

Bangladesh market snapshot

	Last closing
DSEX Index	5211.53
% change	0.25%
DS30 Index	1928.33
% change	0.35%
DSES Index	1160.64
% change	0.61%
Turnover (BDT mn)	4,436
Turnover (USD mn)	36.36
% change	6.64%
Market Capitalization (BDT bn)	6,955
Market Capitalization (USD bn)	57
% change	0.70%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
S&P 500	6,114.63
% change	-0.01%
Nikkei 225	39,280.18
% change	0.27%
FTSE 100	8,768.01
% change	0.41%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	127.99	128.04
GBP	153.54	153.57
INR	1.41	1.41

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
17-Feb-2025	9.75-11.00	10.10
16-Feb-2025	9.75-11.00	10.05

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	75.12	-0.13%
Gold Spot, USD/t oz.	2,898.25	0.06%
Cotton, USd/lb.	68.61	0.44%

Source: Bloomberg

Macro

IMF delays fourth tranche of \$4.7 billion loan again

The International Monetary Fund (IMF) has once again delayed the disbursement of the fourth tranche – amounting to \$645 million – of its \$4.7 billion loan to Bangladesh, according to Finance Adviser Salehuddin Ahmed. The proposal for both the fourth and fifth tranches will now be presented together at the IMF executive board meeting in June, instead of the previously scheduled March meeting, he told journalists following the Deputy Commissioners' Conference at the Ministry of Finance yesterday.

<https://www.tbsnews.net/bangladesh/imf-delays-fourth-tranche-47-billion-loan-bangladesh-again-1070546>

Imports rebound on rising exports, remittances

Bangladesh's imports have returned to positive territory after two years of decline, driven by higher demand for consumer goods and industrial raw materials to meet the needs of rising exports -- a trend an economist views as a sign of an economic turnaround. Imports grew by 3.53 percent year-on-year to \$32 billion in the first half of fiscal year (FY) 2024-25, rebounding from a 20 percent drop during the same period the previous year. This growth was largely supported by a 30 percent year-on-year surge in imports in December 2024.

<https://www.thedailystar.net/business/news/imports-rebound-rising-exports-remittances-3826961>

Tax return filings rise 4.11%, but revenue collection declines

Despite three deadline extensions to facilitate taxpayers facing economic challenges, only 3,986,823 taxpayers filed their income tax returns for the 2023-24 tax year, according to the National Board of Revenue (NBR). While the number of returns filed has increased by 4.11% compared to the previous year, revenue collection has declined by 1.53%. The tax authority noted that although the number of personal income tax return submissions have risen compared to the previous year, a significant portion of the country's 1.2 crore taxpayer identification number (TIN) holders still fail to comply with the mandatory filing requirement.

<https://www.tbsnews.net/nbr/tax-return-filings-rise-411-revenue-collection-declines-1071246>

Banking

Loan disbursement via agent banking jumps 56% in Oct-Dec

Loan disbursement through agent banking soared by 56% year-on-year, reaching Tk24,028 crore in the October-December quarter of 2024, driven by enhanced access to finance for rural populations, according to Bangladesh Bank. In comparison, the disbursement during the same period in 2023 was Tk15,407 crore. BRAC Bank leads the loan disbursement chart through agent banking, while Islami Bank ranks first in deposit collection. Meanwhile, deposits and remittance inflows through agents grew by 15.40% and 21.16% respectively, compared to the previous year.

<https://www.tbsnews.net/economy/banking/loan-disbursement-agent-banking-jumps-56-oct-dec-1071216>

Banks' excess liquidity hits Tk 2.15 lakh crore in December

Excess liquidity in the country's banking sector soared in December as depositors returned their money in banks as confidence crisis had appeared to be eased. Bangladesh Bank data showed that excess liquidity increased to Tk 2,15,002 crore in December from Tk 2,07,623 crore in November and Tk 1,98,544 crore in October.

<https://www.newagebd.net/post/banking/257999/banks-excess-liquidity-hits-tk-215-lakh-crore-in-december>

Banks reschedule Tk 7,355cr as lenient policy remains

Banks rescheduled Tk 7,355 crore in defaulted loans during July-September period of 2024, with 99 per cent of the rescheduling done by private banks as the Bangladesh Bank chose to retain the previous government's lenient rescheduling policy. This policy has discouraged capable borrowers from making timely payments, as defaulters continue to benefit from easy restructuring. Of the total Tk 7,355 crore rescheduled in the quarter, private banks accounted for Tk 7,271 crore, state-run banks Tk 56.87 crore and specialised banks Tk 27.19 crore, according to Bangladesh Bank data. Between January and September of 2024, banks rescheduled Tk 20,732 crore in total, with private banks accounting for Tk 17,962 crore, state-run banks Tk 1,650 crore and specialised banks Tk 1,120 crore.

