

Bangladesh market snapshot

	Last closing
DSEX Index	4,733.14
% change	-0.52%
DS30 Index	1,592.80
% change	-0.42%
DSES Index	1,089.81
% change	0.26%
Turnover (BDT mn)	7,706.08
Turnover (USD mn)	91.74
% change	-7.95%
Market Capitalization (BDT bn)	3,593
Market Capitalization (USD bn)	42.77
% change	-0.11%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,348.03
% change	0.40%
Nikkei 225	23,479.15
% change	0.34%
FTSE 100	7,468.60
% change	0.16%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.93
EUR	91.76
GBP	109.72
INR	1.19

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Feb-2020	4.50-5.50	5.09
18-Feb-2020	4.50-5.50	5.08

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	58.50	-1.37%
Gold Spot, USD/t oz	1,643.41	1.47%
Cotton, USD/lb	69.00	-0.53%

Source: Bloomberg

Telecommunication

NOC issuance to GP to depend on AD order

Bangladesh Telecommunication Regulatory Commission chairman Jahurul Haque on Saturday said that the issuance of no objection of certificates to mobile operator Grameenphone would depend on the court order even if the operator paid Tk 1,000 crore in audit claims today. Grameenphone on Friday announced that it would pay Tk 1,000 crore to BTRC today, complying with the order issued by the Appellate Division on Thursday against its review petition.

<https://www.newagebd.net/article/100233/noc-issuance-to-gp-to-depend-on-ad-order>

Economy

BD eyes further economic ties with Turkey

Bangladeshi President Abdul Hamid called Thursday for greater trade and investment with Turkey to explore the potentials of the two countries in various sectors, reports Daily Sabah. Hamid made the remarks while receiving the credentials of the new ambassador of Turkey to Bangladesh, Mustafa Osman Turan, at his official residence, President's Press Secretary Joynal Abedin told state-run news agency Bangladesh Sangbad Sangstha (BSS). Hamid described relations between Bangladesh and Turkey as excellent and historic during his meeting with the new Turkish ambassador.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-eyes-further-economic-ties-with-turkey-1582278691>

BIDA serious about improving ease of doing business

Massive reforms in regulations are highly necessary to rapidly improve the ease of doing business, said Md Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority (BIDA). Bangladesh ranked 168 out of 190 countries in the World Bank's Doing Business 2020 index. Just the year earlier, Bangladesh stood at 176, making this the biggest climb for the country in recent years. Certain bottlenecks that prevent investors from quickly receiving services still exist. This includes bringing change to regulations, which is a lengthy process.

<https://www.thedailystar.net/business/news/bida-serious-about-improving-ease-doing-business-1870918>

Bank and NBFIs

Hostage to only a few

The Centre for Policy Dialogue yesterday welcomed the government plan to set up a banking commission in order to save the ailing sector riddled with bad loans, irregularities, and weak governance. The International Monetary Fund (IMF) last month said high and increasing default loans and weak governance in the banking sector, especially in the state-owned banks, remained major policy challenges. The actual size of bad loans was more than double the

officially recognised figure, the lender said.

<https://www.thedailystar.net/frontpage/news/hostage-handful-1871644>

'Agent banks must disburse 70% loans in rural areas'

Palli Karma-Sahayak Foundation's (PKSF) Chairman Dr Qazi Kholiquzzaman Ahmad has demanded the regulatory authority to make it mandatory for agent banks to disburse 70 percent of their loans in rural areas. Addressing a seminar organised by the Dhaka School of Economics on Saturday, Dr Kholiquzzaman made the demand after complaining that agent banks are not playing a proper role in creating new entrepreneurs in rural regions of the country.

<https://tbsnews.net/economy/banking/agent-banks-must-disburse-70-loans-rural-areas-47001>

Foreign trip: Central bankers taking undue favour from private banks

A practice has appeared among high-ups of the Bangladesh Bank, where they are taking foreign tours which are paid for by private commercial banks, raising questions on ethical grounds. For instance, Ahmed Jamal, deputy governor of the central bank, recently visited Kenya and Tanzania to attend an event organised by a private commercial bank. All expenses of that tour was borne by the organising bank. Executive Director Abu Farah Md Nasser also joined the event with two other central bank officers – expenses for whom were also paid by the private bank.

