

Bangladesh market snapshot

	Last closing
DSEX Index	3,976.57
% change	-0.21%
DS30 Index	1,323.78
% change	0.00%
DSES Index	917.27
% change	-0.17%
Turnover (BDT mn)	1,395.42
Turnover (USD mn)	16.61
% change	-45.13%
Market Capitalization (BDT bn)	3,108
Market Capitalization (USD bn)	37.00
% change	-0.14%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	18,591.93
% change	-3.04%
Nikkei 225	18,092.35
% change	7.13%
FTSE 100	5,130.64
% change	2.74%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	91.11
GBP	98.13
INR	1.11

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
23-Mar-2020	4.25-5.50	5.16
22-Mar-2020	4.25-5.50	5.15

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	28.07	3.39%
Gold Spot, USD/t oz	1,618.64	-0.84%
Cotton, USD/lb	53.27	0.72%

Source: Bloomberg

Economy

DCCI for spl fund to support businesses

The Dhaka Chamber of Commerce and Industry on Tuesday urged the Bangladesh Bank to create an emergency fund with 1 per cent interest rate using foreign exchange reserve to support the financially-stressed businesses for paying salary of their workers during the coronavirus pandemic.

<https://www.newagebd.net/article/103099/dcci-for-spl-fund-to-support-businesses>

Trade thru land ports comes to a halt

Bangladesh's trade with India through most of the land ports has come to a halt since Monday as the neighbour went into a lockdown the previous day in an effort to contain the spread of deadly coronavirus. Twelve land ports under Bangladesh Land Port Authority wore a deserted look yesterday, as the Indian shutdown came at a time when the Bangladesh government announced a 10-day general holiday from March 26 for the same purpose.

<https://www.thedailystar.net/business/news/trade-thru-land-ports-comes-halt-1885519>

BD in talks with EU, US to offset export loss

The government has started discussions with major countries importing Bangladeshi goods on how to offset the loss incurred from the coronavirus spread. Foreign Minister Dr AK Abdul Momen said according to the BGMEA (Bangladesh Garment Manufacturers and Exporters Association), the export loss due to coronavirus would be around two billion dollars.

<https://today.thefinancialexpress.com.bd/trade-market/bd-in-talks-with-eu-us-to-offset-export-loss-1585066034>

Govt seeks \$50m IsDB funds to fight coronavirus

The government has sought US\$50 million worth of funds from the Islamic Development Bank (IsDB) to fight against the outbreak of COVID-19, officials said on Tuesday. Economic Relations Division (ERD) has recently made the request for funds to the Jeddah-based lender, they said. At the request of the health ministry, a senior ERD official said, they have sought financial support from the IsDB.

<https://today.thefinancialexpress.com.bd/politics-policies/govt-seeks-50m-isdb-funds-to-fight-coronavirus-1585066604>

NBR against VAT waiver on edible oil, sugar

The revenue board has opposed a commerce ministry suggestion to reduce the value-added tax (VAT) on edible oil on the grounds that the imposition of the indirect tax has little effect on the prices of key cooking ingredient. The prices of soybean oil have increased by only Tk 1 for each litre after the indirect was levied all throughout the value chain under the new VAT law that became effective from July last year, said the National Board of Revenue (NBR) in a report submitted to the Finance Minister AHM Mustafa Kamal recently.

<https://www.thedailystar.net/business/news/nbr-against-vat-waiver-edible-oil-sugar-1885522>

Bank and NBFI**Loan repayment failure would not make NBFIs' borrowers defaulter**

No loans with the non-bank financial intuitions could be downgraded to defaulted ones until June 30 this year on grounds of the borrowers' failure in repaying instalments, said a Bangladesh Bank circular issued on Tuesday. On March 19, the BB offered the same facility to the bank borrowers amid the accelerating spread of the pandemic coronavirus, bringing the country's export and import almost to a halt.

