

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-3.13%) lost -176.55 points and closed the week at 5,462.58 points. The blue-chip index DS30 (-3.59%) lost -74.09 points and stood at 1,990.85 points. The Shariah-based index DSES (-3.22%) lost -40.67 points and stood at 1,221.27 points. The large cap index CDSET (-2.82%) lost -32.48 points and closed at 1,118.85 points. DSEX, DS30, DSES and CDSET showed YTD returns of -12.55%, -4.92%, -10.47%, -6.98%, respectively.

Total Turnover During the Week (DSE): BDT 21.3 billion (USD 178 million)
Average Daily Turnover Value (ADTV): BDT 4.3 billion (Δ% Week: -37.3%)
Market P/E: 14.9x

Daily Index Movement during the Week

The market performed five sessions during this week. The market started positively on Sunday (+0.34%) however, it turned to negative on Monday (-0.59%). Then remained negative on Tuesday (-0.68%) & Wednesday (-2.37%) but ended the week on a positive note on Thursday (+0.16%).

Sectoral Performance

- All the financial sectors registered negative performance this week. NBF1 experienced the highest loss of -4.56% followed by Mutual Fund (-4.35%), General Insurance (-3.45%), Bank (-3.06%), and Life Insurance (-0.92%).
- All the non-financial (large-cap) sectors registered negative performance this week. Engineering experienced the highest loss of 5.05% followed by Food & Allied (-4.23%), Fuel & Power (-4.14%), Telecommunication (-3.80%), and Pharmaceutical (-2.83%).

Macroeconomic arena

- Inflation slightly drops to 9.92% in Sep, but food inflation still in double digits. AIIB to provide Bangladesh USD 700 Mn budget support. ADP spending hits 12-year low in Jul-Aug. Govt to buy two cargoes of LNG from spot market. Foreign loan commitments fall 98% to USD 20 Mn in Jul-Aug. Interim govt to revise 'unrealistic' export targets. Dhaka-Moscow meet misses consensus on back pay. Bangladesh receives USD 2.4 Bn remittance in September. Germany may provide EUR 600 Mn in dev assistance. ENGINEERING | Steel sales slump by about 50% as govt projects come to a halt. RMG | Vietnam, India outpace Bangladesh in high-value apparel exports to US: Report. IMF reaffirms support in fighting economic challenges.
- ENGINEERING | Expanding into glass production was a logical step. Govt seeks WB, IMF support for ongoing, future programmes: Finance adviser. World Bank to provide USD 300 Mn for Bangladesh Clean Air Project. Govt revises taskforce on recovering laundered money. BB expands refinance scheme for marginalised people to BDT 7.50 Bn. NBR targets revenue stuck in litigation. BANK | Multilateral development banks need reform to expand capabilities: analysts. FOOD & ALLIED | PRAN expands into major brand abroad with local sourcing. BANK | Banks' distressed assets surge by BDT 1 Tn in a year amid rising defaults, rescheduling. Higher policy rates may hamper investment and job creation: DCCI. 434 units at BSCIC estates are either sick or closed. Per capita foreign debt more than doubles in eight years.

Stock Market arena

- FIRSTSBANK | FSIBL customers, employees scuffle for cash shortage. EXCHANGE | NBR blocks share transfers by seven corporate giants. EXCHANGE | Stocks plunge as 'manipulators' go for massive sell-offs. EXCHANGE | Brokers propose taskforce for capital market reform. EXCHANGE | Habibur Rahman made new CSE Chairman. BEXIMCO | Nine investors fined BDT 4.28 Bn for Beximco stock manipulation. APEXFOOT | Apex Footwear's export drops 32% in FY24. EXCHANGE | BSEC to look into IPO fund usage by 9 listed firms. EXCHANGE | Two more firms moved to Z category. CONFIDCEM | Confidence Cement investing BDT 8.15 Bn to set up new factory. BEACONPHAR | Beacon Pharma to pay record dividend despite slowdown in growth. DOREENPWR | Doreen Power to sell another plant. SBACBANK | Moklesur Rahman new Sbac Bank chairman. DHAKABANK | Sheikh Mohammad Maroof joins Dhaka Bank as MD. UCB | Mamdudur Rashid new UCB MD. EXCHANGE | Stakeholders seek massive reforms in capital market. CITYBANK, FIRSTSBANK | City Bank to inject BDT 1 Bn into struggling First Security Islami Bank. ISLAMIBANK | Islamic banks see rise in gross default loan. EXCHANGE | IPO approval turned into a recipe for market mischief. EXCHANGE | Market Stabilization Fund: 300 meetings in 3 years is all it had. EXCHANGE | BSEC ousts 3 audit firms from its panel. RENATA | Renata's profit rises 55% to BDT 3.62 Bn.