<https://tbsnews.net/economy/banking/foreign-trip-central-bankers-taking-undue-favour-private-banks-46997>

Construction

Bashundhara builds Bangladesh's biggest bitumen plant

Bashundhara Group has set up the country's biggest bitumen plant in Keraniganj with an annual production capacity of a whopping 9 lakh tonnes for \$143.7 million, in a development that can be viewed as emblematic of the business giant's ambitions. Bitumen is a hydrocarbon-based substance used to build roads and highways. Currently, 90 per cent of Bangladesh's annual demand for 5 lakh tonne of bitumen is met by imports. The prospects for the plant, which is a subsidiary of Bashundhara Oil and Gas Company, are bright given Bangladesh's development goals.

<https://www.thedailystar.net/business/news/bashundhara-builds-bangladeshs-biggest-bitumen-plant-1871818>

Textile

Import from China falls, apparel sector in a fix

Both volume and value of import from China have declined by 20.87 per cent and 8.29 per cent respectively from January 1 to February 15 due to impact of Coronavirus outbreak there. Import of some 30 major products of manufacturing sector, especially of apparel, declined up to 76 per cent in that period, according to data of the Customs Wing of National Board of Revenue (NBR). The major products, whose import declined, include

clothing accessories, denim fabric, plain cotton woven fabric, woven fabrics of synthetic yarn, dyed woven cotton fabrics, and some chemicals used in apparel industries.

<https://today.thefinancialexpress.com.bd/public/first-page/import-from-china-falls-apparel-sector-in-a-fix-1582221274>

Trade with China to become normal within 3 days: FBCCI

The FBCCI president said the trade volume between China and Bangladesh was around \$14.68 billion dollars in 2018-19 fiscal year. Of them, import trade was \$13.86 billion dollars while export \$831 million dollars. The FBCCI chief added that 6.72 lakh tonnes products came from China in January this year but the amount was 8.51 lakh tonnes during the corresponding period in 2019. Fahim said they will hold a meeting with Prime Minister Sheikh Hasina on February 25 in this regard and they are in touch with the ministries concerned and other business bodies.

<https://www.thedailystar.net/business/news/trade-china-become-normal-within-3-days-fbcci-1871686>

Three more garment factories fall prey to sliding exports

The authorities of Savar-based Raquef Apparels Washing and Packaging Industry, Passion Jeans, and Passion Apparels and Ware announced the closure of their factories on Thursday because of continued losses amid falling exports. This kind of factory closure has been a common phenomenon recently: only in Gazipur, some 178 small and medium garment factories shuttered in the last one year. All three are owned by the same entity and it, however, has decided to keep open the washing unit of Raquef Apparels.

<https://www.thedailystar.net/business/news/three-more-garment-factories-fall-prey-sliding-exports-1871815>

Fuel & Power

Pay more for power from March

The authorities are set to hike the base power price for the 10th time in the last 10 years from March 1, affecting both homes and industries, and making exports less competitive. The Bangladesh Energy Regulatory Commission (Berc) may declare a 15-20 percent price hike on Sunday – putting the base or bulk power price at around Tk5.7 each unit, said a Berc source. This price will be passed down to the consumers in several slabs.

<https://tbsnews.net/bangladesh/energy/pay-more-power-march-46573>

Capital Market

'Robi's listing will be a gift for investors'

Robi plans to submit its application for listing in the country's twin bourses to the Bangladesh Securities and Exchange Commission in the middle of next month, as the long-awaited debut of the second largest mobile phone operator is finally taking shape. The operator, which got the approval from the Bangladesh Telecommunication Regulatory Commission last week for the initial public offering, though will make its

debut on both the Dhaka and Chattogram stock exchanges in the second half of the year..

<https://www.thedailystar.net/business/telecom/news/robis-listing-will-be-gift-investors-1871824>

Finally an upbeat bourse

DSEX, the benchmark index of the premier bourse, continued its gaining streak for the second consecutive week as investor confidence appears to be coming back following a number of measures including the central bank's liquidity support for the stock market, interest rate cut on post office savings scheme by half and the Asian Development Bank's approval for a \$170 million loan for the bourse's development.

<https://www.thedailystar.net/business/news/finally-upbeat-bourse-1870897>

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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.