

Bangladesh market snapshot

	Last closing
DSEX Index	6,240.98
% change	-0.26%
DS30 Index	2,110.64
% change	-0.39%
DSES Index	1,353.76
% change	-0.41%
Turnover (BDT mn)	4,338.67
Turnover (USD mn)	40.93
% change	20.26%
Market Capitalization (BDT bn)	7,744
Market Capitalization (USD bn)	73.06
% change	-0.11%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	34,947.28
% change	0.01%
Nikkei 225	33,544.77
% change	-0.12%
FTSE 100	7,504.25
% change	1.26%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	121.07	121.11
GBP	138.32	138.36
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
19-Nov-2023	7.25-8.50	8.10
16-Nov-2023	7.25-8.50	8.07

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	81.15	0.67%
Gold Spot, USD/t oz.	1,982.38	0.08%
Cotton, USd/lb.	81.32	-0.23%

Source: Bloomberg

Macro

Interest rate of treasury bills crosses 10%

The interest rate of treasury bills in Bangladesh has crossed a recent high of 10 %. The interest rate, or yield, on 91-day treasury bills was 10.20 % while it was 10.40 % and 10.60 % respectively for the 182-day and 364-day securities. In January this year, the interest on all kinds of treasury bills ranged from 7.29 % to 8.10 %.

<https://www.thedailystar.net/business/news/interest-rate-treasury-bills-crosses-10-3473741>

Call money rate exceeds 8%

The interbank call money rate last week crossed 8% from 6.56% on October 4 after the Bangladesh Bank raised the policy rate. Increased liquidity pressures have led to a steady rise in the weighted average call money rate since June, when it stood at 6%.

<https://www.dhakatribune.com/business/banks/331545/call-money-rate-exceeds-8%25>

Ctg port ship arrivals plunge 30pc as dollar crisis strangles trade

Sources said ship arrivals at the Chittagong port, the country's premier maritime gateway for international trades, have dropped by around 30 % in recent times. This decline is directly linked to the import slowdown triggered by the dollar crisis.

<https://today.thefinancialexpress.com.bd/last-page/ctg-port-ship-arrivals-plunge-30pc-as-dollar-crisis-strangles-trade-1700416665>

Private and foreign investment critical for 2041 goals: Ficci

Bangladesh aims to become a developed economy by 2041 and, in that pursuit, elevating living standards and strengthening private and foreign direct investment (FDI) and tax revenue collection will be critical, said the Foreign Investors' Chamber of Commerce & Industry (Ficci) in a publication unveiled yesterday.

<https://www.thedailystar.net/business/news/private-and-foreign-investment-critical-2041-goals-ficci-3473771>

Bank and NBFI

Microfinance sector sees 26pc credit growth in FY23

Microfinance institutions disbursed a total of Tk2.49 trillion in loans in FY23, marking a 26.41-% increase from the previous fiscal year. Microfinance institutions also witnessed a robust rise in savings mobilisation, with clients depositing Tk620.55 billion in FY23, representing a 25.16 % increase from FY22. As of June 2023, the total amount of funds in MFIs was Tk1.62 lakh crore. In June 2019, the amount of fund was Tk88,467 crore.

<https://today.thefinancialexpress.com.bd/last-page/microfinance-sector-sees-26pc-credit-growth-in-fy23-1700416550>

<https://www.tbsnews.net/economy/banking/microfinance-short-foreign-funds-long-loans-742294>

Online banking growing faster in rural areas

The adoption of online banking in rural Bangladesh has soared thanks to the rise in the number of internet users. In a period between 2019 and 2023, online banking branches in urban areas grew by 15.31 % whereas the growth was 39.11 % in case of rural areas.

<https://www.thedailystar.net/business/news/online-banking-growing-faster-rural-areas-3473621>

Stock

Power Grid: Return from network expansion with foreign loans looks far off

Higher borrowings to expand transmission lines across the country are costing Power Grid more than expected, as the taka has kept losing value against the dollar, and that wiped out its profit in FY23. Power Grid recorded a loss of Tk 6.26 billion in FY23.

<https://today.thefinancialexpress.com.bd/stock-corporate/power-grid-return-from-network-expansion-with-foreign-loans-looks-far-off-1700412214>

Renata to enter diagnostic business

Anticipating favourable business prospects, Renata Limited, a leading drugmaker in the country, has made a strategic decision to enter the diagnostic industry. The company announced that its board of directors has approved the acquisition of 25.32 decimals of land at a cost of Tk36.33 crore.

<https://www.tbsnews.net/economy/stocks/renata-enter-diagnostic-business-742558>

Firms grapple with profit erosion for consecutive second year

Over 330 listed firms, struggling to navigate through escalating costs, weakening taka and a slump in demand, saw their net profits decline for the second year in a row, by a massive 25% fall this fiscal year ending in June. This follows a 9% drop in the preceding year. The resilience of 13 multinational corporations and a few local industry leaders, however, prevented a further slump in the collective figures.

<https://www.tbsnews.net/economy/firms-grapple-profit-erosion-consecutive-second-year-742570>

NRB Bank, Protective Islami Life Insurance get waivers for IPO

The BSEC has granted an exemption to NRB Bank and Protective Islami Life Insurance, allowing them to proceed with their IPOs. From Tk100cr IPO fund, NRB Bank will invest Tk92cr in govt securities. From Tk15cr IPO fund, Protective Islami Life Insurance will invest Tk13.95cr in the capital market.

<https://www.tbsnews.net/economy/stocks/nrb-bank-protective-islami-life-insurance-get-waivers-ipo-742554>

Fuel and Power

Petrobangla doubly indebted following gas-price hike

Financial crunch incapacitates Petrobangla to pay its way as gas bills defaulted by state-owned power plants and fertilizer factories balloon after tariff hike, said sources. Power plants and fertiliser factories in public sector now owe around Tk 130 billion, equivalent to US\$1.18 billion, to Petrobangla against gas buys.

<https://today.thefinancialexpress.com.bd/first-page/petrobangla-doubly-indebted-following-gas-price-hike-1700416032>

Telecommunication

Banglalink pays part of BTRC audit claim

Banglalink yesterday made a payment to government coffers which partially accedes to Bangladesh Telecommunication Regulatory Commission's (BTRC) claim of dues based on an audit for the 1996-2019 period. BTRC instructed clearing dues amounting to around Tk 820 crore. Banglalink has been paying it in instalments, depositing Tk 14.16 crore yesterday, clearing Tk 108.4 crore till date.

<https://www.thedailystar.net/business/telecom/news/banglalink-pays-part-btrc-audit-claim-3473806>

Capital Market

DSE launches new data center for uninterrupted transactions

Dhaka Stock Exchange (DSE), the main stock market of Bangladesh, on Sunday launched a new data center to ensure automated and uninterrupted transactions. The data center has already achieved ANSI/TIA-942, Rated-3 (Design and Construction) international standard certification, DSE said.

<https://www.dhakatribune.com/business/stock/331544/dse-launches-new-data-center-for-uninterrupted>

Disclaimer

For U.S. persons only: This research report is a product of UCB Stock Brokerage Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution by only to "Major Institutional Investors" as defined by Rule 15a-6 (b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, UCB has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB Stock Brokerage Limited (UCB) with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

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%

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

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
----------------------	----------------------	-----------------------	-------------------

Institutional & Foreign Trade

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

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

Branch Offices

Chattogram
+880 1701 205 038

Sylhet
+880 1713 205 760

Digital Booths

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