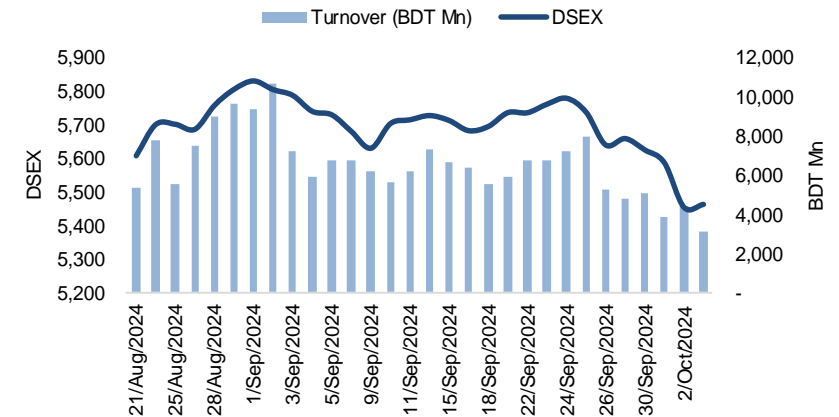
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	28-Dec-2023	Δ% Week	Δ% YTD
DSEX	5,462.58	5,639.13	-176.55	6,246.50	-3.13%	-12.55%
DS30	1,990.85	2,064.93	-74.09	2,093.83	-3.59%	-4.92%
DSES	1,221.27	1,261.94	-40.67	1,364.13	-3.22%	-10.47%
CDSET	1,118.85	1,151.33	-32.48	1,202.82	-2.82%	-6.98%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	6,721,156	6,856,212	-2.0%
	Mn USD	56,016	57,141	
Turnover	Mn BDT	21,311	33,965	-37.3%
	Mn USD	178	283	
Average Daily Turnover	Mn BDT	4,262	6,793	-37.3%
	Mn USD	36	57	
Volume	Mn Shares	816	1,127	-27.6%

Figure 1: DSEX & Turnover in last four weeks



Hossain Zaman Towhidi Khan
 Research Analyst
 (880) 1708805224
 hztowhidi.khan@bracepl.com

