

## Bangladesh market snapshot

	Last closing
DSEX Index	4,867.97
% change	-0.49%
DS30 Index	1,675.41
% change	-0.45%
DSES Index	1,103.05
% change	-0.58%
Turnover (BDT mn)	10,009.31
Turnover (USD mn)	119.16
% change	12.98%
Market Capitalization (BDT bn)	3,915
Market Capitalization (USD bn)	46.61
% change	-0.47%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
Dow Jones Industrial Average	27,463.19
% change	-0.80%
Nikkei 225	23,410.76
% change	-0.32%
FTSE 100	5,728.99
% change	-1.09%

Source: Bloomberg

## Exchange rate

Currency	BDT
USD	84.80
EUR	100.17
GBP	110.45
INR	1.15

Source: Bangladesh Bank

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
25-Oct-2020	1.50-5.25	2.86
22-Oct-2020	1.50-5.25	2.97

Source: Bangladesh Bank

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	40.40	-1.94%
Gold Spot, USD/t oz	1,905.01	-0.16%
Cotton, USD/lb	72.34	+0.43%

Source: Bloomberg

## Economy

### Q1 sees surplus BoP

The country's overall Balance of Payments (BoP) posted a surplus at over US\$ 3.0 billion in the July-September period. Many economists believe the slow pace of imports and higher remittance and external fund inflows were the reasons for the surplus. The BoP was in deficit of over \$200 million during the same period a year earlier. The imports fell by nearly 12 per cent in the period compared to the corresponding period a year back. On the other hand, shipments increased by nearly 3.0 per cent in the period over the same period in 2019, meaning the net payment from trade surged during the period.

<https://today.thefinancialexpress.com.bd/first-page/q1-sees-surplus-bop-1603820095>

### Tk 18.31b incentives released for exporters

The government has released a sum of over Tk 18.31 billion in favour of the Bangladesh Bank for the payment of cash incentives to local exporters. It is the second installment of cash incentives/subsidy for the October-December quarter of the current financial year (FY '21). Of the amount, Tk 1.25 billion will go to the jute sector while Tk 17.06 billion to other sectors. A special 1.0 per cent cash incentive support fund for the readymade garment (RMG) sector has also been included in the second instalment. The government has yet to announce the rates of cash incentive/subsidy for the FY '21.

<https://today.thefinancialexpress.com.bd/last-page/tk-1831b-incentives-released-for-exporters-1603821077>

### Project cost revised upward by 40pc

The Executive Committee of the National Economic Council (ECNEC) has endorsed revision of the Elenga-Hatikamrul-Rangpur four-lane highway project despite completion of only 11 per cent work in four years. The government's highest economic policy-making body revised the Roads and Highways Department (RHD)'s project on Tuesday with 40 per cent higher costs and 40 more months to complete the widening work of the 190-km road. The "SASEC Road Connectivity Project-II: Elenga-Hatikamrul-Rangpur road to a four-lane highway" was taken up in September 2016 at a cost of Tk 118.99 billion. Presided over by Prime Minister Sheikh Hasina, the ECNEC approved the road upgrading works along with two others at a combined cost of Tk51.90 billion.

<https://today.thefinancialexpress.com.bd/last-page/project-cost-revised-upward-by-40pc-1603820896>

<https://www.thedailystar.net/business/news/ecnec-approves-revision-two-projects-cost-29pc-1985289>

### Pandemic casts gloom on greenfield investment

The value of greenfield investment project announcements – an indicator of future foreign direct investment trend – fell by 78 per

cent in Bangladesh in the first eight months of 2020 because of the coronavirus pandemic. Bangladesh received \$2.49 billion in gross FDI in the July-March period of the last fiscal year, down from \$3.97 billion in the same period a year ago.

<https://www.thedailystar.net/business/news/pandemic-casts-gloom-greenfield-investment-1985373>

<https://www.dhakatribune.com/business/economy/2020/10/27/fdi-in-bangladesh-falls-by-32-in-h1-of-2020>

## **Bank and NBF**

### **Bangladesh Bank halts launching of interoperable MFS transaction**

Bangladesh Bank on Tuesday decided to postpone the launching of interoperable transaction among mobile financial service (MFS) providers and banks, citing incomplete technical issues. The four MFS providers, including bKash of Brac Bank, MCash of Islami Bank, U-cash and Al Arafa Islami Bank's Islamic Wallet, were notified by the central bank about the decision on the day. Bangladesh Bank officials said attempts to connect mobile banking and bank accounts were not yet successful. The main reason for the postponement, they said, was that some technical works such as debugging, could not be completed, as there were still errors in some places.

<https://www.dhakatribune.com/business/banks/2020/10/27/bangladesh-bank-halts-launching-of-interoperable-mfs-transaction>

## **Stock**

### **Titas Gas faces Tk 736cr shortfall in pension fund**

The state-run Titas Gas has a provision shortfall of Tk 736 crore in its pension fund. Besides, the listed natural gas distribution company did not keep any provision against its fixed deposit receipts (FDRs) with Padma Bank and ICB Islamic Bank. In its financial statements, Titas Gas showed that it is owed about Tk 168 crore as cumulative penal interest since 2002, which was doubtful to the auditor. The company also did not comply with an order from the Financial Reporting Council on transferring share money deposits to share money capital. Against this backdrop, the company's auditor provided a qualified opinion on its financial reports for the year that ended on June 30, 2020.

<https://www.thedailystar.net/business/news/titas-gas-faces-tk-736cr-shortfall-pension-fund-1985357>

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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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## Contact Us

### Research Team

Md. Hasib Reza, CFA	Head of Research	hasib.reza@ucb.com.bd	+880 1755 658 997
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, CFA	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

### Investment Strategist

Syed Adnan Huda, CFA	Vice President	adnan.huda@ucb.com.bd	+880 1730 325 232
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### 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

**Extension of Main Office**  
Room 126, DSE Tower Level- 8  
Plot- 46, Road- 21, Nikunja  
Dhaka- 1229  
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.