

Bangladesh market snapshot

	Last closing
DSEX Index	6,267.90
% change	-0.09%
DS30 Index	2,133.74
% change	-0.01%
DSES Index	1,359.18
% change	-0.09%
Turnover (BDT mn)	4,430.63
Turnover (USD mn)	41.80
% change	19.02%
Market Capitalization (BDT bn)	7,845
Market Capitalization (USD bn)	74.01
% change	-0.04%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	34,061.32
% change	0.66%
Nikkei 225	31,949.89
% change	1.10%
FTSE 100	7,417.73
% change	-0.39%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	117.30	117.35
GBP	134.87	134.89
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
02-Nov-2023	7.25-8.50	7.81
01-Nov-2023	7.25-8.50	7.82

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	84.89	-2.26%
Gold Spot, USD/t oz.	1,992.65	0.35%
Cotton, USD/lb.	79.62	-0.23%

Source: Bloomberg

Macro

Export plunges to a 26-month low

Exports earnings fell to \$3.76 billion in October from \$4.35 billion a year ago, the lowest in 26 months. The receipts were 13.64 % lower year-on-year, the first decline since April. Readymade garments, which make up more than 80 % of total takings, slumped around 14 % to \$3.17 billion last month. With October receipt, overall proceeds from export grew by 3.52 % year-on-year to \$17.44 billion in the four months to October this year.

<https://www.thedailystar.net/business/economy/news/export-plunges-26-month-low-3460466>

Current account balance turns positive; Financial account deficit nears \$4b

Bangladesh's current account balance stood in positive territory in the first quarter of the current fiscal year due to a sharp slowdown in imports. In the July-September period of FY24, the current account balance stood at \$892 million whereas it was \$3.67 billion in the negative in the previous fiscal year. Bangladesh's financial account deficit reached \$3,929 million in July-September, against a surplus of \$839 million in the same period of FY23.

<https://www.thedailystar.net/business/economy/news/current-account-balance-turns-positive-3460476>

<https://www.newagebd.net/article/216628/bangladeshs-financial-account-deficit-nears-4b-in-july-sept>

Private sector foreign loan on the decline

Short-term foreign debts in the private sector have declined every month since January as repayments outpaced fresh loans. According to the Bangladesh Bank (BB), short-term foreign loans fell 3.16 % to \$12.43 billion in September. It was \$12.84 billion in August. Short-term loans account for 63.5 % of the total private sector borrowing from foreign sources.

<https://www.thedailystar.net/business/news/private-sector-foreign-loan-the-decline-3461576>

Industrial output halves as consumer demand drops

Industrial production in Bangladesh grew at a slower pace of 8.99 % in FY23 as consumer demand dropped amid sustained higher inflation, sluggish export growth and falling imports. Industrial production rose 16.19 % in FY22. The industrial sector contributed 35.55 % to the gross domestic production in FY23.

<https://www.thedailystar.net/business/economy/news/industrial-output-halves-consumer-demand-drops-3460481>

Money stashed outside banks reverses course

According to latest statistics of BB, the volume of currency outside the banks was recorded at Tk 2.92 trillion in June 2023 that declined to Tk 2.66 trillion in July and Tk 2.58 trillion in August. Now, in the climb-down, the money tucked under mattress dropped to Tk 2.53

trillion in the month of September.

<https://today.thefinancialexpress.com.bd/first-page/money-stashed-outside-banks-reverses-course-1699116624>

Default by top three borrowers to hit banks: BB

The financial stability assessment report of the Bangladesh Bank formed on stress tests based on the January-March quarter this year, said that a 3-% increase in non-performing loans (NPLs) or a default of the three largest borrowers is likely to affect the banking sector's resilience significantly.

<https://www.thedailystar.net/business/economy/news/default-top-three-borrowers-hit-banks-3460126>

Stock

IT cos benefit from more Internet users but lose revenue to poor networks in FY23

The IT companies' performance was mixed in FY23, but some businesses made profits through less reliance on imports and services tied to Internet usage. Of the 10 listed IT firms that disclosed financial statements, six registered a year-on-year growth in profit, while the rest earned less in FY23 compared to the previous FY.

<https://today.thefinancialexpress.com.bd/stock-corporate/it-cos-benefit-from-more-internet-users-but-lose-revenue-to-poor-networks-in-fy23-1699113658>

Emerald Oil bags Tk6.6cr profit in FY23

Emerald Oil Industries has reported a profit of Tk6.6 crore, reflecting a remarkable 445% year-on-year increase in FY23. In the July to September quarter of FY24, the company reported a 568% year-on-year growth in profit. Its EPS stood at Tk1.47.

<https://www.tbsnews.net/economy/stocks/emerald-oil-bags-tk66cr-profit-fy23-732082>

Dearer dollar hurt Lub-rref's business, expansion

The surging dollar hurt the lubricant blenders business in FY23, as the company posted a 20% drop in its annual revenue that came down to Tk144 crore. The company informed shareholders that its net profit per share dropped to Tk1.41 from Tk2.13.

<https://www.tbsnews.net/economy/stocks/how-dearer-dollar-hurt-lub-rrefs-business-expansion-733206>

Telecommunication

Banglalink, Teletalk to allow customers to use each other's networks

Banglalink and Teletalk have announced national roaming field trial in Bangladesh, which will enable the customers of the two operators to use each other's network coverage for the first time in the country. Upon completion of the field trial, the service will be available for commercial use where customers.

<https://www.thedailystar.net/business/news/banglalink-teletalk-allow-customers-use-each-others-networks-3461471>

Capital Market

BSEC draft rules: Brokerage firms need to appoint a director from clients

The securities regulator has prepared draft rules for stock brokers and dealers in a move to ensure the protection of the clients of brokerage houses. Every brokerage firm needs to appoint a representative of its clients as a director in its board. In addition, to appoint or terminate a CEO, brokerage houses must secure the approval by the BSEC.

<https://www.tbsnews.net/economy/stocks/bsec-draft-rules-brokerage-firms-need-appoint-director-clients-733230>

Insurance

24,605 complaints filed against 14 insurers in 10 months

More than a dozen life insurance companies settled only 14.09 % of the 24,605 complaints they received in the first 10 months this year, creating uncertainty about whether policyholders will get back their money. Of them, 95% are related to non-settlement of claims despite policies reaching maturity.

<https://www.thedailystar.net/business/economy/news/24605-complaints-filed-against-14-insurers-10-months-3461596>

Textile

RMG sector faces multifaceted challenges: Report

Readymade Garments industry will undergo a significant transformation in its trade benefit regime by 2029 as the GSP moratorium ends, coinciding with Bangladesh's exit from its LDC status in 2026, according to a research report by LightCastle Partners. Challenges confronting the RMG sector encompass rising labour costs, heightened competition from low-cost nations, and the imperative to improve working conditions and sustainability practices.

<https://today.thefinancialexpress.com.bd/trade-market/rmg-sector-faces-multifaceted-challenges-1699114400>

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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 % 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 -5% and +15%
Underweight	12 Months	Less than -5%

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