S M Toufique Imran
 Research Associate
 (880) 1708805228
 smtoufique.imran@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BIFC	9.4	7.1	+32.4%	946	4.8	NM	NM
AFTABAUTO	34.9	29.9	+16.7%	3,684	183.7	NM	0.7x
ADNTEL	103.9	91.4	+13.7%	6,717	338.5	NM	3.4x
PTL	51.4	45.8	+12.2%	8,370	41.4	7.7x	1.3x
SHYAMPSUG	124.9	114.7	+8.9%	625	5.2	NM	NM
LIBRAINFU	870.8	803.8	+8.3%	1,962	118.5	NM	1.0x
RUPALILIFE	99.9	92.4	+8.1%	2,998	96.1	NM	NM
ANLIMAYARN	29.1	27.0	+7.8%	520	8.9	NM	3.0x
DSHGARME	84.3	78.4	+7.5%	699	11.1	NM	4.6x
ICBSONALI1	6.0	5.6	+7.1%	600	17.7	NM	0.9x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
LINDEBD	1,009.3	1,333.2	-24.3%	15,360	246.7	26.8x	2.5x
KTL	10.8	13.9	-22.3%	1,256	112.5	NM	0.7x
MIRACLEIND	21.0	25.8	-18.6%	740	26.3	NM	1.3x
BAYLEASING	7.5	9.2	-18.5%	1,057	11.2	NM	1.5x
WMSHIPYARD	6.4	7.8	-17.9%	1,505	15.6	NM	0.3x
IBP	8.7	10.6	-17.9%	1,011	11.2	NM	0.6x
AOL	13.9	16.9	-17.8%	1,526	29.7	8.9x	0.7x
GSPFINANCE	7.6	9.2	-17.4%	1,194	31.1	NM	0.3x
NFC	258.1	311.4	-17.1%	1,703	13.1	NM	NM
FORTUNE	18.0	21.6	-16.7%	3,072	96.8	17.8x	1.2x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
GP	337.9	349.4	-3.3%	456,266	1,069.5	12.9x	6.4x
ISLAMIBANK	61.5	64.4	-4.5%	99,014	891.5	15.2x	1.3x
BRACBANK	54.6	55.1	-0.9%	96,626	842.6	9.9x	1.4x
SIBL	12.2	13.0	-6.2%	13,910	789.3	6.4x	0.6x
MJLBD	87.9	99.1	-11.3%	27,843	693.7	9.0x	1.9x
IBNSINA	329.4	362.9	-9.2%	10,292	672.0	15.3x	2.9x
FIRSTSBANK	8.2	7.7	+6.5%	9,907	655.7	3.4x	0.4x
SONALIANSH	314.8	323.6	-2.7%	3,415	653.2	36.7x	4.7x
GIB	7.0	7.2	-2.8%	7,258	437.5	4.7x	0.5x
MIDLANDBNK	28.5	28.0	+1.8%	18,231	350.1	15.3x	2.0x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
ISLAMIBANK	61.5	+88.7%	99,014	15.2x	1.3x
BRACBANK	54.6	+67.8%	96,626	9.9x	1.4x
UNILEVERCL	2,643.1	+30.9%	50,944	57.4x	23.3x
GP	337.9	+17.9%	456,266	12.9x	6.4x
HEIDELBCEM	279.3	+16.6%	15,781	39.2x	3.9x
IBNSINA	329.4	+14.9%	10,292	15.3x	2.9x
PRIMEBANK	23.9	+13.8%	27,062	4.7x	0.8x
CITYBANK	21.8	+12.1%	29,366	4.5x	0.8x
OLYMPIC	170.1	+11.9%	34,010	20.3x	3.3x
SQURPHARMA	229.0	+8.9%	202,997	10.0x	1.7x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,551.3	1,600.2	1,455.32	-3.06%	+6.59%
NBFI	1,198.1	1,255.3	1,902.52	-4.56%	-37.03%
Mutual Fund	589.2	616.0	876.90	-4.35%	-32.81%
General Insurance	2,684.3	2,780.3	3,489.09	-3.45%	-23.07%
Life Insurance	2,117.7	2,137.3	2,637.78	-0.92%	-19.72%
Telecommunication	5,325.8	5,536.2	4,945.60	-3.80%	+7.69%
Pharmaceutical	3,006.7	3,094.2	3,732.58	-2.83%	-19.45%
Fuel & Power	1,151.7	1,201.5	1,691.80	-4.14%	-31.92%
Cement	2,250.5	2,315.2	2,523.22	-2.80%	-10.81%
Services & Real Estate	1,135.9	1,188.0	1,518.57	-4.39%	-25.20%
Engineering	2,689.2	2,832.2	4,520.40	-5.05%	-40.51%
Food & Allied	17,715.2	18,496.8	21,180.76	-4.23%	-16.36%
IT	2,308.5	2,317.6	2,894.80	-0.39%	-20.25%
Textile	1,132.6	1,162.7	1,658.23	-2.59%	-31.70%
Paper & Printing	4,687.9	5,020.2	10,093.63	-6.62%	-53.56%
Tannery	2,102.2	2,146.8	3,103.94	-2.08%	-32.27%
Jute	17,301.8	17,683.6	17,683.51	-2.16%	-2.16%
Ceramics	376.6	403.2	694.56	-6.60%	-45.78%
Miscellaneous	4,133.7	4,171.4	4,265.32	-0.91%	-3.09%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	1,141.4	1,766.2	-35.38%	+28.28%	8.1x	0.7x
NBFI	72.5	160.7	-54.89%	+1.80%	NM	NM
Mutual Fund	71.2	123.2	-42.25%	+1.76%	NM	0.5x
General Insurance	72.1	168.6	-57.20%	+1.79%	14.1x	1.2x
Life Insurance	123.3	131.6	-6.26%	+3.06%	NM	NM
Telecommunication	256.5	508.4	-49.55%	+6.36%	14.7x	4.1x
Pharmaceutical	603.2	973.9	-38.06%	+14.95%	14.7x	1.6x
Fuel & Power	292.1	366.5	-20.32%	+7.24%	19.9x	0.7x
Cement	33.3	66.5	-49.95%	+0.82%	17.4x	2.4x
Services & Real Estate	151.3	230.7	-34.43%	+3.75%	19.8x	0.5x
Engineering	176.7	288.8	-38.83%	+4.38%	12.8x	1.0x
Food & Allied	225.8	426.0	-46.99%	+5.60%	17.1x	5.1x
IT	176.8	242.4	-27.03%	+4.38%	25.1x	2.0x
Textile	261.3	509.1	-48.68%	+6.47%	NM	0.8x
Paper & Printing	51.7	85.6	-39.67%	+1.28%	33.6x	0.9x
Tannery	51.4	38.5	+33.50%	+1.27%	37.9x	1.6x
Jute	131.1	217.1	-39.61%	+3.25%	NM	NM
Ceramics	29.7	47.8	-37.83%	+0.74%	44.6x	1.0x
Miscellaneous	114.1	163.4	-30.15%	+2.83%	38.1x	1.7x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
DOREENPWR	18.1	-70.3%	3,278	4.5x	0.3x
BBSCABLES	18.5	-62.9%	3,917	NM	0.6x
IPDC	20.5	-62.6%	7,988	22.8x	1.2x
KPCL	11.8	-55.6%	4,689	35.8x	0.7x
BXPBARMA	67.5	-53.8%	30,113	5.6x	0.6x
ACTIVEFINE	9.0	-53.4%	2,159	NM	0.4x
SUMITPOWER	15.9	-53.2%	16,979	22.4x	0.4x
IFADAUTOS	20.9	-52.6%	5,551	NM	0.6x
RUNNERAUTO	23.2	-52.1%	2,634	NM	0.4x
WALTONHIL	557.2	-46.8%	168,792	12.4x	1.5x

