

Bangladesh market snapshot

	Last closing
DSEX Index	6,273.71
% change	0.14%
DS30 Index	2,138.25
% change	0.08%
DSES Index	1,362.32
% change	0.26%
Turnover (BDT mn)	5,722.15
Turnover (USD mn)	53.98
% change	20.19%
Market Capitalization (BDT bn)	7,777
Market Capitalization (USD bn)	73.37
% change	0.10%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,997.65
% change	0.04%
Nikkei 225	31,974.29
% change	-0.21%
FTSE 100	7,675.21
% change	0.58%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	116.67	116.71
GBP	134.99	135.02
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-Oct-2023	6.75-8.50	7.62
16-Oct-2023	6.75-8.50	7.47

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	91.62	1.91%
Gold Spot, USD/t oz.	1,937.31	0.73%
Cotton, USD/lb.	83.33	0.12%

Source: Bloomberg

Macro

IMF agrees to relax loan terms for reserve, revenue targets

The International Monetary Fund (IMF) has agreed to revise Bangladesh's foreign exchange reserves target under its \$4.7 billion loan package. According to a finance ministry official, the new target for net reserves is \$20.19 billion by next June, down from previous target of \$26.81 billion. The IMF mission also agreed to lower the government's revenue collection target for the current fiscal year to Tk3,94,500 crore. The global lender, however, decided to increase the government's primary balance target by narrowing the target deficit from Tk1,62,600 crore to Tk1,38,000 crore.

<https://www.tbsnews.net/economy/imf-agrees-relax-loan-terms-reserve-revenue-targets-721010>

IMF to suggest new exchange rate system

The IMF staff mission is willing to set a lower target for foreign currency reserves for this December and June next year provided the Bangladesh Bank adopts the crawling peg method to manage the exchange rate. The central bank conveyed to the visiting IMF staff mission that it is open to adopting the crawling peg but sought technical assistance on how to implement it.

<https://www.thedailystar.net/business/news/imf-suggest-new-exchange-rate-system-3446251>

FDI shrinks 7.0pc to \$3.2b in FY23

Foreign direct investment (FDI) contracted by over 7.0 % to US\$3.2 billion in FY23 as the local forex market volatility shows no sign of subsiding anytime soon. Equity investment plummeted by 40.91 %, while intra-company loans fell by 40.14 %. In contrast, reinvestment by existing foreign-owned companies experienced a surge of nearly 16 %. The highest FDI inflows originated from the UK, totalling US\$622 million in gross inflow, closely followed by the Republic of Korea at \$603 million.

<https://today.thefinancialexpress.com.bd/first-page/fdi-shrinks-70pc-to-32b-in-fy23-1697566710>

Textile

Setback in garment export to India with 7.69pc Q1 fall

Bangladesh sees a setback in garment export to India, with a 7.89 % fall recorded in the first quarter of this fiscal, on a year-on-year tally. Readymade garment exports fetched US\$ 282.82 million from India during the July-September period of FY24 as compared to \$ 306.39 million earned in the Q1 of FY23. Exports to other major non-traditional markets like Japan, Australia, Russia, Korea, China and the UAE increased by a range between 27 % and 54 % during the period.

<https://today.thefinancialexpress.com.bd/first-page/setback-in-garment-export-to-india-with-769pc-q1-fall-1697566623>

Bank and NBFIs**Tk 7,319cr more loans written off in FY23**

The country's banks wrote off additional Tk 7,319 crore in bad loans in the financial year 2022-23 to bring down their defaulted loans and clean up their balance sheets. Banks' total write-offs increased to Tk 67,721 crore as of June 30, 2023 while the figure was Tk 60,402.42 crore on June 30, 2022 and Tk 56,889.87 crore on June 30, 2021.

<https://www.newagebd.net/article/215244/tk-7319cr-more-loans-written-off-in-fy23>

Web banking transactions soar 12.66pc in Aug to Tk 520.99bn

In August, Tk 520.99 billion was transacted via online banking, marking an impressive 12.66 % rise from July's Tk 462.43 billion. The number of Internet banking customers increased by nearly 2.55 % in August, reaching over 7.63 million compared to 7.44 million in July.

<https://today.thefinancialexpress.com.bd/last-page/web-banking-transactions-soar-1266pc-in-aug-to-tk-52099bn-1697567077>

Stock**Walton's sales, profits drop**

Sales and profits of local electronics giant Walton Hi-tech Industries plunged in fiscal year 2022-23, mainly due to the sluggish macroeconomic scenario. Walton's sales dropped by Tk 1,531 crore, or 19%, to Tk 6,637 crore in the last fiscal year while its profits dropped by 36 % to Tk 782 crore. Consequently, EPS nosedived from Tk 40.16 to Tk 25.84.

<https://www.thedailystar.net/business/economy/news/waltons-sales-profits-drop-3445316>

Midas Financing's annual profit slumps 90pc

Midas Financing reported a 90 % year-on-year plunge in profit to Tk 8.63 million in 2022 due to higher provisioning against loans and advances coupled with shrinkage income from the stock market investment. As a result, the NBFIs consolidated EPS stood at Tk 0.06 for 2022, down from Tk 0.59 (restated) a year ago.

<https://today.thefinancialexpress.com.bd/stock-corporate/midas-financings-annual-profit-slumps-90pc-1697564952>

Telecommunication**Mobile Connectivity Index: Bangladesh lags behind neighbours**

Bangladesh advanced slightly in the global mobile connectivity index in 2022 but lags behind every South Asian nation except Pakistan. Bangladesh advanced by 1.3 points, achieving a score of 51.3 out of 100, according to the GSMA Mobile Connectivity Index published recently. India, Sri Lanka, Bhutan, Maldives and Nepal ranked higher than Bangladesh.

<https://www.thedailystar.net/business/economy/news/bangladesh-lags-behind-neighbours-3446186>

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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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Contact Us

Research Team

Md. Hasib Reza, CFA	Head of Research	hasib.reza@ucbstock.com.bd	+880 1755 658 997
Md. Sakib Chowdhury, CFA	Deputy Head of Research	sakib.chowdhury@ucbstock.com.bd	+880 1713 205 698
Md. Nazmus Sakib	Research Associate	nazmus.sakib@ucbstock.com.bd	+880 1701 205 073
Anik Mahmood Ibne Anwar, CFA	Research Associate	anik.mahmood@ucbstock.com.bd	+880 1701 205 074
Faiza Kamal	Research Associate	faiza.kamal@ucbstock.com.bd	+880 1325 086 707

Investment Strategist

Syed Adnan Huda, CFA	First Vice President	adnan@ucbstock.com.bd	+880 1730 325 232
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Institutional & Foreign Trade

Tahmidur Rahman	First Assistant Vice President	rahman.tahmidur@ucbstock.com.bd	+880 1726 995 520
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Office Premises

Head Office

Gulshan

Bulus Center

+880 2955 8481

Extensions of Head Office

Dilkusha +880 1701 205 090	Dilkusha (NIK Tower) +880 1701 205 000	Dhanmondi +880 1721 495 499	Nikunja +880 1701 205 013	Mohammadpur +880 1324 243 212
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

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Feni +880 1324 243 210	Khatungonj +880 1713 205 742	Chawkbazar +880 1817 206 965	Madhobdi +880 1324 243 156	
	Narayangonj +880 1324 243 207	Agrabad +880 1324 243 198		