Morning News Snippet

November 16, 2023

Bangladesh market snapshot

	Last closing
DSEX Index	6,258.18
% change	*0.13%*
DS30 Index	2,120.75
% change	*0.19%*
DSES Index	1,360.14
% change	*0.23%*
Turnover (BDT mn)	6,450.00
Turnover (USD mn)	60.85
% change	*89.43%*
Market Capitalization (BDT bn)	7,752
Market Capitalization (USD bn)	73.14
% change	*0.05%*

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	34,991.21
% change	*0.47%*
Nikkei 225	33,292.02
% change	*-0.68%*
FTSE 100	7,486.91
% change	*0.62%*

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	120.76	120.77
GBP	138.72	138.76
INR	1.34	1.34

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
15-Nov-2023	7.25-8.50	7.99
14-Nov-2023	7.25-9.25	7.99

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	80.55	*-0.78%*
Gold Spot, USD/t oz.	1,961.36	*0.08%*
Cotton, USd/lb.	80.92	*-0.11%*

Source: Bloomberg

Macro

Parliamentary polls on Jan 7

Voting in the next general election in Bangladesh will be held on January 7 as per poll schedule declared Wednesday by the Election Commission, followed by instant opposition rejection. The deadline for submission of nomination papers is November 30.
https://today.thefinancialexpress.com.bd/first-page/parliamentary-polls-on-jan-7-1700072324

ADP spending from govt’s fund increases ahead of elections

Between July and October of FY24, about Tk 31,692 crore was spent under the Annual Development Programme, which was 11.54% of the allocation. Of the sum, Tk 18,813 crore was spent from the government's coffer, up from Tk 18,190 crore in the same period of FY23.
https://www.thedailystar.net/business/news/adp-spending-govts-fund-increases-ahead-elections-3470296

Banks’ lending rate nears 11pc

The lending rate ceiling in banks has reached nearly 11 % in November from 10.7 % in October. The six-month moving average interest rate (SMART) of 182-day treasury bill has increased to 7.43 % in November from 7.20 % in October.
https://www.newagebd.net/article/217775/banks-lending-rate-nears-11pc

Some banks stop dollar buy for exchange rate volatility

Inflow of foreign currencies, the US dollar in particular, is feared to falter as several banks stopped buying the greenback for a wait-and-see watch on the volatile forex market, bankers said. On the other hand, few of the banks claim they offer dollar at the official rate to the exchange houses but are getting lesser volume of the greenback that is in high demand here and worldwide.
https://today.thefinancialexpress.com.bd/first-page/some-banks-stop-dollar-buy-for-exchange-rate-volatility-1700072279

Stock

Square Pharma posts Tk 600 crore profit in July-September

Square Pharmaceuticals PLC registered a 9 % year-on-year growth in profit to Tk 600 crore in July-September this year. Therefore, Square Pharma reported earnings per share of Tk 6.77 in the first quarter of 2023-24 against Tk 6.20 a year ago.
https://www.thedailystar.net/business/news/square-pharma-posts-tk-600-crore-profit-july-september-3470211

Runner Automobiles incurs Tk28 crore loss in Q1

Runner Automobiles PLC has incurred a consolidated loss of Tk28 crore in the first three months of the current fiscal year as its sales declined tremendously. The consolidated loss per share of the company stood at Tk2.27, the loss per share was Tk0.81 during the

July-September of FY22.
https://www.tbsnews.net/economy/stocks/runner-automobiles-incurs-tk28-crore-loss-q1-740118

Telecommunication

Summit buys 2,000 towers from Banglalink for Tk 1,100cr

Summit Towers Ltd, a company of Summit Communications Group, is buying 2,000 towers of Banglalink for Tk 1,100 crore. The proceeds from the sale will primarily be used to service Banglalink's financial commitments and generate cost efficiencies while freeing up resources for the company's digital expansion. Banglalink, which has 6,034 towers currently, will transfer a third of them to Summit Towers.
https://www.thedailystar.net/business/news/summit-buys-2000-towers-banglalink-tk-1100cr-3470606

Capital Market

Stock brokers resist draft rules on minimum paid-up capital

Stock brokers oppose the proposed minimum paid-up capital that they would have to maintain to continue operations if the rule is finalised. The minimum paid-up capital is set at Tk 50 million for a local entrepreneur to get a broker licence. The paid-up capital has to be at least Tk 100 million if a local entrepreneur seeks a stock dealer licence, according to draft regulations.
https://today.thefinancialexpress.com.bd/stock-corporate/stock-brokers-resist-draft-rules-on-minimum-paid-up-capital-1700069848

Textile

Buyers ready to pay more for value-added garments

International clothing retailers and brands have suggested that local garment suppliers produce more value-added garment items for better prices as work orders may rebound after the general election of the country next year. In August last year, a study found that Bangladeshi garment manufacturers receive rates that are 32% to 83% lower than the highest prices paid to suppliers in other countries.
https://www.thedailystar.net/business/news/buyers-ready-pay-more-value-added-garments-3470671

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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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Office Premises

Head Office

Gulshan

Bulus Center

+880 2955 8481

Extensions of Head Office

Dilkusha	**Dilkusha (NIK Tower)**	**Dhanmondi**	**Nikunja**	**Mohammadpur**
+880 1701 205 090	+880 1701 205 000	+880 1721 495 499	+880 1701 205 013	+880 1324 243 212
Bashundhara	**Mirpur-1**	**Mirpur-12**	**Banasree**	**Uttara**
+880 1718 106 217	+880 1713 205 723	+880 1911 197 188	+880 1701 205 075	+880 1913 128 156

Branch Offices

Chattogram	**Sylhet**
+880 1701 205 038	+880 1713 205 760

Digital Booths

Khulna	**Barishal**	**Cumilla**	**Jashore**	**Gazipur**
+880 1717 411 466	+880 1713 205 762	+880 1324 243 163	+880 1324 243 203	+880 1324 243 165

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

Narayangonj	**Agrabad**
+880 1324 243 207	+880 1324 243 198