

Bangladesh market snapshot

| | Last closing |
|--------------------------------|--------------|
| DSEX Index | 4,621.20 |
| % change | -0.64% |
| DS30 Index | 1,550.97 |
| % change | -1.29% |
| DSES Index | 1,069.94 |
| % change | -0.34% |
| Turnover (BDT mn) | 6,296.81 |
| Turnover (USD mn) | 74.96 |
| % change | 4.85% |
| Market Capitalization (BDT bn) | 3,528 |
| Market Capitalization (USD bn) | 42.00 |
| % change | -0.63% |

Source: Dhaka Stock Exchange

International market snapshot

| | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 27,960.80 |
| % change | -3.56% |
| Nikkei 225 | 22,605.41 |
| % change | -3.34% |
| FTSE 100 | 7,158.82 |
| % change | 0.03% |

Source: Bloomberg

Exchange rate

| Currency | BDT |
|----------|--------|
| USD | 84.95 |
| EUR | 92.2 |
| GBP | 109.81 |
| INR | 1.18 |

Source: Bangladesh Bank

Money market

| Date | Call Money Rate Range (%) | Weighted Average (%) |
|-------------|---------------------------|----------------------|
| 24-Feb-2020 | 4.50-5.50 | 5.06 |
| 23-Feb-2020 | 4.50-5.50 | 5.11 |

Source: Bangladesh Bank

Commodities

| | Price | % Change |
|----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl | 55.30 | 0.64% |
| Gold Spot, USD/t oz | 1,639.60 | 0.27% |
| Cotton, USD/lb | 66.70 | 0.60% |

Source: Bloomberg

Economy

2nd perspective plan 2021-2041: Extreme poverty to be 0.68%, GDP 9.9%

The government has set targets to bring down the extreme poverty rate to 0.68%, and increase the gross domestic product (GDP) growth to 9.9% by 2041. By 2031, it aims to bring down the extreme poverty rate to 2.55%, and increase the GDP growth to 9%. The projections incorporated in "Bangladesh's 2nd Perspective Plan 2021-2041," was approved on Tuesday. The plan envisages the target to become a developed country by 2041.

<https://www.dhakatribune.com/business/2020/02/25/2nd-perspective-plan-2021-2041-extreme-poverty-to-be-0-68-gdp-9-9>

Bangladesh, India discuss ways to boost trade ties

Speakers at a seminar here on Tuesday discussed trade and business opportunities between Bangladesh and India and ways to bolster trade relations taking advantage of the proximity. Indian High Commission in Dhaka in collaboration with India Bangladesh Chambers of Commerce and Industry (IBCCI) jointly organised the seminar on "Scope of Enhancing Indo-Bangla Bilateral Trade in light of Indian National Budget 2020" at a city hotel.

<https://www.tbsnews.net/economy/trade/bangladesh-india-discuss-ways-boost-trade-ties-47955>

Experts call for regional grid connecting BIMSTEC nations

Coordinated regional grid connection would help attain the continued growth in power generation among the member countries of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), experts and policy-makers said on Tuesday. Governments of the member countries of the regional block must focus on renewable energy to ensure sustainable development in the BIMSTEC region, they suggested while addressing a conference on "Enhancing Energy Cooperation in the BIMSTEC Region".

<https://www.dhakatribune.com/business/2020/02/25/experts-call-for-regional-grid-connecting-bimstec-nations>

Ease of trading: Importers can release goods in 1 day from 2022

The National Single Window - set to be implemented by 2022 - will save time and money for the importers of the country. As a result of this initiative, it will not take more than one day to release imported goods from ports. At present, it takes four days to release the goods after submission of bills of entry. The deadline to submit bills of entry is now eight to ten days, and this will also be cut down to 72 hours only to reduce the delay in releasing imported goods.

<https://www.tbsnews.net/economy/trade/ease-trading-importers-can-release-goods-1-day-2022-47869>

HC orders red alert against Bismillah Group MD, six others

The High Court has directed the authorities concerned to issue a red

alert with the help of the Interpol against fugitive Khaza Solaiman Anwar Chowdhury, managing director of Bismillah Group, and six others in a money laundering case. The court also asked the Inspector General of Police (IGP) and Director General of the Rapid Action Battalion (RAB) to inform the court about the proceedings by April 5.

<https://www.dhakatribune.com/bangladesh/court/2020/02/25/hc-orders-red-alert-against-bismillah-group-md-six-others>

Bank and NBFI

Conversion of 2 banks to Islamic banks positive for sector: Moody's

Global rating agency Moody's Investors Service has said that the conversion of two conventional banks into Islamic banks in Bangladesh is credit positive for the Islamic banking sector of the country. It said that the recent in-principle approvals of the Bangladesh Bank to Standard Bank Limited and NRB Global Bank Limited to convert them into Islamic banks were credit positive for Islamic banks because their enlarged network would spur more demand for Islamic financial services.

