

Bangladesh market snapshot

	Last closing
DSEX Index	6,247.38
% change	0.29%
DS30 Index	2,136.72
% change	0.26%
DSES Index	1,353.25
% change	0.23%
Turnover (BDT mn)	3,724.03
Turnover (USD mn)	35.13
% change	-12.60%
Market Capitalization (BDT bn)	7,758
Market Capitalization (USD bn)	73.19
% change	0.12%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,739.30
% change	0.40%
Nikkei 225	31,917.48
% change	0.54%
FTSE 100	7,628.21
% change	1.82%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	116.74	116.79
GBP	135.21	135.25
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
10-Oct-2023	6.75-8.50	7.34
09-Oct-2023	6.75-8.50	7.31

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	87.92	0.31%
Gold Spot, USD/t oz.	1,860.05	-0.02%
Cotton, USd/lb.	85.68	0.27%

Source: Bloomberg

Macro

IMF cuts Bangladesh's economic growth forecast to 6%

The International Monetary Fund (IMF) has revised down growth forecast for Bangladesh's economy to 6 % for FY24, lower from its previous projection of 6.5 %. The revised growth forecast by the IMF comes a week after the World Bank lowered Bangladesh's GDP growth projection for FY24 to 5.6 %. The IMF said Bangladesh's economy grew 6 % in the immediate fiscal year.

<https://www.thedailystar.net/business/economy/news/imf-cuts-bangladeshs-economic-growth-forecast-6-3439501>

Govt securities become hotcakes on rate rises

According to BB statistics, the latest cut-off yields on 91-day, 182-day and 364-day treasury bills rose to 9.25%, 9.50% and 9.75% respectively from 7.45%, 7.60% and 8.25%. The rate for five-year-long treasury bonds, which were auctioned Tuesday, rose to 10.10 % from previous rate of 9.10%. On the other hand, the rates on deposits in the banking system are now hovering in-between 7.0% and 8.0%.

<https://today.thefinancialexpress.com.bd/first-page/govt-securities-become-hotcakes-on-rate-rises-1696961643>

Long-term USD loan facility for exporters

Eighteen private commercial banks yesterday signed a deal with the Bangladesh Bank (BB) to avail funds from the central bank's long-term financing facility (BB-LTFF) for export-oriented manufacturing companies. Under the BB-LTFF, loans, which could be as high as \$10 million, will be offered in the US currency.

<https://www.thedailystar.net/business/economy/news/long-term-usd-loan-facility-exporters-3440121>

Bangladesh's export of leather, leather goods fall by 18.44pc in Q1

Bangladesh's export earnings from leather and leather goods in the first quarter (July-September) of FY24 declined by 18.44 % to \$267.49 million compared with those of \$327.97 million in the same period of FY23 due to decreased shipments of leather footwear. Export earnings from leather and leather goods in July-September of FY24 fell 12.18 % short of the government-set target of \$304.58 million.

<https://www.newagebd.net/article/214609/bangladeshs-export-of-leather-leather-goods-fall-by-1844pc-in-q1>

Earnings from spice exports rise 25%

Bangladesh's earnings from spice exports increased 25 % year-on-year in the first three months of fiscal 2023-24. Bangladesh earned \$11.25 million in the July-September period of the current fiscal year from spice exports.

<https://www.thedailystar.net/business/economy/news/earnings-spice-exports-rise-25-3440126>

Bank and NBF1

25 banks keep NPLs below 5%

With the high rate of non-performing loans (NPLs) being a major challenge for the banking sector, just 25 of the 61 commercial banks in Bangladesh are managing to keep their NPL rates below 5 %. Additionally, 11 of these 25 lenders registered NPL rates of less than 3 % by the end of June this year. NPLs in the banking sector hit a record of Tk 156,039 crore as of June this year.

<https://www.thedailystar.net/business/economy/news/25-banks-keep-npls-below-5-3440111>

Stock

Now IDB pulls out of Islami Bank board

Multilateral development finance institution Islamic Development Bank (IDB) has withdrawn the directorship of its representative from the board of directors of Islami Bank Bangladesh PLC. State-run non-bank financial institution Investment Corporation of Bangladesh had sold its entire shareholdings in the bank in June this year.

<https://www.thedailystar.net/business/banking/news/now-idb-pulls-out-islami-bank-board-3440071>

Le Méridien owner gets nod for Tk 350cr IPO

Best Holdings Limited, the owning company of Le Méridien Dhaka, Best Hotels Limited, and Dhamshur Economic Zone, has got the approval to raise Tk 350 crore by issuing ordinary shares through an IPO. With the IPO proceeds, the company will construct a building and implement other civil works, locally purchase machinery and equipment and repay existing liabilities.

<https://www.thedailystar.net/business/economy/news/le-meridien-owner-gets-nod-tk-350cr-ipo-3440136>

Factories closed, yet stocks fetching good money

In inspections to identify potentials of companies which have been performing poorly over the years, DSE last month found factories of five listed entities closed. However, their shares prices are higher than that of many blue chip stocks. The five are Northern Jute Manufacturing Company Ltd, Dulamia Cotton Spinning Mills Ltd, Regent Textile Mills Ltd, Usmania Glass Sheet Factory Limited and Familytex (BD) Ltd.

<https://www.thedailystar.net/business/economy/news/factories-closed-yet-stocks-fetching-good-money-3440116>

Malek Spinning's subsidiary to invest nearly Tk 157cr

Malek Spinning Mills Ltd has approved an investment of around Tk 157 crore by its subsidiary, JM Fabrics Limited (JMFL), to set up facilities, including one for yarn texturing and covering. The funds will be generated from the JM's internal sources and bank loans.

<https://www.thedailystar.net/business/economy/news/malek-spinnings-subsiadiary-invest-nearly-tk-157cr-3440131>

Fuel and Power

Govt backtracks on fuel oil price adjustment

The government has backtracked from introducing the periodical fuel oil prices adjustment formula from this December with the forthcoming general elections expected to be held early next year, said finance ministry officials. Reviewing the fuel oils prices every three months has been a major condition of the IMF under the current \$4.7 billion loan programme.

<https://www.newagebd.net/article/214630/govt-backtracks-on-fuel-oil-price-adjustment>

EU offers €395m for renewables

Bangladesh's transition to renewable energy is set to receive a major boost with a €395 million loan from the European Investment Bank, the lending arm of the EU. The loan will finance green energy projects that will help Bangladesh reduce its reliance on fossil fuels and combat climate change.

<https://www.tbsnews.net/bangladesh/energy/eu-offers-eu395m-renewables-716082>

Other

Tk 7,000cr scheme for farm sector kicks off

The government will today launch a Tk 7,000 crore project to boost the commercialisation of farming and accelerate agricultural exports by facilitating the expansion of safe food production. Mostly financed by the World Bank, the project was taken up in order to diversify the country's agricultural production and cut import dependence on key items.

<https://www.thedailystar.net/business/economy/news/tk-7000cr-scheme-farm-sector-kicks-3440096>

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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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Head Office

Gulshan

Bulus Center

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Bashundhara +880 1718 106 217	Mirpur-1 +880 1713 205 723	Mirpur-12 +880 1911 197 188	Banasree +880 1701 205 075	Uttara +880 1913 128 156

Branch Offices

Chattogram
+880 1701 205 038

Sylhet
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Feni +880 1324 243 210	Khatungonj +880 1713 205 742	Chawkbazar +880 1817 206 965	Madhobdi +880 1324 243 156	
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