

Bangladesh market snapshot

	Last closing
DSEX Index	4,549.11
% change	-1.56%
DS30 Index	1,517.71
% change	-2.14%
DSES Index	1,060.32
% change	-0.90%
Turnover (BDT mn)	6,273.41
Turnover (USD mn)	74.68
% change	-0.37%
Market Capitalization (BDT bn)	3,484
Market Capitalization (USD bn)	41.48
% change	-1.23%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,081.36
% change	-3.15%
Nikkei 225	22,426.19
% change	-0.79%
FTSE 100	6,934.14
% change	-1.19%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.95
EUR	92.45
GBP	110.50
INR	1.18

Source: Bangladesh Bank

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
24-Feb-2020	4.50-5.50	5.07
24-Feb-2020	4.50-5.50	5.06

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	52.80	-1.18%
Gold Spot, USD/t oz	1,650.17	+0.56%
Cotton, USD/lb	65.03	-0.67%

Source: Bloomberg

Economy

11.28% interest on postal savings again from March 17

Finance Minister AHM Mustafa Kamal said on Wednesday that the government will restore the interest rate for postal savings from March 17. The interest on three-year fixed deposits in the post office was reduced to 6 percent from over 11 percent two weeks ago. But it will be raised again to the previous level of 11.28 percent next month. The minister was speaking at a press conference after a meeting of the cabinet committee on government purchase at the Bangladesh Secretariat.

<https://tbsnews.net/economy/banking/postal-savings-interest-rate-will-be-restored-1128pc-finance-minister-48256>

Playing musical chairs with project directors

In 1995, the Purbachal New Town Project – the biggest planned town in the country – was taken to reduce the population pressure on Dhaka city. After 25 years, only 70 percent of the project has been completed, and planning officials blame frequent change of project directors for the delay as it hampers the land acquisition process and the construction. During this time, 10 project directors – all officials of the Public Works Department or Rajdhani Unnayan Katripakkha (Rajuk), the implementing agency of the township – were appointed for the project. Meantime, its total cost escalated by 135 percent. This is just one picture of how frequent change in project heads hampers the entire schemes, leading to runaway cost escalation at the cost of the taxpayers.

<https://tbsnews.net/bangladesh/infrastructure/playing-musical-chairs-project-directors-44849>

Robust exchange rate critical for sustained growth

Poorly managed exchange rate, ad hoc-based incentive and existing domestic protection levels will not make Bangladesh's exports competitive and help diversify both products and destinations, according to a new plan of the government. In the plan, export diversification and competitiveness in the global market have been identified as the major challenges facing Bangladesh. The plan called for export diversification as over-reliance on a single export commodity makes the economy vulnerable to external shocks. A diverse export basket is absolutely necessary for stable export revenue and its growth.

<https://www.thedailystar.net/business/news/robust-exchange-rate-critical-sustained-growth-1873096>

Amazon moves to pay VAT to NBR

Amazon Web Services, a global leading cloud computing service provider, has started procedures to pay value-added tax in Bangladesh on cross-border transactions as it has taken a move to update the database of their local clients. AWS Inc has recently sent messages to its customers in Bangladesh to update their accounts with the company by providing business identification numbers

(BIN), known as VAT registration numbers.

<https://www.newagebd.net/article/100619/amazon-moves-to-pay-vat-to-nbr>

NBR plans to form another TP cell

The National Board of Revenue (NBR) has decided in principle to set up another Transfer Pricing (TP) cell for dealing with customs duty evasion. Some multinational companies (MNCs) evade duties and taxes by trade-based money laundering through over- or under-invoicing on import and export of goods. The NBR formed a TP cell in 2014 for its Income Tax Wing (ITW), which is working on MNCs' tax files.

<https://today.thefinancialexpress.com.bd/last-page/nbr-plans-to-form-another-tp-cell-1582741212>

It's PPP for Bangabandhu industrial city's CETP

The government is set to build a central effluent treatment plant under a public private partnership for proper waste management inside the Bangabandhu Sheikh Mujib Industrial City in Mirsarai, said Finance Minister AHM Mustafa Kamal said yesterday. The plant will cost the government about Tk 185 crore, said an official of the cabinet committee requesting anonymity. The government will bear 40 per cent of the cost of the industrial park, which currently comprises Mirsarai, Feni and Sitakunda economic zones. The rest will come from the private sector, he said.