Important News: Business, Economy & Sector

Inflation slightly drops to 9.92% in Sep, but food inflation still in double digits

- Though the country's overall inflation has slightly decreased in September, dropping from double digits to single digit, it still remains high, with food inflation still above 10%.

<https://www.tbsnews.net/economy/inflation-drops-992-september-956431>

AIIB to provide Bangladesh USD 700 Mn budget support

- The AIIB is expected to provide USD 300 Mn on the condition of certain reform programmes related to climate change and the environment and USD 400 Mn for emergency support on natural disaster management.

<https://www.tbsnews.net/economy/aiib-provide-bangladesh-700m-budget-support-955891>

ADP spending hits 12-year low in Jul-Aug

- The implementation rate of the annual development programme (ADP) in the July-August period of the current fiscal year was the lowest in the past 12 years due to cautious spending by the government and work disruptions amidst political turmoil.

<https://www.thedailystar.net/business/economy/news/adp-spending-hits-12-year-low-jul-aug-3718421>

Govt to buy two cargoes of LNG from spot market

- The advisory committee on government purchase today approved the import of two cargoes of liquified natural gas (LNG) from the spot market.

<https://www.thedailystar.net/business/news/govt-buy-two-cargoes-lng-spot-market-3718021>

Foreign loan commitments fall 98% to USD 20 Mn in Jul-Aug

- Bangladesh's foreign loan commitments from development partners plummeted by a staggering 98% year-on-year in the first two months of the current fiscal year.

<https://www.tbsnews.net/economy/foreign-loan-commitments-fall-98-20m-first-two-months-fy25-954421>

Interim govt to revise 'unrealistic' export targets

- The interim government is set to revise the "Export Policy 2024-27," approved by Sheikh Hasina's administration, due to its unrealistic targets based on inaccurate export data. The aim is to establish more achievable goals.

<https://www.tbsnews.net/bangladesh/interim-govt-revise-unrealistic-export-targets-956806>

Dhaka-Moscow meet misses consensus on back pay

- Dhaka and Moscow failed to settle score on sanctions-impeded loan repayment and extension of the aid-disbursement tenure for the undisbursed credits from a USD 11.38 Bn commitment in a two-day meeting in Dhaka, officials said Wednesday.

<https://thefinancialexpress.com.bd/economy/dhaka-moscow-meet-misses-consensus-on-back-pay>

Bangladesh receives USD 2.4 Bn remittance in September

- Bangladesh received a record USD 2.4 Bn remittance in the just-passed September, giving some respite to the economy that has been suffering multi-pronged strains amid foreign exchange tightness.

<https://thefinancialexpress.com.bd/economy/bangladesh-receives-24-billion-remittance-in-september>

Germany may provide EUR 600 Mn in dev assistance

- Germany plans to provide EUR 600 Mn to Bangladesh in development aid under its agenda on climate development, German Ambassador Achim Tröster said Tuesday and also spoke about trade facilities on the European market.

<https://thefinancialexpress.com.bd/economy/germany-may-provide-ps600m-in-dev-assistance>

ENGINEERING | Steel sales slump by about 50% as govt projects come to a halt

- The demand for steel in Bangladesh has almost halved over the past two months as most construction works have been halted following the recent political changeover, according to industry people.

