

Bangladesh market snapshot

	Last closing
DSEX Index	4,817.70
% change	-0.57%
DS30 Index	1,669.88
% change	-1.06%
DSES Index	1,107.69
% change	-1.44%
Turnover (BDT mn)	6,212.85
Turnover (USD mn)	73.96
% change	25.38%
Market Capitalization (BDT bn)	3,282
Market Capitalization (USD bn)	39.07
% change	-0.84%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	29,591.27
% change	+1.12%
Nikkei 225	26,196.64
% change	+2.62%
FTSE 100	6,333.84
% change	-0.28%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.80
EUR	100.55
GBP	112.67
INR	1.14

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
22-Nov-2020	1.00-5.25	1.84
19-Nov-2020	1.00-5.25	1.83

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	46.48	+0.91%
Gold Spot, USD/t oz	1,827.15	-0.58%
Cotton, USD/lb	73.80	0.00%

Source: Bloomberg

Economy

WB likely to provide \$500m extra fund for vaccine procurement

The World Bank (WB) has assured Bangladesh of providing US\$500 million worth of funds for procuring coronavirus vaccine to be inoculated all citizens gradually. The fund is likely to be provided as an additional financing for the WB-funded ongoing "Covid-19 Emergency Response and Pandemic Preparedness Project". The government has estimated some US\$1.5 billion funds to be required for procuring the Covid-19 vaccine.

<https://today.thefinancialexpress.com.bd/last-page/wb-likely-to-provide-500m-extra-fund-for-vaccine-procurement-1606152832>

Human rights comes as new condition for EU GSP

The European Union (EU), the largest export destination for Bangladesh, has now come up with another condition that the country must ensure human rights to remain eligible for the Generalised System of Preferences (GSP) facility in their market. Earlier, the EU urged the Bangladesh government to improve the labour rights situation for the continuation of the duty-free trade facility. Now, the availability of the GSP facility— given under the EU's EBA (Everything but Arms) arrangement— after 2023 depends on the protection of labour and human rights.

<https://tbsnews.net/economy/trade/human-rights-comes-new-condition-eu-gsp-162112>

Bank and NBFI

BB cuts interest rate to 6.0pc

The central bank has slashed interest rate on ADB-funded refinancing scheme by 3.0 percentage points aiming to help the Covid-19-hit cottage, micro and small enterprises (CMSEs). As per the revised policy, participating banks and non-banking financial institutions are allowed to charge their clients maximum 6.0 per cent instead of 9.0 per cent earlier under the refinancing scheme. The revised interest rate on such loans under the scheme came into effect on November 18, 2020. On the other hand, lenders are eligible to borrow funds from the central bank under the scheme with paying 2.0 per cent interest instead of 4.0 per cent earlier.

<https://today.thefinancialexpress.com.bd/first-page/bb-cuts-interest-rate-to-60pc-1606152727>

<https://www.newagebd.net/article/122436/bangladesh-bank-sets-6pc-interest-cap-on-lending-to-cmsmes>

ADR of 11 banks above regulatory limit in Sept

The Advance-Deposit Ratio of eleven banks remained above the regulatory limit even after three years of the central bank moving to streamline the ratio. As of September this year, the ADR of Agrani Bank (Islamic wing), BASIC Bank, AB Bank, EXIM Bank, First Security Islami Bank, National Bank, NRB Global Bank, Padma Bank, Premier Bank (Islamic wing), Union Bank and Rajshahi Krishi Unnayan Bank still remain beyond the allowable limit. Three

banks— Agrani Bank, BASIC Bank and Padma Bank— were suffering with ADRs of above 100 per cent.

<https://www.newagebd.net/article/122435/adr-of-11-banks-above-regulatory-limit-in-sept>

Fuel and Power

Local firms keen to supply lubricant to BPC

Local lube-oil makers are keen to supply lubricant to the Bangladesh Petroleum Corporation or BPC to help grow their businesses and save foreign currencies. They are seeking an opportunity to supply finished lubricating oil to the BPC after taking part in a competitive bidding. The BPC in a recently floated tender sought to import around 5,400 tonnes of lubricating oil under a framework agreement with the bid winner. But over a dozen local lube-oil makers have alleged that the BPC has blocked them from participating in the tender after incorporating some harsher conditions.

<https://today.thefinancialexpress.com.bd/trade-market/local-firms-keen-to-supply-lubricant-to-bpc-1606148887>

Textile

Garment exporters demand removal

Apparel makers have demanded the withdrawal of emergency cost recovery surcharges (ECSR) imposed by feeder vessel operators on Bangladesh's outbound and inbound shipments. Feeder vessel operators to and from Chittagong and the hubs of Colombo, Singapore and Port Klang have imposed \$75 for each goods-laden container and \$37.50 for each empty one as ECSR became effective from November 15. On November 19, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), in separate letters to the Chattogram Port Authority, Bangladesh Shipping Agents' Association and Bangladesh Container Shipping Association, made the demand terming the charges 'illogical' and 'unaccepted'.

<https://today.thefinancialexpress.com.bd/last-page/garment-exporters-demand-removal-1606152947>

Capital Market

Margin loan facility against MFs remains effective: BSEC

The investors can avail margin loan facility against the listed mutual funds (MFs) as the securities regulator's latest directive in this regard remains effective. The Bangladesh Securities and Exchange Commission (BSEC) on Monday said this in a clarification issued to remove ambiguity on the disbursement of margin loans against the units of listed MFs.

<https://today.thefinancialexpress.com.bd/last-page/margin-loan-facility-against-mfs-remains-effective-bsec-1606153003>

Mir Akhter IPO subscription begins 24 December

Mir Akhter Hossain Limited, one of the largest construction and engineering firms of the country, is going to start its Initial Public Offering (IPO) subscription from 24 December this year. Investors can apply for primary shares of the company until 30 December. The

company will use the money for business expansion, equipment purchase and repayment of bank loans.

<https://tbsnews.net/economy/stock/mir-akhter-ipo-subscription-begins-24-december-162049>

Stock

BSEC inquires about GSK acquisition by Unilever

The Bangladesh Securities and Exchange Commission has inquired about the acquisition of GlaxoSmithKline (GSK) Bangladesh Limited by Unilever after nearly five months of the completion of purchase process. The securities regulator on November 11 sent a letter to GSK Bangladesh, a listed company on the Dhaka Stock Exchange, seeking various documents regarding the process of the deal. Earlier on June 30, Unilever announced the acquisition of 81.98 per cent share of GSK Bangladesh, and on July 2 the name of GlaxoSmithKline Bangladesh Limited was changed to Unilever Consumer Care Limited. The company's name, however, is yet to be changed on the stock exchange. Copies of the BSEC letter were also forwarded to finance ministry, Bangladesh Financial Intelligence Unit and National Board of Revenue.

<https://www.newagebd.net/article/122433/bsec-inquires-about-gsk-acquisition-by-unilever>

Eastern Bank's investment jumps 63% in govt securities

Eastern Bank Limited has witnessed a 63% jump in its investment in risk-free government securities on the back of high returns from it. As a result, bank has earned Tk128.86 crore from this investment in the third quarter of this year, which was 100% higher than in the previous year at the same time. Besides, provisioning deferment and the high returns on the investment have helped the bank post higher growth in net profit. It posted 98% year-on-year increase in net profit in the July-September period of this year, taking the profit to Tk138 crore.

<https://tbsnews.net/economy/stock/eastern-banks-investment-jumps-63-govt-securities-161674>

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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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