

Bangladesh market snapshot

	Last closing
DSEX Index	5,317.72
% change	-1.25%
DS30 Index	2,017.53
% change	-1.94%
DSES Index	1,206.72
% change	-1.25%
Turnover (BDT mn)	5,918.11
Turnover (USD mn)	70.45
% change	26.70%
Market Capitalization (BDT bn)	4,570
Market Capitalization (USD bn)	54.41
% change	-0.67%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	31,537.35
% change	+0.05%
Nikkei 225	29,923.82
% change	-0.77%
FTSE 100	6,625.94
% change	+0.21%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.81
EUR	103.10
GBP	119.29
INR	1.17

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
22-Feb-2021	1.00-5.25	1.52
18-Feb-2021	1.00-5.25	1.66

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	65.00	-0.57%
Gold Spot, USD/t oz	1,809.88	+0.23%
Cotton, USD/lb	92.36	-0.33%

Source: Bloomberg

Economy

ADB to give \$11.1b for infrastructure development

The Asian Development Bank (ADB) will provide about \$11.1 billion to Bangladesh from 2021 to 2023 under its new country operations business plan. Of the sum, \$5.9 billion will be given for firm projects and \$5.2 billion for standby projects. Projects include the Dhaka-Sylhet Corridor Road Project, the Daulatdia-Faridpur-Barishal Road Project, the Tongi-Akhaura Dual Gauge Project, the Laksam-Chattogram Dual Gauge Railway Project, the Dhaka-Cumilla Chord Line Project, and the Bangladesh Renewable Energy Project.

<https://www.thedailystar.net/business/news/adb-give-111b-infrastructure-development-2050129>

Bank and NBFIs

BB eases credit rating for fresh bank loan issuance

The Bangladesh Bank on Tuesday eased the credit rating system so that borrowers, who have suffered economic shocks amid the coronavirus outbreak, can have easy access to bank finance to revive their businesses. To this end, the central bank on the day amended its Internal Credit Risk Rating System, a mandatory rating system for the banks in issuing credit to their customers. Under the latest BB circular, the banks were allowed to consider the audited finance statements of either 2019 or 2020 in determining the credit risk rating for the year 2021. The change was made with a view to keeping the impact of the coronavirus outbreak within tolerable levels for the banks' customers. The BB also eased the rating system by lowering the aggregated score requirement of each of the four notches of the system that was prepared based on quantitative and qualitative parameters.

<https://www.newagebd.net/article/130973/bb-eases-credit-rating-for-fresh-bank-loan-issuance>

Fuel and Power

Qatar Petroleum to supply 1.25m tonnes LNG to Bangladesh

Qatar Petroleum said it entered into a long-term agreement with Vitol, allowing the Dutch energy giant to supply 1.25 million tonnes of liquefied natural gas to Bangladesh per year. Under the deal, LNG deliveries will commence later this year, further demonstrating Qatar's continued commitment to meeting the growing needs of its customers for reliable LNG supplies.

<https://www.thedailystar.net/business/news/qatar-petroleum-supply-125m-tonnes-lng-bangladesh-2050113>

Textile

Give apparel makers six more months to repay loans

The finance ministry has asked the central bank to provide an additional grace period of six months to garment industries so they can repay the loans of a stimulus package unveiled to pay wages to workers. The government declared the stimulus package amounting to Tk 5,000 crore in March last year from its budgetary support in

order to help the owners of readymade garment factories to pay wages to their workers. The banking regulator initially fixed a six-month grace period as per instruction of the government, and there was no interest, but a 2 per cent service charge.

<https://www.thedailystar.net/business/news/give-apparel-makers-six-more-months-repay-loans-2050149>

Food and Allied

Animal feed business sees rapid rebound

After a business meltdown, animal feed manufacturers are now celebrating an increase in sales on the back of growing demand for livestock products. The feed manufacturing business- which had declined owing to the 66-day shutdown at the onset of the coronavirus outbreak in the country- has rebounded rapidly. Their business rebounded mostly in the second quarter of the current fiscal year. According to businessmen in this sector, the animal feed industry has registered around 25% expansion in the last decade on the back of a surge in poultry, fish, and cattle farming. Annually, the sector grew by 12-15% and witnessed a 161% jump in feed production over the last seven years.

<https://tbsnews.net/economy/industry/animal-feed-business-sees-rapid-rebound-206470>

Capital Market

BSEC drafts rules on stocks stabilisation fund

The Bangladesh Securities and Exchange Commission has formulated draft rules on the formation and execution of capital market stabilisation fund. According to the draft rules published for public opinions, the main objective and purpose of the fund are to stabilise the capital market ensuring liquidity to the market by way of selling and buying of listed securities, lending and borrowing of listed securities for short selling purpose and settlement of investors' claims. The fund must be operated by maintaining bank account with any scheduled bank and beneficiary owners account in the name of the Capital Market Stabilisation Fund.

<https://www.newagebd.net/article/130972/bsec-drafts-rules-on-stocks-stabilisation-fund>

<https://tbsnews.net/economy/stock/bsec-unveils-draft-rule-form-stock-market-stabilisation-fund-206467>

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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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