<https://www.thedailystar.net/business/economy/news/steel-sales-slump-about-50-govt-projects-come-halt-3717431>

RMG | Vietnam, India outpace Bangladesh in high-value apparel exports to US: Report

- In the competition to capture a larger share of the US apparel market, which China is gradually losing, Vietnam and India are surpassing Bangladesh, particularly in high-value garment exports, according to a report by the United States International Trade Commission.

<https://www.tbsnews.net/economy/vietnam-india-outpace-bangladesh-high-value-apparel-exports-us-report-955751>

IMF reaffirms support in fighting economic challenges

- In a statement issued yesterday upon completion of its fact-finding mission's visit to Dhaka, the IMF said the country's financial sector vulnerabilities have become more pronounced. After assuming office, the interim government sought a fresh USD 3 Bn loan from the IMF in addition to the ongoing USD 4.7 Bn loan programme approved in January of last year. Of the USD 4.7 Bn, USD 2.3 Bn has already been disbursed.

<https://www.thedailystar.net/business/news/imf-reaffirms-support-fighting-economic-challenges-3716751>

Bangladesh becoming Saudi investors' hotspot

- Leading Saudi companies like ACWA Power and SABIC are exploring opportunities in the renewable energy, logistics and infrastructure sectors, the adviser told a programme organised by the Saudi Embassy to mark the 94th national day of the country on Sunday evening.

<https://today.thefinancialexpress.com.bd/trade-market/bangladesh-becoming-saudi-investors-hotspot-1727718988>

Automated financial services can curb graft

- Automation of government financial services is critical for reducing corruption and resource misuse, said Salehuddin Ahmed, finance adviser to the interim government. Ahmed emphasised that integrating financial services into a unified digital system would improve transparency and accountability.

<https://www.thedailystar.net/business/news/automated-financial-services-can-curb-graft-3716741>

Debt servicing costs outweigh incoming loans

- External debt servicing costs soared 47% year-on-year to USD 589 Mn in the July-August period amid rising global interest rates and a heavier foreign loan portfolio. In the same period, the country received USD 458 Mn from global financiers, down 38% year-on-year.

<https://www.thedailystar.net/business/news/debt-servicing-costs-outweigh-incoming-loans-3716746>

Govt to increase Probashi Kalyan Bank's capital

- The government has decided to raise the Probashi Kalyan Bank's authorised and paid-up capital to BDT 20 Bn and BDT 13 Bn respectively, aiming to bolster its financial base and enhance the loan disbursement capacity. The volume of the authorised capital of the bank currently stands at BDT 5 Bn and the paid-up capital at BDT 5 Bn, according to sources.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-increase-probashi-kalyan-banks-capital-1727719085>

ENGINEERING | Expanding into glass production was a logical step

- To meet the rising demand for basic and high-quality glass in Bangladesh's construction sector, AkijBashir Group recently began production at a sprawling plant in Habiganj's Madhabpur upazila, placing emphasis on more transparent and pure products to position itself as a key player in the rapidly growing market.

<https://www.thedailystar.net/business/news/expanding-glass-production-was-logical-step-3716731>

Govt seeks WB, IMF support for ongoing, future programmes: Finance adviser

- The government has sought support from the World Bank, International Monetary Fund (IMF), and other development partners for various ongoing and future programmes, Finance Adviser Salehuddin Ahmed said today (29 September).

<https://www.tbsnews.net/economy/government-seeks-world-bank-imf-support-ongoing-future-programmes-finance-adviser-953326>

World Bank to provide USD 300 Mn for Bangladesh Clean Air Project

- World Bank Vice President Martin Raiser commended Bangladesh's efforts to implement progressive environmental policies and affirmed the Bank's support in aligning these efforts with global best practices

<https://www.tbsnews.net/economy/world-bank-provide-300-million-bangladesh-clean-air-project-953246>

Govt revises taskforce on recovering laundered money

- The interim government yesterday restructured an inter-agency taskforce meant to bring back money that has been illegally taken abroad.

<https://www.thedailystar.net/business/news/govt-revises-taskforce-recovering-laundered-money-3715771>

BB expands refinance scheme for marginalised people to BDT 7.50 Bn

- The Bangladesh Bank (BB) today expanded the size of the refinancing fund meant for marginalised communities to BDT 7.5 Bn from previous BDT 5 Bn, with a priority to extend financial coverage to flood victims across Bangladesh.

