	1,690.28
% change	0.88%
DSES Index	1,114.57
% change	0.30%
Turnover (BDT mn)	7,841.45
Turnover (USD mn)	93.35
% change	19.30%
Market Capitalization (BDT bn)	3,986
Market Capitalization (USD bn)	47.45
% change	-0.02%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	28,195.42
% change	-1.44%
Nikkei 225	23,596.49
% change	-0.32%
FTSE 100	5,884.65
% change	-0.59%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	99.40
GBP	109.54
INR	1.15

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Oct-2020	1.50-5.25	2.73
18-Oct-2020	1.50-5.25	2.81

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	42.25	-0.87%
Gold Spot, USD/t oz	1,902.98	-0.06%
Cotton, USD/lb	71.00	-0.22%

Source: Bloomberg

Economy

ADP spending rebounds after pandemic pause

Development spending rose 16 per cent year-on-year to Tk 8,950 crore in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic. This is the first positive growth since March this year as the expenditure from the annual development programme (ADP) dipped every month since then compared to a year ago because of the crisis. ADP outlay in September last year was Tk 7,717 crore.

<https://www.thedailystar.net/business/news/adp-spending-rebounds-after-pandemic-pause-1981105>

Govt seeks \$1.5 billion donor money

Bangladesh has sought funds worth US\$1.50 billion from the World Bank (WB), the Asian Development Bank (ADB) and Japan for procuring coronavirus vaccines. Earlier, the government had estimated US\$1.5 billion funds to be required for procuring the COVID-19 immunisation. Besides, the government has decided to request some other bilateral and multilateral development partners to finance Bangladesh's vaccine programme

<https://today.thefinancialexpress.com.bd/first-page/govt-seeks-15-billion-donor-money-1603131084>

World Bank to give \$202m loan for food storage facility

The World Bank would provide US\$202 million worth of loans for improving Bangladesh's food storage facility. To this effect, the Washington-based lender signed a loan agreement with Economic Relations Division (ERD). Under the \$202 million funds, Directorate of Food would build eight steel-structure modern food silos- six for rice and two for wheat storage. The total capacity of the eight silos will be 0.53 million tonnes of grains. Besides, the Directorate will distribute 0.5 million household silos among 0.5 million families across the country.

<https://today.thefinancialexpress.com.bd/last-page/world-bank-to-give-202m-loan-for-food-storage-facility-1603131381>

Bank and NBFI

Big borrowers gain, SMEs still in pain

They were the hardest hit when the coronavirus pandemic struck the country in March, but the implementation of the stimulus packages the government unveiled for small and medium enterprises (SMEs), farmers and low-income groups more than six months ago has been slow because of the reluctance of banks. In contrast, disbursement from the stimulus package meant for large industries and the service sector was faster. Both the central bank and the government have taken initiatives recently to speed up disbursement from the packages for small enterprises and low-income people but lenders are yet to pay any heed.

<https://www.thedailystar.net/business/news/big-borrowers-gain->

[smes-still-pain-1981121](#)

Textile

One-third of apparel workers lose income

Nearly one-third of garment workers suffered loss of earnings since the lockdown in late March this year due to the coronavirus pandemic. Income loss forced the workers to decrease spending on food and education. Again, more than half of them fell into debt trap to meet family needs.

<https://today.thefinancialexpress.com.bd/trade-market/one-third-of-apparel-workers-lose-income-1603128514>

Transportation

Motorbike registration fee due to be halved

The government has decided to cut the motorcycle registration fee to almost half as the future registration cost will be Tk2,000 for bikes of 100 Cubic Capacity (CC) or lower and Tk3,000 for those over 100CC. As a result, users will have to pay Tk8,579 for bikes up to 100CC and Tk11,590 for those over 100CC. This cost includes the inspection charge, road tax and retroreflective number plate charge. These charges remain unchanged. Industry insiders welcomed the government's decision but, simultaneously, said the other fees should be minimised too, to bring down the overall cost to around Tk10,000 in order to help accelerate the sector's growth.

<https://tbsnews.net/economy/industry/motorbike-registration-fee-due-be-halved-147223>

Capital Market

Lub-rref cut- off price set at Tk30

The cut-off price of shares in Lub-rref (Bangladesh) Limited has been set at Tk30 each after bidding by eligible institutional investors. At the end of the bidding process, with a proposed rate between Tk13 and Tk60, the cut-off price was set at Tk30. According to the rules of the book building method, shares will be sold to general investors at a 10% discount on the cut-off price.

<https://www.dhakatribune.com/business/2020/10/19/lub-rref-cut-off-price-set-at-tk30>

Index Agro bidding to begin on November 1

Price bidding, based on the book-building method to fix the share price of Index Agro Industries Limited, will begin at 5 pm from 1 November this year. Index Agro intends to raise Tk50 crore through the IPO. The company will use the IPO proceeds to acquire machinery and equipment, to construct buildings and execute other civil work, and meet other expenditures of the IPO process.

<https://tbsnews.net/economy/stock/index-agro-bidding-begin-november-1-147208>

Stock

GP recovering topline as economic activity resumes

Grameenphone Ltd reported total revenues of BDT 35.6 billion for the third quarter of 2020, registering a 2.8 per cent de-growth from the same period last year. Net profit after taxes (NPAT) for the third quarter was BDT 8.9 billion, with 25.0 per cent margin. Earnings per share (EPS) for the period stood at BDT 6.59. The operator ended the quarter with 77.6 mn total customers, of which 54.1 per cent, or 42.0 mn, are internet customers. Grameenphone is reporting a recovering topline in the third quarter of 2020 as the economic activity of Bangladesh gradually resumes following the initial months of COVID-19 pandemic. They also experienced adverse impact from challenging weather conditions in this quarter.

<https://today.thefinancialexpress.com.bd/stock-corporate/gp-recovering-topline-as-economic-activity-resumes-1603124711>

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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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