

Bangladesh market snapshot

	Last closing
DSEX Index	3,974.96
% change	10.29%
DS30 Index	1,325.81
% change	10.17%
DSES Index	919.44
% change	10.14%
Turnover (BDT mn)	491.22
Turnover (USD mn)	5.85
% change	-88.55%
Market Capitalization (BDT bn)	3,107
Market Capitalization (USD bn)	36.99
% change	8.13%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	19,898.92
% change	-6.30%
Nikkei 225	16,552.83
% change	-1.04%
FTSE 100	5,104.74
% change	0.48%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	92.74
GBP	98.69
INR	1.14

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
18-Mar-2020	4.80-5.50	5.21
16-Mar-2020	5.50-5.00	5.16

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	26.98	-5.23%
Gold Spot, USD/t oz	1,498.64	1.86%
Cotton, USD/lb	53.68	-2.28%

Source: Bloomberg

Economy

Govt approves revised ADP

The government yesterday approved a planning ministry proposal to slash this fiscal year's development budget by 4.8 per cent from the original outlay mainly due to slow implementation of projects funded by foreign assistance. Use of foreign assistance in projects under the annual development programme (ADP) has been trimmed down to Tk 62,000 crore from Tk 71,800 crore. Implementing agencies show more interest in spending government allocations rather than foreign assistance for the accountability and transparency conditions attached with the latter, say planning ministry officials.

<https://www.thedailystar.net/business/news/govt-approves-revised-adp-1883227>

ADB to aid BD in COVID-19 battle

The Asian Development Bank (ADB) will support Bangladesh in tackling challenges of the novel coronavirus (COVID-19) outbreak. Their talks included the government's preparedness for mitigating any potential outbreak, its economic impact, and possible ADB support following a state request for assistance, said the ADB release. The global public health emergency, characterised by the World Health Organization as a pandemic, calls for an urgent response to the disease as well as tackling its economic fallouts.

<https://today.thefinancialexpress.com.bd/last-page/adb-to-aid-bd-in-covid-19-battle-1584808742>

WB provides \$170m for better sanitation in Dhaka

The World Bank has approved \$170 million to improve sanitation services in Dhaka city, benefiting around 1.5 million people. The Dhaka Sanitation Improvement Project will help improve the city's livability with safely managed sanitation services in Dhaka, particularly in its southern part, the Washington-based development lender said in a press release on Friday.

<https://www.thedailystar.net/business/news/wb-provides-170m-better-sanitation-dhaka-1883992>

Targeted public expenditure to ride out coronavirus crisis: CPD

The government should pursue targeted expansionary measures in areas of healthcare, trade, supply chain management, public expenditure and monetary policy to tackle the fast-spreading coronavirus, said the Centre for Policy Dialogue (CPD) yesterday. The observations were shared at a virtual media briefing on "Health and Economic Risks of Corona Pandemic and Recommendations" at the CPD office in Dhaka.

<https://www.thedailystar.net/business/news/targeted-public-expenditure-ride-out-coronavirus-crisis-cpd-1884001>

<https://www.newagebd.net/article/102868/40pc-of-economy-to-be-exposed-to-coronavirus-risks-cpd>

No duty on PPE, hand sanitiser and testing kit raw materials

The National Board of Revenue (NBR) is set to remove all forms of import duties and taxes to encourage quick import of Personal Protective Equipment (PPE), raw materials used in hand sanitisers, coronavirus testing kits and re-agents, said finance ministry officials yesterday. The list for duty-free import items also includes surgical masks and various sterilising agents.

<https://www.thedailystar.net/business/news/no-duty-ppe-hand-sanitiser-and-testing-kit-raw-materials-1884028>

Factories to remain open

The government yesterday decided to keep factories open despite spreading coronavirus after a tripartite meeting with industry owners and workers. The meeting was organised to take the stock of the latest situation of business climate and the impact of the Covid-19, Aktarul Islam, public relations officer of the labour and employment ministry, told The Daily Star over phone after the meeting.

<https://www.thedailystar.net/business/news/factories-remain-open-1883989>

Bank and NBFI

Taming The coronavirus rampage: BB roused to action

The central bank has started work on facilitating a soft landing to the economic slowdown brought on by the coronavirus pandemic. As per instruction of the central bank higher-ups the monetary policy department has already started work on slashing the policy rate to inject funds into the economy.

<https://www.thedailystar.net/business/news/bb-roused-action-1884037>

Loan provision rule eased to help banks boost capital

Bangladesh Bank yesterday brought ease to the provisioning requirements under the relaxed loan rescheduling policy as part of efforts to strengthen the capital base of banks. Banks will now be allowed to show 50 percent of their provisions against loans as their capital, according to a central bank notice sent out to all lenders.

<https://www.thedailystar.net/business/news/loan-provision-rule-eased-help-banks-boost-capital-1883248>

BB asks all banks to craft business continuity plan

The central bank has asked all banks to prepare business continuity plan immediately to ensure that operations are not interrupted in the aftermath of pandemic exigencies. The Bangladesh Bank, or BB, has also instructed financial service providers to ready a list of key persons, who are involved in critical service management, including the information and communications technology infrastructure.

<https://today.thefinancialexpress.com.bd/first-page/bb-asks-all-banks-to-craft-business-continuity-plan-1584809371>

Textile

\$608m RMG export orders cancelled or suspended

Global buyers have so far cancelled or put on hold orders of readymade garment products worth \$607.89 million from Bangladesh as many fashion brands have shut their stores in Europe and North America due to the coronavirus outbreak. Bangladeshi exporters said that the value of cancellation or orders held up would increase further as they were getting notices to cancel orders or delay shipments every hour.

<https://www.newagebd.net/article/102870/608m-rmg-export-orders-cancelled-or-suspended>

Stocks

Regent Textile's production to rise by 233%

The Regent Textile Mills Ltd has completed the construction of its new unit after raising fund from the Initial Public Offering (IPO), which will raise its fabric production capacity by 233 percent (one lakh metre) per day. Commercial production will start from the new unit from Sunday. The construction of the new unit cost Tk82 crore.

<https://tbsnews.net/economy/stock/regent-textiles-production-rise-233-58537>

Capital Market

Reluctant banks pushed to buy stocks for market support

After a series of meeting, Finance Minister AHM Mustafa Kamal on Monday convinced banks to start buying shares from the next trading session under the special scheme offered by the central bank recently. Still banks are confused about investing in stock amid concerns like lack of confidence in capital market, interest rate capping, share selling spree of foreigners and uncertainty over the coronavirus outbreak.

<https://tbsnews.net/economy/stock/reluctant-banks-pushed-buy-stocks-market-support-57298>

Market to open with new circuit breaker

The stock market extended its losses last week but thanks to regulator intervention, indices recovered abruptly on Thursday amid new circuit breakers. The Bangladesh Securities and Exchange Commission (BSEC) introduced a new circuit breaker rule and set a floor price for every stock to keep the market buoyant.

<https://tbsnews.net/economy/stock/market-open-new-circuit-breaker-59242>

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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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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.