<https://www.thedailystar.net/business/news/bb-expands-refinance-scheme-marginalised-people-tk-750cr-3715546>

NBR targets revenue stuck in litigation

- With a revenue collection deficit of approximately BDT 160 Bn in the first two months of the fiscal year, the NBR is exploring avenues to reclaim significant funds through the resolution of pending cases.

<https://www.tbsnews.net/nbr/nbr-targets-revenue-stuck-litigation-953761>

BANK | Multilateral development banks need reform to expand capabilities: analysts

- The Development Assistance Committee member contributions to multilateral organisations increased for the seventh consecutive year in 2022, but concessional financing for the poorest countries has decreased, potentially impacting poverty reduction and debt support efforts, analysts said today.

<https://www.thedailystar.net/business/news/multilateral-development-banks-need-reform-expand-capabilities-analysts-3715456>

FOOD & ALLIED | PRAN expands into major brand abroad with local sourcing

- PRAN's logo also appears on a wide range of products, including sauces, flattened rice, spices, noodles, chocolate, biscuits, frozen fish, oil, honey, coconut water, and bottled water

<https://www.tbsnews.net/economy/stocks/pran-expands-major-brand-abroad-local-sourcing-953826>

BANK | Banks' distressed assets surge by BDT 1 Tn in a year amid rising defaults, rescheduling

- This disclosure of the distressed assets is part of an ongoing USD 4.7 Bn loan package from the International Monetary Fund. The first report detailing distressed assets for 2022 was published last year.

<https://www.tbsnews.net/economy/banking/banks-distressed-assets-surge-tk1-lakh-crore-year-amid-rising-defaults-rescheduling>

Higher policy rates may hamper investment and job creation: DCCI

- The persisting higher policy rates may negatively impact the country's investment and job creation in the long run, according to the Dhaka Chamber of Commerce and Industry (DCCI).

<https://www.thedailystar.net/business/news/higher-policy-rates-may-hamper-investment-and-job-creation-dcci-3714321>

434 units at BSCIC estates are either sick or closed

- A total of 434 industrial units under the Bangladesh Small and Cottage Industries Corporation (BSCIC) are either suffering over financial issues or have already closed down due to various reasons.

<https://www.thedailystar.net/business/news/434-units-bscic-estates-are-either-sick-or-closed-3714591>

Per capita foreign debt more than doubles in eight years

- According to the Bangladesh Bank data, per capita external debt of the country surged 135% to USD 605 in fiscal year 2023-24 compared to fiscal year 2015-16.

<https://www.thedailystar.net/business/economy/news/capita-foreign-debt-more-doubles-eight-years-3714901>

Bank loan shortage, gas-power crisis major challenges for industries: DCCI

- A lack of bank loans, coupled with a crisis in gas and electricity supply, posed significant challenges for running industries in the first six months of this year, Dhaka Chamber of Commerce and Industry (DCCI).

<https://www.tbsnews.net/economy/bank-funds-gas-electricity-supply-were-major-headaches-over-last-6-months-dcci-president>

NBR requests IMF to lower FY25 revenue target

- The National Board of Revenue has asked the visiting International Monetary Fund (IMF) team to reduce the revenue collection target set for Bangladesh for the current fiscal year considering the country's recent political changes.

<https://www.tbsnews.net/economy/nbr-requests-imf-lower-fy25-revenue-target-951481>

HEALTHCARE | BDT 250 Mn WB aid for medicare of critically injured

- The World Bank will provide BDT 250 Mn as health ministry is assessing the medical capacity for treatment and health condition of critically injured people in the July-August student movement.

<https://thefinancialexpress.com.bd/economy/tk-250m-wb-aid-for-medicare-of-critically-injured>

BANK | Loan restructuring and recovery

- Classified loans in the banking sector have exceeded BDT 2110 Bn. Various agencies are talking of almost BDT 4000 Bn of stressed assets in the banking sector, almost 25% of the total loans.

<https://www.thedailystar.net/business/economy/news/loan-restructuring-and-recovery-3714861>

TRADE | Progress slow in signing preferential trade deals with trading partners

- There has been little progress regarding the signing of preferential trade deals by Bangladesh with major trading partners amidst the change in government following the anti-discrimination movement in July.

<https://www.thedailystar.net/business/economy/news/progress-slow-signing-preferential-trade-deals-trading-partners-3714896>

BANK | Minimum 2% shareholding for board membership a reason behind banking sector ills

- Referring to the legal provision requiring a 2% shareholding in a commercial bank to become a director, Abdul Mannan, chairman of First Security Islami Bank (FSIB), said this has driven away seasoned banking leadership from boardrooms and allowed infamous individuals like S Alam into banking leadership roles.