<https://www.thedailystar.net/business/news/its-ppp-bangabandhu-industrial-citys-cetp-1873426>

Bank and NBFIs

No bank to face liquidation

No bank will face liquidation in the coming days as the country's financial sector is growing from strength to strength, the Bangladesh Bank said yesterday. A rumour has been created that each client will get back only Tk 1 lakh despite depositing higher amount of money from a liquidated bank, said Md Serajul Islam, spokesperson of the central bank, at a press conference at the BB headquarters in the capital. A depositor of a liquidated bank will get a maximum Tk 1 lakh within six months from the deposit insurance trust fund as per the existing Bank Deposit Insurance Act, 2000, he said. The rest of the deposits will be paid back by selling the assets of the liquidated lender as per the Banking Companies Act 1991.

<https://www.thedailystar.net/business/news/no-bank-face-liquidation-1873411>

<https://thefinancialexpress.com.bd/economy/bangladesh/depositors-money-to-be-more-secure-under-new-act-bb-1582731415>

Interest rate cap can blow up in BB's face

This is not the first time that the central bank has engineered to impose a cap on interest rates on lending. It did something similar back in April 2009, just after Atiur Rahman assumed the role of governor of the

banking watchdog. Then, the Bangladesh Bank set a maximum 13 percent per cent interest rate on all major loan products such as term and working capital for medium and large industries, trade financing, home and agriculture sector. It also fixed the exchange rate at Tk 69 for per dollar. But the measures turned out to be glorious failures.

<https://www.thedailystar.net/business/news/interest-rate-cap-can-blow-bbs-face-1873444>

ILFSL swindlers barred from travelling abroad by SC

The Supreme Court yesterday upheld a High Court order that banned 20 people, including much-talked Proshanta Kumar Halder, from leaving the country for allegedly embezzling Tk 3,000 crore from the International Leasing and Financial Services (ILFSL). A three-member bench of the Appellate Division headed by Chief Justice Syed Mahmud Hossain passed the order after dismissing an appeal filed by two shareholder-directors of the non-bank financial institution challenging the HC order.

<https://www.thedailystar.net/business/news/ilfsl-swindlers-barred-travelling-abroad-sc-1873441>

Stocks

'GP has to keep provision against audit claim'

Grameenphone has to keep aside Tk12,580 crore claimed by the telecom regulator as per the international accounting rules, said Central Depository Bangladesh Ltd (CDBL) Managing Shuvro Kanti Chowdhury. Chowdhury came up with the statement at a seminar while replying to a question raised by Bangladesh Securities and Exchange Commission Executive Director Forhad Ahmed as to whether Grameenphone has to make the provision as a case is going on over the audit dispute. He said the mobile telecom operator must keep aside the money until the case is disposed of.

<https://tbsnews.net/bangladesh/telecom/gp-has-keep-provision-against-audit-claim-48307>

Telecommunication

BTRC to extend telcos' service quality test to villages

The Bangladesh Telecommunication Regulatory Commission has decided to extend its quality of service (QoS) measurement test for mobile phone network coverage and capacity to upazila and village level. The telecom regulator on February 19 issued an expression of interest (EoI) for the interested parties to conduct the test drive in designated highways, district, upazila, union and village roads and at selected spots. The firm awarded the job will be conducting drive tests for measuring and assessing the coverage, capacity and quality of service of cellular mobile networks throughout the country. The interested firms or joint venture companies were asked to respond to the EoI by March 15.

<https://www.dhakatribune.com/business/2020/02/26/btrc-to-extend-telcos-service-quality-test-to-villages>

IT

Cisco widens business in Bangladesh

A US-based technology company, Cisco, has widened its activities in Bangladesh, which is making significant progress in digital arena. Bangladesh operations of the global giant recently established a depot in the capital city and doubled its human resources, aiming to provide better and quicker services to its clientele. Managing director (commercial) of the Cisco SAARC region Sudhir Nayar made the announcement at a press conference at a city hotel on Wednesday. Regional manager of Cisco Bangladesh Fakhruddin Ahmed and other officials attended the conference.

<https://today.thefinancialexpress.com.bd/trade-market/cisco-widens-business-in-bangladesh-1582742206>

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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.