<https://www.newagebd.net/post/banking/258174/banks-reschedule-tk-7355cr-as-lenient-policy-remains>

Textile

Apparel exports to nontraditional market surge by 6.42pc

Bangladeshi apparel exporters bagged \$3.97 billion from the nontraditional market in July-January of the financial year 2024-25, which is 6.42 per cent higher than \$3.72 billion in the same period of the previous financial year, according to the data from the Export Promotion Bureau. The exports to the nontraditional market made up a significant 16.84 per cent of Bangladesh's total RMG exports in the mentioned period. According to the EPB data, Bangladesh exported apparel items worth \$23.55 billion to their global export destinations in the July-January FY25. The earnings from woven was \$10.86 billion, and knitwear was \$12.68 billion.

<https://www.newagebd.net/post/apparel/258175/apparel-exports-to-nontraditional-market-surge-by-642pc>

Govt to arrange Tk 600cr to clear Beximco workers' dues

The government will arrange Tk 600 crore to pay the arrears and service benefits to laid-off workers across 16 textile and garment units of the Beximco Group, according to a top official. This decision comes as the previous plan to clear the worker payments by selling Beximco shares is "not possible within a short time," said AHM Shafiquzzaman, secretary to the Ministry of Labour and Employment. According to the previous timeline, the government was supposed to make a final decision on paying the arrears and service benefits to the 27,000 laid-off workers of Beximco Group by yesterday. However, the deadline has now been extended to February 26, Shafiquzzaman said.

<https://www.thedailystar.net/business/news/govt-arrange-tk-600cr-clear-beximco-workers-dues-3826936>

Tannery

Footwear sector offers lucrative investment opportunities: BIDA

Referring to data from the Export Promotion Bureau (EPB), BIDA said non-leather footwear exports grew by 120 percent over the last decade, far exceeding the 6 percent growth rate of leather footwear during the same period. In the first seven months of FY25, non-leather footwear exports rose by 40.11 percent year-on-year to \$318.09 million and are expected to exceed half a billion dollars by the end of the fiscal year.

<https://www.thedailystar.net/business/news/footwear-sector-offers-lucrative-investment-opportunities-bida-3826941>

Stocks

Robi posts 119% profit growth in 2024, proposes record-high dividend

Robi Axiata – Bangladesh's second-largest mobile network operator – reported its highest-ever profit last year and proposed its largest dividend since its listing in 2020. In 2024, it posted a stellar 119% growth in profit to Tk703 crore, with earnings per share (EPS) at Tk1.34, a significant increase from Tk321 crore in 2023. In a press release, the company stated that economic instability, high inflation, and market disruptions impacted consumer purchasing power. Despite this, Robi increased its dividend payout for 2024, recommending a 15% cash dividend for its shareholders, compared to the 10% cash dividend paid in 2023.

<https://www.tbsnews.net/economy/stocks/robi-announces-paying-tk785cr-dividend-2024-1071016>

Olympic Industries plans to boost its chocolate production capacity

Olympic Industries, a publicly listed company, plans to invest Tk13.66 crore to boost its chocolate production capacity. The investment will fund importing new, multi-functional machinery for its Lolati factory in Narayanganj. Currently, the company produces a variety of chocolates under several names including Magic Candy, Éclairs and Pulse. As part of its new plan, the company's board has decided to increase production capacity by 3,300 tonnes annually.

<https://www.tbsnews.net/economy/stocks/olympic-industries-plans-boost-its-chocolate-production-capacity-1071241>

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. Nazmus Sakib, CFA	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
Fahmid Islam Sadhin	Research Associate	fahmid.islam@ucbstock.com.bd	+880 1325 086 738
Nafis Zaki	Research Associate	nafis.zaki@ucbstock.com.bd	+880 1871 891 263
Mahmudul Hasan Meraz	Research Associate	mahmudul.hasan@ucbstock.com.bd	+880 1324 719 456

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 1713 205 703	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		