<https://www.thedailystar.net/business/economy/news/minimum-2-shareholding-board-membership-reason-behind-banking-sector-ills-3714871>

Important News: Stocks

FIRSTSBANK | FSIBL customers, employees scuffle for cash shortage

- A scuffle broke out today between customers and employees at the Dilkusha branch of First Security Islami Bank PLC (FSIBL), centring a cash crisis in the outlet of the Shariah-based lender.

<https://www.thedailystar.net/business/news/fsibl-customers-employees-scuffle-cash-shortage-3717981>

EXCHANGE | NBR blocks share transfers by seven corporate giants

- The NBR instructed the RJSC to immediately block any sales or transfers of shares, whether through donations or otherwise, by Bashundhara Group, Orion Group, Summit Group, Beximco Group, S Alam Group, Nassa Group, and Third Wave Technologies Ltd (Nagad Ltd), according to a letter from its Central Intelligence Cell (CIC).

<https://www.thedailystar.net/business/news/nbr-blocks-share-transfers-seven-corporate-giants-3717876>

EXCHANGE | Stocks plunge as ‘manipulators’ go for massive sell-offs

- Stock indexes in Bangladesh plunged by over 2 % yesterday as a section of investors sold shares on a massive scale apprehending punitive measures from the regulator for their past malpractices.

<https://www.thedailystar.net/business/economy/stock/news/stocks-plunge-manipulators-go-massive-sell-offs-3718391>

EXCHANGE | Brokers propose taskforce for capital market reform

- The DSE Brokers Association (DBA) today (2 October) proposed the formation of a taskforce to identify key areas for reform to improve the capital market and ensure its sustainability.

<https://www.tbsnews.net/economy/stocks/brokers-propose-taskforce-capital-market-reform-956751>

EXCHANGE | Habibur Rahman made new CSE Chairman

- The Board of Directors of the Chittagong Stock Exchange PLC (CSE) has elected AKM Habibur Rahman as Chairman of the port city bourse in line with the Exchanges Demutualization Act, 2013.

<https://thefinancialexpress.com.bd/stock/habibur-rahman-made-new-cse-chairman>

BEXIMCO | Nine investors fined BDT 4.28 Bn for Beximco stock manipulation

- The Bangladesh Securities and Exchange Commission (BSEC) has imposed a fine of BDT 4.28 Bn on five firms and four individuals for manipulating prices of Beximco Ltd's stocks, an unprecedented penalty in the country's capital market.

<https://www.thedailystar.net/business/economy/news/nine-investors-fined-tk-428cr-beximco-stock-manipulation-3717451>

APEXFOOT | Apex Footwear's export drops 32% in FY24

- Apex Footwear Limited has reported a 32% drop in exports for the fiscal year 2023-24, primarily due to weakened demand in key markets such as the US, Europe, and Japan.

<https://www.tbsnews.net/economy/stocks/apex-footwears-export-drops-32-fy24-955776>

EXCHANGE | BSEC to look into IPO fund usage by 9 listed firms

- The Bangladesh Securities and Exchange Commission (BSEC) has launched an inquiry into how nine companies, listed on the capital market between 2018 and 2024, utilised the funds they raised through initial public offerings (IPOs) and repeat public offerings (RPOs).

<https://www.tbsnews.net/economy/stocks/bsec-look-ipo-fund-usage-9-listed-firms-955771>

EXCHANGE | Two more firms moved to Z category

- The Dhaka Stock Exchange (DSE) downgraded two more companies – Acme Pesticide and Federal Insurance – on Tuesday for failing to disburse dividends within the stipulated time.

<https://www.tbsnews.net/economy/stocks/two-more-firms-downgraded-z-category-955126>

CONFIDCEM | Confidence Cement investing BDT 8.15 Bn to set up new factory

- Confidence Cement PLC, a cement maker based in Chattogram, is investing BDT 8.15 Bn to set up a new production facility on 10 acres of land in Narsingdi and cater to the future demand. Once complete, the new unit dubbed "Confidence Cement Dhaka Ltd" will be capable of producing 6,000 tonnes of the key construction material daily, he added.

<https://www.thedailystar.net/business/news/confidence-cement-investing-tk-815cr-set-new-factory-3716396>

BEACONPHAR | Beacon Pharma to pay record dividend despite slowdown in growth

- Beacon Pharmaceuticals will pay a 20% cash dividend for the year ended in June this year, the highest since its listing on the stock exchanges in 2010. The drug maker's profit grew 2.3% year-on-year to BDT 522 Mn for FY24 amid the prevailing macro-economic challenges.

