

Bangladesh market snapshot

	Last closing
DSEX Index	6,277.89
% change	0.03%
DS30 Index	2,136.23
% change	0.03%
DSES Index	1,361.48
% change	0.11%
Turnover (BDT mn)	4,387
Turnover (USD mn)	41
% change	-18.69%
Market Capitalization (BDT bn)	7,841
Market Capitalization (USD bn)	74
% change	0.37%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,141.38
% change	0.62%
Nikkei 225	31,466.92
% change	1.30%
FTSE 100	7,389.70
% change	0.20%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	117.05	117.07
GBP	134.37	134.45
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
23-Oct-2023	7.75-8.50	7.96
22-Oct-2023	7.00-8.50	7.66

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	88.10	0.03%
Gold Spot, USD/t oz.	1,972.03	0.05%
Cotton, USD/lb.	82.85	-0.10%

Source: Bloomberg

Macro

LDC graduation: Bangladesh to get duty benefits beyond 2026

Bangladesh is set to enjoy duty-free market access beyond its graduation from the least-developed country bracket in November 2026 after the World Trade Organisation yesterday decided to extend support measures for graduating countries.

<https://www.thedailystar.net/business/economy/news/ldc-graduation-bangladesh-get-duty-benefits-beyond-2026-3451121>

Borrowing by govt from commercial banks rises in July-Sept

The government borrowed Tk 25,709 crore from the commercial banks while repaid Tk 29,487 crore to the central bank in July-September. As a result, the government opted to repay a total of Tk 3,777 crore during this reporting period instead of seeking additional funds from the banking system.

<https://www.newagebd.net/article/215853/borrowing-by-govt-from-commercial-banks-rises-in-july-sept>

ADP implementation in Q1 lowest in 8 years

Bangladesh's development budget implementation rate fell below 7.5% in the first quarter of the current fiscal year 2023-24, the lowest in eight years, according to the Implementation Monitoring and Evaluation Division (IMED). The government has spent only Tk12,537 crore or 7.42% of the Tk1,69,000 crore development budget allocated for the first quarter.

<https://www.tbsnews.net/economy/adp-implementation-falls-8-year-low-first-quarter-725190>

Investment proposals fall in July-Sept

The value of investment proposals dropped by Tk 10,647.69 crore in July-September 2023 compared with that in the same period of the previous year. A total of 227 industrial units showed interest to invest a total of Tk 20,962.64 crore in the July-September period of 2023.

<https://www.newagebd.net/article/215749/investment-proposals-fall-in-july-sept>

Stock

GP profit hits Tk 2,720cr in Jan-Sep

Grameenphone posted a 3.12 % year-on-year rise in profit to Tk 2,720.63 crore in the first nine months of 2023. The profit stood at Tk 2,638 crore in January-September of 2022. EPS rose to Tk 20.15 in the three quarters from Tk 19.54 in the same period of 2022.

<https://www.thedailystar.net/business/telecom/news/gp-profit-hits-tk-2720cr-jan-sep-3452061>

Navana Pharma posts record revenue, profit amid higher costs

In FY23, Navana Pharma's revenue jumped by 20% year-on-year and stood at Tk570 crore, while its net profit surged 31% and stood at Tk35.69 crore. The stellar business was attributed to the company's strategy of ramping up the production of high-selling drugs.

<https://www.tbsnews.net/economy/stocks/navana-pharma-posts-record-revenue-profit-amid-higher-costs-725346>

Beacon Pharma's profit dips 45%

Beacon Pharmaceuticals PLC posted a 45 % year-on-year decline in profit to around Tk 51 crore in the last financial year, suffered by increased cost of raw materials and inconsistent supply of gas. Its EPS plunged to Tk 2.21 in FY23 from Tk 4.05 the previous year.

<https://www.thedailystar.net/business/economy/news/beacon-pharmas-profit-dips-45-3451306>

Crown Cement returns to profit

Crown Cement PLC made a profit of Tk 61.03 crore in the financial year that ended on June 30. The cement manufacturer incurred a loss of Tk 22.87 crore in the previous FY22. Thus, EPS surged to Tk 4.11 in FY23 from a negative EPS of Tk 1.54 in FY22.

