

## Bangladesh market snapshot

	Last closing
DSEX Index	5,714.75
% change	0.34%
DS30 Index	2,178.60
% change	0.72%
DSES Index	1,279.88
% change	0.03%
Turnover (BDT mn)	9,059.04
Turnover (USD mn)	107.85
% change	-19.51%
Market Capitalization (BDT bn)	4,823
Market Capitalization (USD bn)	57.41
% change	0.80%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	30,303.17
% change	-2.05%
Nikkei 225	28,323.06
% change	-1.09%
FTSE 100	6,567.37
% change	-1.30%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	103.13
GBP	116.50
INR	1.16

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
26-Jan-2021	1.00-5.25	1.64
25-Jan-2021	1.00-5.25	1.64

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	55.57	-0.43%
Gold Spot, USD/t oz	1,837.22	-0.37%
Cotton, USD/lb	80.22	-0.77%

Source: Bloomberg

## Economy

### Trade deficit narrows on falling imports

The trade deficit shrank heavily in the first half of the ongoing fiscal year because of dwindling imports amid the economic slowdown, in a sign of depressed demand and consumption. Between July and December, the trade deficit, which occurs when imports outweigh exports, stood at \$6.46 billion, down 21.37 per cent year-on-year. During the period, imports declined 6.8 per cent from that a year earlier to \$25.22 billion, eclipsing a 0.44 per cent fall in exports to \$18.76 billion.

<https://www.thedailystar.net/business/news/trade-deficit-narrows-falling-imports-2035181>

<https://tbsnews.net/economy/trade/trade-deficit-narrows-21-six-months-fy21-192760>

## Bank and NBFIs

### BB renews call to exhaust stimulus packages by Mar

The central bank has asked the banks to exhaust all stimulus packages by March to help revive the economy, battered by Covid-19. The BB's directive came against the backdrop of slower progress in loan disbursement under the packages, particularly for the cottage, micro, small and medium enterprises (CMSMEs). BB also gave a 'strong message' to clear both local and foreign unsettled import bills immediately.

<https://today.thefinancialexpress.com.bd/first-page/bb-renews-call-to-exhaust-stimulus-packages-by-mar-1611767527>

## MFS transactions rise by Tk 1.27 lakh cr in 2020

Transactions through the mobile financial service channel increased by 29.26 per cent or Tk 1,27,133 crore in the year 2020 as the service enabled people to receive payments of salaries and wages and conduct other financial transactions staying at home amid the COVID-19 outbreak in the country. The transactions through the MFS increased to Tk 5,61,622 crore in 2020 from Tk 4,34,489 crore in the previous year. The service had emerged as a means of transparent disbursement of salaries and wages to the export-oriented industries' workers amid the coronavirus outbreak.

<https://www.newagebd.net/article/128493/mfs-transactions-rise-by-tk-127-lakh-cr-in-2020>

<https://tbsnews.net/economy/banking/mobile-money-transactions-grew-30-2020-192718>

## Textile

### Enhanced credit limit for apparel to stay until June

Textiles and clothing exporters will continue enjoying the enhanced credit limit under the Export Development Fund (EDF) for six more months as the impacts of the coronavirus pandemic persist. The members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Textile Mills Association (BTMA) will be able to use the facility until June 30.

<https://www.thedailystar.net/business/news/enhanced-credit-limit-apparel-stay-until-june-2035177>

<https://today.thefinancialexpress.com.bd/trade-market/exporters-to-enjoy-enhanced-credit-limit-until-june-30-1611763846>

### Capital Market

#### BSEC to hold road-show in Dubai Feb 9

The securities regulator will hold a four-day long road-show in Dubai in next month to attract foreign investors and non-resident Bangladeshis. The programme will open on February 9 and to be closed on February 12 at Park Hyatt Dubai. Apart from holding two summits on the Bangladesh Capital Market and bilateral and multilateral meetings, the securities regulator will hold two other programmes to uphold new investment opportunity and the scope of private equity and venture capital investment in Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-hold-road-show-in-dubai-feb-9-1611761955>

#### Brokerages have until 30 Jun to adjust margin loans

Stockbrokers and merchant banks now have until 30 June to adjust the margin loan rate at 12%. Bangladesh Securities and Exchange Commission would not enforce compliance on stockbrokers and merchant banks until then. But no directive would be issued in this regard.

<https://tbsnews.net/economy/stock/brokerages-have-until-30-jun-adjust-margin-loans-192736>

### Stock

#### A record year for Grameenphone

In 2020, the operator logged in a profit of Tk 3,718.7 crore, up 7.7 per cent year-on-year. During the year, the operator added on 25.75 lakh subscribers to take the tally to 7.9 crore, which 46.5 per cent of the market, further cementing its position as the market leader. Subsequently, its board of directors recommended a 145 per cent final cash dividend for the year, 15 percentage points more than in 2019.

<https://www.dhakatribune.com/business/stock/2021/01/28/a-record-year-for-grameenphone>

#### Olympic Industries sees fall in profitability

Profitability of Olympic Industries, the country's leading biscuit maker, dropped in the first half of the current fiscal year due to increased price of raw materials. Olympic's profitability compared to its sales and net profit margin dropped to 11.50 per cent in the first half while it was 13.12 per cent during the same period the year before. As a result, the company's turnover rose 16.5 per cent to Tk 932 crore and profits increased 2 per cent to Tk 107 crore in the last six months.

<https://www.thedailystar.net/business/news/olympic-industries-sees-fall-profitability-2035145>

<https://www.dhakatribune.com/business/stock/2021/01/28/bangladeshis-are-not-stuck-at-home-but-they-are-still-happily-munching-on-olympic-biscuits>

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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.

<b>Recommendation Type</b>	<b>Holding period (if not otherwise mentioned)</b>	<b>Absolute Return Potential</b>
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between +15 % and -5 %
Underweight	12 Months	Less than -5 %

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