

## Bangladesh market snapshot

|                                | Last closing |
|--------------------------------|--------------|
| DSEX Index                     | 6,257.15     |
| % change                       | -0.02%       |
| DS30 Index                     | 2,118.94     |
| % change                       | -0.09%       |
| DSES Index                     | 1,359.28     |
| % change                       | -0.06%       |
| Turnover (BDT mn)              | 3,607.61     |
| Turnover (USD mn)              | 34.03        |
| % change                       | -44.07%      |
| Market Capitalization (BDT bn) | 7,752        |
| Market Capitalization (USD bn) | 73.14        |
| % change                       | 0.00%        |

Source: Dhaka Stock Exchange

## International market snapshot

|                              | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 34,947.28    |
| % change                     | 0.01%        |
| Nikkei 225                   | 33,585.20    |
| % change                     | 0.48%        |
| FTSE 100                     | 7,504.25     |
| % change                     | 1.26%        |

Source: Bloomberg

## Exchange rate

|     | Low (BDT) | High (BDT) |
|-----|-----------|------------|
| USD | 111.00    | 111.00     |
| EUR | 120.39    | 120.44     |
| GBP | 137.84    | 137.88     |
| INR | 1.33      | 1.33       |

Source: BB

## Money market

| Date        | Call Money Rate Range (%) | Weighted Average (%) |
|-------------|---------------------------|----------------------|
| 16-Nov-2023 | 7.25-8.50                 | 8.07                 |
| 15-Nov-2023 | 7.25-8.50                 | 7.99                 |

Source: BB

## Commodities

|                             | Price    | % Change |
|-----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl. | 80.61    | 4.12%    |
| Gold Spot, USD/t oz.        | 1,980.82 | 0.00%    |
| Cotton, USD/lb.             | 81.51    | 0.78%    |

Source: Bloomberg

## Macro

### Interest rate in inter-bank trade highest in decade

The interest rate on overnight borrowing and lending in the inter-bank call money market hit 8.07 % by the end of last week, the highest in more than a decade. The data from the central bank showed that the highest monthly weighted average call money rate was recorded at 12.82 % in 2012.

<https://www.thedailystar.net/business/news/interest-rate-inter-bank-trade-highest-decade-3472931>

### Revenue collection growth slows

Government revenue collection in the July-October period slowed to 12.68 % despite higher income tax growth. From July to October, the NBR collected revenue of Tk 102,445 crore compared to Tk 90,917 crore in the same period of the previous year. In the first four months of the previous fiscal year, revenue collection growth was 14 %.

<https://www.thedailystar.net/business/news/revenue-collection-growth-slows-3471526>

### Import of industrial inputs remains sluggish in July-Oct

The total value of LCs opened during the July-October FY24 period stood at US\$ 21.8 billion, down 11.5 % from the amount of the first four months of the last FY. LCs opened to import capital machinery plunged nearly 21 % to \$731 million during the period under review. Import of industrial raw material imports would also shrink as LCs openings declined by more than 16 % to nearly \$7.3 billion.

<https://today.thefinancialexpress.com.bd/first-page/import-of-industrial-inputs-remains-sluggish-in-july-oct-1700325653>

## Bank and NBFI

### Banks' interest on lending rate close to 11%

The lending rate cap in banks reached nearly 11% in November, up from 10.7% in October. The six-month moving average interest rate (Smart) of 182-day treasury bills increased to 7.43% in November from 7.20% in October. Given the SMART of 7.43%, the highest limit for bank lending rate stands at 10.93% for November.

<https://www.dhakatribune.com/business/banks/331262/banks-interest-on-lending-rate-close-to-11%25>

## Textile

### Bangladesh's apparel exports increase 5.95% worldwide

Bangladesh apparel export worldwide has increased by 5.95% to \$14.78 billion in July-October of FY24 compared to the \$13.95 billion in the same time period one year earlier. Export to the European Union reached \$7.06 billion with 3.99% growth, while export to the US stood \$2.57 billion in this period with 3.05% YoY decline. Export to non-traditional markets grew by 17.01% to \$2.86 billion.

<https://www.tbsnews.net/economy/rmg/bangladeshs-apparel-exports-increase-595-worldwide-740510>

## **Global coalition writes to PM to reassess RMG sector's minimum wage**

A coalition of five international organisations, representing over 2,500 brands, retailers, and suppliers and working with more than 2,900 factories in Bangladesh, has expressed concerns about the recently announced minimum wage for readymade garment (RMG) workers in the country. In a letter addressed to the Prime Minister, the group has called for a reassessment of the proposed minimum wage.

<https://www.tbsnews.net/economy/rmg/global-coalition-writes-pm-reassess-rmg-sectors-minimum-wage-741998>

## **Stock**

### **Listed textile, apparel makers struggle despite taka's fall**

Listed apparel companies in Bangladesh struggled to capitalise on the 18% devaluation of the local currency against the US dollar in FY23 which led to a hike in gas and electricity prices, and fuel and raw material costs. Of the 59 listed apparel makers, 10 saw their profit rise in FY23, four returned to profit, 18 saw lower earnings, nine remained in loss and seven did not publish their data.

<https://www.thedailystar.net/business/news/listed-textile-apparel-makers-struggle-despite-takas-fall-3472936>

### **Shipping Corporation to add 18 new ships to fleet**

Aiming to enhance its capacity in transporting seaborne cargo, the state-owned Bangladesh Shipping Corporation (BSC) has taken an initiative to add a total of 18 new ships to its fleet in a short period. All 18 vessels will be purchased with foreign loan assistance.

<https://www.thedailystar.net/business/port-and-shipping/news/shipping-corporation-add-18-new-ships-fleet-3471571>

### **Emerald Oil allowed to issue new shares for Minori Bangladesh**

Emerald Oil Industries has secured approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue 3.15 crore new shares against an investment by its recent acquirer in the form of a share money deposit. This strategic move is set to elevate the company's paid-up capital from its current standing of Tk59.71 crore to a robust Tk91.27 crore.

<https://www.tbsnews.net/economy/stocks/emerald-oil-allowed-issue-new-shares-minori-bangladesh-740938>

### **Al-Amin Chemical, Rangamati Food denied SME listing for non-compliance**

The Dhaka Stock Exchange has decided not to transfer Al-Amin Chemical Industries and Rangamati Food Product to the SME market from the over-the-counter market as the companies raised capital without prior consent from the BSEC, and their operational status does not reflect their strategic plans.

<https://www.tbsnews.net/economy/stocks/al-amin-chemical-rangamati-food-denied-sme-listing-non-compliance-740950>

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## Fuel and Power

### Renewables the cheapest long-term option for Bangladesh

Renewable energy is going to be the cheapest option for Bangladesh to meet growing electricity demand in the long term, the Centre for Policy Dialogue (CPD) said, citing a Bloomberg report. The report found that the Levelised Cost of Electricity (LCOE) from renewable sources is expected to significantly decrease by 2030 and 2050 if Bangladesh continues progressing at the current pace.

<https://www.thedailystar.net/business/news/renewables-the-cheapest-long-term-option-bangladesh-3471531>

## Other

### Gold hits record Tk 106,376 a bhor

The country's jewellery makers hiked 22-carat gold prices by Tk 1,750 and from today the new price will be Tk 106,376 a bhor, a historic high. The new price is 1.67 % higher than the previous all-time high of Tk 104,626 per bhor (11.664 grammes) recorded on November 5.

<https://www.thedailystar.net/business/news/gold-hits-record-tk-106376-bhor-3472756>

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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

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