<https://www.newagebd.net/article/103111/loan-repayment-failure-would-not-make-nbfis-borrowers-defaulter>

Textile**Textile millers seek interest-free govt fund for 6 months' worker wages**

Even though the extent of damage is yet to be assessed, the Bangladesh Textile Mills Association has demanded a special fund from the government to pay the wages and festival allowances to the workers for six months to overcome the negative impact of coronavirus outbreak. BTMA president Mohammad Ali Khokon in a letter to the prime minister's principal secretary, Ahmad Kaikus, on Sunday demanded a bailout package from the government to protect the country's primary textile sector from the negative impact of coronavirus outbreak.

<https://www.newagebd.net/article/103102/textile-millers-seek-interest-free-govt-fund-for-6-months-worker-wages>

HSBC extends support to beleaguered garment sector

HSBC Bangladesh yesterday announced a set of measures to help its textile and garments clients tide over the economic fallout from the coronavirus pandemic. The lender will provide special short-term loans of up to one year with principal moratorium for four months, which can be used for the purpose of supporting payroll bill and utility payment. Although the Bangladesh Bank has recently asked banks to extend similar support to businesses, which are being battered from all side by COVID-19, the British lender is the first to formally announce measures of its own.

<https://www.thedailystar.net/business/news/hsbc-extends-support-beleaguered-garment-sector-1885546>

Pharma**Usance period of life-saving drug imports extended**

The central bank has relaxed foreign exchange regulations, allowing banks to extend the usance period of life-saving drug imports up to six months instead of three months. It will depend on the actual needs of their concerned clients. In foreign trade, usance is the allowable period of time, permitted by custom, between the date of the bill and its payment.

<https://today.thefinancialexpress.com.bd/last-page/usance-period-of-life-saving-drug-imports-extended-1585071387>

Telecommunication**BTRC postpones public hearing scheduled for Mar 30**

The telecom regulator has suspended its March 30 public hearing on the quality of telecommunication services because of the coronavirus outbreak, which has brought normal lives to a standstill. The Bangladesh

Telecommunication Regulatory Commission (BTRC) took the decision at a meeting yesterday, said Md Zakir Hossain Khan, a senior assistant director of the regulator.

<https://www.thedailystar.net/business/news/btrc-postpones-public-hearing-scheduled-mar-30-1885516>

Stocks

Square Pharma inks deal with Renata, Apex Pharma

Square Pharmaceuticals has signed agreements with two pharmaceuticals companies for manufacturing some products on behalf of the company to meet the growing demand. Recently, the Square Pharma also awarded with the good manufacturing practices certificate by the Congo.

<https://today.thefinancialexpress.com.bd/stock-corporate/square-pharma-inks-deal-with-renata-apex-pharma-1585063026>

Capital Market

Bourses to remain shut next week

The stock market will be shut throughout next week as the government has announced closure of all public and private offices as part of its efforts to contain the spread of the coronavirus. The Dhaka Stock Exchange (DSE) took the decision at a board meeting at its Nikunja office in the capital. The Chattogram Stock Exchange (CSE) also took a similar decision. On Monday, the government announced general holiday from March 29 to April 4 to slow the spread of the highly contagious virus.

<https://www.thedailystar.net/business/news/bourses-remain-shut-next-week-1885531>

Corona crisis: Listed companies exempted from mandatory meetings

The listed companies have been temporarily exempted from mandatory board meetings and general meetings amid an emergency situation caused by the coronavirus, said Bangladesh Securities and Exchange Commission (BSEC). They can accomplish the mandatory meetings by using digital platforms, which is allowed in most countries, the securities regulator added.

<https://tbsnews.net/economy/stock/corona-crisis-listed-companies-exempted-mandatory-meetings-60568>

Disclaimer

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UCB Capital Management Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh. UCB is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc. ("RBLT"), 40 Wall Street 59th Floor, New York NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UCB. RBLT accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of RBLT and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Ownership and Material Conflicts of Interest

RBLT or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. RBLT, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. RBLT is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

RBLT or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither UCB nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

UCB may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of UCB.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

We calculate our target price by weighting DCF, DDM, SOTP, asset-based and other relative valuation methods, and applying appropriate premiums/ discounts and/or other relevant adjustments.

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 %

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyst(s), that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

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.