<https://www.thedailystar.net/business/economy/news/crown-cement-returns-profit-3451301>

Pricier gas squeezed HeidelbergCement Bangladesh's business

HeidelbergCement Bangladesh Limited's revenue shrank by 36% and profit by 93% compared to the Jan-Mar quarter, and stood at Tk365 crore and Tk2.70 crore respectively. The company's revenue was Tk567 crore and profit Tk38.69 crore in the January-March quarter.

<https://www.tbsnews.net/economy/stocks/how-pricier-gas-squeezed-heidelbergcement-bangladeshs-quarterly-business-726038>

KDS Accessories' revenue drops

KDS Accessories' sales fell 12.6 % year-on-year to Tk 279 crore in FY23 from Tk 319.9 crore the previous year. The backward linkage factory of the garment industry recorded Tk 15.3 crore in net profit during FY23. The amount was 7.5 % lower than the previous year.

<https://www.thedailystar.net/business/organisation-news/news/kds-accessories-revenue-drops-3451831>

Bank and NBFIs

Banks now banking on fee-based incomes

Many of Bangladesh's commercial banks, having core income-generating instruments under immense pressures, now focused on fee-based incomes under a changed strategy to navigate the crunch time. The change in the income-making approach to make their balance sheet sustainable comes in the wake of looming liquidity crunch in the banking industry, bankers have said.

<https://today.thefinancialexpress.com.bd/first-page/banks-now-banking-on-fee-based-incomes-1698171674>

Finance Co Act draft okayed, limits family ownership in NBFIs to 15%

The cabinet has approved the final draft of the Finance Company Act 2023, which introduces new measures to strengthen the governance of NBFIs. The proposed law prohibits individuals or family members

from owning more than 15% of the shares of an NBFIs and limits the number of directors from the same family to two.

<https://www.tbsnews.net/economy/draft-approved-restricting-family-shares-15-financial-institution-725206>

Fuel and Power

Gas crisis worsens with payment delays to suppliers

Another gas crisis has hit industries and households as supply of liquefied natural gas (LNG) from the spot market sees a squeeze as a consequence of delays in import bill payments amid the current dollar crisis. The situation is worsened by the impending maintenance work on one of the two LNG regasification units (Excelerate) set to commence on 1 November.

<https://www.tbsnews.net/bangladesh/energy/gas-crisis-worsens-payment-delays-suppliers-726118>

Telecommunication

Bandwidth import from India surges

Bandwidth imports from India have surpassed that from submarine cables due to a surge in internet usage, India's more attractive pricing and enhanced redundancy. Total bandwidth usage now stands at about 5,000 Gbps and more than half of it -- about 2,700 Gbps -- comes through international terrestrial cable (ITC) licences that import bandwidth from India across land borders.

<https://www.thedailystar.net/business/telecom/news/bandwidth-import-india-surges-3452066>

Food and Allied

Candy, noodles top export items alongside biscuits

BAPA figures showed that exporters fetched \$30 million from candy shipments in FY22. The product was the fourth-largest earner in the processed foods category in the year. Biscuits and bakery items topped the list and spices and drinks came second and third respectively in FY22. Bangladesh earned \$458 million from shipping of foods in FY22.

<https://www.thedailystar.net/business/economy/news/candy-noodles-top-export-items-alongside-biscuits-3452086>

Automobile

Sales of heavy-duty trucks fall by a third

Sales of heavy-duty commercial trucks in Bangladesh fell nearly 34 % year-on-year in the January-September period. Only 208 heavy-duty trucks were registered per month between January and September this year. That figure stood at 317 units per month in the same period last year.

<https://www.thedailystar.net/business/economy/news/sales-heavy-duty-trucks-fall-third-3451331>

Consumer Electronics

Mobile phone production in Bangladesh drops by 1.66 lakh units in Sept

Mobile phone manufacturing in Bangladesh decreased in September, marking a decline of 1.66 lakh units compared with that in the previous month. In September, the total production of mobile phones in the country reached 21.67 lakh units, a drop from the 23.33 lakh units recorded in August 2023.

<https://www.newagebd.net/article/215851/mobile-phone-production-in-bangladesh-drops-by-166-lakh-units-in-sept>

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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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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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