<https://www.newagebd.net/article/100503/conversion-of-2-banks-to-islamic-banks-positive-for-sector-moodys>

BB spurs banks to attain farm credit target

Bangladesh Bank (BB) has instructed all private commercial banks and foreign banks for taking effective measures to achieve their agro-credit disbursement targets by the end of this fiscal. The instruction came at a meeting with senior officials of the banks at BB headquarters in the capital on Monday. BB Agricultural Credit Department General Manager Md Habibur Rahman chaired the meeting.

<https://www.dhakatribune.com/business/2020/02/25/bb-spurs-banks-to-attain-farm-credit-target>

Forced rate cut to put banks, economy at risk

Bankers and experts have objected to the forceful implementation of the single-digit lending rate, leaving untouched the loan defaulters who have made the major damage to the country's banking sector. Such implementation may also lead the banking sector to a burst and slow down the credit flow to the private sector, hindering economic expansion, they said. The observations came following the issuance of a Bangladesh Bank circular on Monday that set the ceiling on lending rate on all loan products, except credit cards, of the banks at 9 per cent.

<https://www.newagebd.net/article/100499/forced-rate-cut-to-put-banks-economy-at-risk>

Textile

EDF loan limit for knitwear makers raised to \$20m

The Bangladesh Bank on Tuesday raised the limit of foreign currency loans for knitwear manufacturers and exporters from the central bank's export development fund to \$20 million from \$15 million. The BB said in a circular issued that mill member of the Bangladesh Knitwear Manufacturers and Exporters Association would from now on get \$20

million from EDF for input procurement. The central bank hiked the loan limit for the knitwear makers following a plea submitted by the BKMEA in which it demanded that the BB should raise the limit to \$25 million from the previous \$15 million to bring parity between apparel makers and knitwear makers.

<https://www.newagebd.net/article/100501/edf-loan-limit-for-knitwear-makers-raised-to-20m>

Stocks

City Bank allowed to float Tk 300cr bonds

The Bangladesh Securities and Exchange Commission on Tuesday allowed City Bank to float non-convertible zero coupon bonds worth Tk 300 crore on the market. The capital market regulator gave the approval at a commission meeting presided over by its chairman M Khairul Hossain. As per the BSEC approval, the bank will float the bonds that will include unsecured nonconvertible, unsecured and zero coupon bonds. The face value of each unit bond will be Tk 5,000 and the bond will be fully redeemable in three years' time. Only banks, financial institutions, corporate institutions and other eligible investors will be allowed to subscribe the bonds through private placement.

<https://www.newagebd.net/article/100504/city-bank-allowed-to-float-tk-300cr-bonds>

Very difficult to keep ILFSL viable

It would be very difficult to keep the International Leasing and Financial Services Limited (ILFSL) viable in its present form, said Khandaker Ibrahim Khaled, who was appointed as an independent director and chairman of the non-bank financial institution (NBFI) by the High Court. Mr Khaled, a former deputy governor of Bangladesh Bank, made the observation to the Supreme Court on Tuesday. The veteran banker said he does not have the confidence to bring the institution back to its normal state.

<https://today.thefinancialexpress.com.bd/first-page/very-difficult-to-keep-ilfsl-viable-1582655825>

Quasem Industries to set up an artificial quartz factory for Tk 92cr

Quasem Industries, a listed dry cell and food product producer, yesterday announced its plan to set up an artificial quartz product manufacturing factory at a cost of about Tk 92 crore as part of its strategy to diversify its portfolio. Artificial quartz, also called engineered quartz, is a manmade product created mostly from natural materials. It is made of 90 to 94 per cent ground quartz and 6 to 10 per cent resins and pigments that are combined into durable and nonporous slabs. The most common application of artificial quartz is indoor flooring and walls, while the quartz-based product is used primarily for kitchen countertops as an alternative to laminate or granite.

<https://www.thedailystar.net/business/news/quasem-industries-set-artificial-quartz-factory-tk-92cr-1873081>

Capital Market

Stocks keep losing as major sectors slump

Stocks extended the losing streak for the fourth straight session on Tuesday as cautious investors continued their sell-offs on major sectors' shares. DSEX, the prime index of the Dhaka Stock Exchange (DSE), settled at 4,621, losing 29.69 points or 0.63 per cent over the previous day. The core index lost 137 points in the past four consecutive sessions. Market analysts said the central bank's latest directive on lending rates coupled with the Supreme Court's latest order on GP to pay the remaining Tk 10 billion to BTRC within 90 days prompted investors to sell -offs on bank and GP shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-keep-losing-as-major-sectors-slump-1582659328>

Asif Ibrahim new chairman of CSE

The Board of Directors of the Chittagong Stock Exchange Ltd. (CSE) has elected Mr. Asif Ibrahim as Chairman of the bourse in line with the Exchanges Demutualization Act, 2013. All the Independent Directors and Shareholder Directors of the Exchange unanimously elected him for the next three years at a board meeting held on Tuesday, said a statement.

<https://today.thefinancialexpress.com.bd/stock-corporate/asif-ibrahim-new-chairman-of-cse-1582659533>

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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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