

## Bangladesh market snapshot

	Last closing
DSEX Index	5,827.56
% change	0.12%
DS30 Index	2,207.50
% change	0.19%
DSES Index	1,290.07
% change	-0.14%
Turnover (BDT mn)	14,160.46
Turnover (USD mn)	168.58
% change	9.69%
Market Capitalization (BDT bn)	4,919
Market Capitalization (USD bn)	58.56
% change	0.46%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	31,188.38
% change	+0.83%
Nikkei 225	28,727.48
% change	+0.72%
FTSE 100	6,740.39
% change	+0.41%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	102.86
GBP	115.59
INR	1.16

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Jan-2021	1.00-5.25	1.69
18-Jan-2021	1.00-5.25	1.49

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	55.86	-0.39%
Gold Spot, USD/t oz	1,870.72	-0.06%
Cotton, USD/lb	82.38	+0.97%

Source: Bloomberg

## Economy

### Economy showing signs of a turnaround

Despite the effects of the ongoing coronavirus pandemic on various fronts of the economy, Bangladesh has been on the right track and is giving signals of a turnaround as reflected in the growth of the economy, per capita income, exports, remittances, increasing foreign exchange reserves and stable exchange rate in the first quarter of fiscal 2020-21, ending in June.

<https://www.thedailystar.net/business/news/economy-showing-signs-turnaround-2031293>

<https://www.dhakatribune.com/business/economy/2021/01/20/finance-minister-bangladesh-s-economy-rebounding-from-covid-19-shocks>

### Certain criteria not met yet for GSP Plus benefits in EU

Some gaps need to be plugged in the EU's nine-point action plan for Bangladesh in order to obtain the Generalised System of Preferences (GSP) Plus status after the country's graduation from a least developed nation in 2024. One of the major gaps lies in the freedom of association as factory workers still need the participation of 20 per cent of their colleagues to form a union. The threshold was reduced from 30 per cent through an amendment to the labour law. However, the 20 per cent threshold is still high when considering that many factories have thousands of workers.

<https://www.thedailystar.net/business/news/certain-criteria-not-met-yet-gsp-plus-benefits-eu-2031305>

### IDLC Venture invests Tk 4cr in Intelligent Machines

IDLC Venture Capital Fund I is investing Tk 4 crore in an artificial intelligence-based tech startup, Intelligent Machines (IM), aiming to advance the country's digital evolution further. The current funding round will support the IM's expansion in the AI enterprise sector, where it has been serving an eminent range of clients such as bKash, BAT, Unilever, Arla Foods, Telenor Myanmar and IDLC Finance. The fund is being managed by IDLC Asset Management, a wholly-owned subsidiary by IDLC Finance.

<https://www.thedailystar.net/business/news/idlc-venture-invests-tk-4cr-intelligent-machines-2031261>

### Bank and NBFIs

#### Liquidity glut could fuel inflation: BB

The surplus liquidity in the banking system might fuel inflationary pressure in the country in the near future, the Bangladesh Bank (BB) has said in its just-published annual report for the fiscal year 2019-20. Excess liquidity stemming from the stimulus packages may engender inflationary bubbles in the periods ahead, hence strong vigilance would be required. The BB's observations came against the backdrop of rising trend in excess liquidity in the country's banking sector in recent months following lower private sector credit growth.

<https://today.thefinancialexpress.com.bd/first-page/liquidity-glut-could-fuel-inflation-bb-1611167381>

#### **14 banks' average lending rate falls below 7pc**

Weighted average lending rate of 14 banks dropped below 7 per cent in December 2020 due mainly to the setting of lending rate ceiling at 9 per cent by the Bangladesh Bank to support the industrial expansion. The weighted average lending rate of only six banks was below 7 per cent before the implementation of lending rate ceiling.

<https://www.newagebd.net/article/127810/14-banks-average-lending-rate-falls-below-7pc>

#### **Pharmaceuticals**

##### **Radiant Pharma acquires Julphar for Tk 140cr**

Radiant Pharmaceuticals has acquired Julphar Bangladesh, a subsidiary of United Arab Emirates-based multinational Julphar Gulf Pharmaceutical Industries, for around Tk 140 crore. Mutual Trust Bank is providing 70 per cent of the finance, or Tk 85 crore, for Radiant to make the takeover.

<https://www.thedailystar.net/business/news/radiant-pharma-acquires-julphar-tk-140cr-2031289>

##### **Race heats up for Sanofi buying**

Two leading local business houses are now in a race to acquire the entire foreign stakes in the French drug-maker Sanofi's operations in Bangladesh. The government of Bangladesh that owns more than 45 per cent shares in the company on Wednesday decided not to compete in the acquisition bid. One business house vying for the Sanofi shares owns the country's second largest pharmaceutical company and the other one holds the ownership of a posh hospital and a nursing college in Dhaka. One of the contenders might make its acquisition bid public today (Thursday).

<https://today.thefinancialexpress.com.bd/first-page/race-heats-up-for-sanofi-buying-1611167208>

#### **Capital Market**

##### **Baraka Patenga Power's share bidding set to begin Feb 15**

Baraka Patenga Power's bidding to explore the cut-off price of its shares will commence on February 15 which will raise Tk 2.25 billion under the book-building method. The minimum bidding value for bidding shall be Tk 5.0 million. Baraka Patenga to raise Tk 2.25 billion from the capital market for investing in its subsidiaries- Karnaphuli Power and Baraka Shikalbaha Power, partial repay long-term bank loans and expenses of IPO process.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-powers-share-bidding-set-to-begin-feb-15-1611160331>

<https://www.dhakatribune.com/business/stock/2021/01/20/baraka-patenga-power-share-bidding-begins-february-15>

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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.

<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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