<https://today.thefinancialexpress.com.bd/stock-corporate/beacon-pharma-to-pay-record-dividend-despite-slowdown-in-growth-1727719901>

DOREENPWR | Doreen Power to sell another plant

- The board of the independent power producer took the decision due to the uncertainty hanging over the extension of the power purchase agreement with the Bangladesh Power Development Board (BPDB), the company said in a stock exchange filing on Monday.

<https://today.thefinancialexpress.com.bd/stock-corporate/doreen-power-to-sell-another-plant-1727720060>

SBACBANK | Moklesur Rahman new Sbac Bank chairman

- Engineer Md. Moklesur Rahman, one of the sponsor directors of SBAC Bank, was elected as the chairman of the board of directors of the bank on Monday, according to a press release.

<https://today.thefinancialexpress.com.bd/stock-corporate/moklesur-rahman-new-sbac-bank-chairman-1727719977>

DHAKABANK | Sheikh Mohammad Maroof joins Dhaka Bank as MD

- He served at The City Bank as the additional managing director and chief business officer before joining in his new role, according to a press release.

<https://today.thefinancialexpress.com.bd/stock-corporate/sheikh-mohammad-marooof-joins-dhaka-bank-as-md-1727719991>

UCB | Mamdudur Rashid new UCB MD

- Mohammad Mamdudur Rashid has recently been appointed as the managing director and CEO of United Commercial Bank, according to a press release.

<https://today.thefinancialexpress.com.bd/stock-corporate/mamdudur-rashid-new-ucb-md-1727720019>

EXCHANGE | Stakeholders seek massive reforms in capital market

- Aiming at strengthening the market and boosting investor confidence the representatives of the firms and institutes shared their opinions and proposals regarding comprehensive reforms in the capital market.

<https://www.tbsnews.net/economy/stocks/stakeholders-seek-massive-reforms-capital-market-954831>

CITYBANK, FIRSTS BANK | City Bank to inject BDT 1 Bn into struggling First Security Islami Bank

- The FSIB applied to the Bangladesh Bank for a guarantee of liquidity support today. In the application, it mentions that the liquidity support would be provided by the City Bank.

<https://www.tbsnews.net/economy/banking/city-bank-inject-tk100cr-struggling-first-security-islami-bank-953771>

ISLAMIBANK | Islamic banks see rise in gross default loan

- Bangladesh's Islamic banks recorded an increase in their gross non-performing loan (GNPL) and unclassified rescheduled loan (URSDL) ratio in 2023 from a year ago, reflecting a deterioration of asset quality.

<https://www.thedailystar.net/business/news/islamic-banks-see-rise-gross-default-loan-3715461>

EXCHANGE | IPO approval turned into a recipe for market mischief

- The stock market regulator approved 127 firms for listing in the past 14 years, allowing their transition from private to public companies. However, the subsequent outcomes are disheartening as most of these companies showed declined performance rather than growth.

<https://www.thedailystar.net/business/news/ipo-approval-turned-recipe-market-mischief-3715796>

EXCHANGE | Market Stabilization Fund: 300 meetings in 3 years is all it had

- The Capital Market Stabilization Fund (CMSF), launched in 2021 to inject confidence into Bangladesh's capital markets, was designed to step in during market volatility, buying and selling shares to ensure liquidity and restore faith among investors.

<https://www.tbsnews.net/economy/stocks/market-stabilization-fund-300-meetings-3-years-all-it-had-953866>

EXCHANGE | BSEC ousts 3 audit firms from its panel

- The Bangladesh Securities and Exchange Commission (BSEC) has ousted three audit firms from its panel due to their failure to secure the Financial Reporting Council (FRC) enlisting.

<https://www.tbsnews.net/economy/stocks/bsec-ousts-3-audit-firms-its-panel-953766>

RENATA | Renata's profit rises 55% to BDT 3.62 Bn

- The company's revenue increased 14% year-on-year to BDT 37.71 Bn in FY 24, with the profit surging by 55% year-on-year to BDT 3.62 Bn, according to a disclosure by the company.

<https://www.thedailystar.net/business/economy/news/renatas-profit-rises-55-tk-362cr-3714846>

BATBC | BAT Bangladesh to invest BDT 115.6 Mn to set up rooftop solar panel

- British American Tobacco Bangladesh Company (BATBC), a multinational cigarette manufacturer, has decided to set up a rooftop solar panel with a capital investment of BDT 115.6 Mn along with its relevant infrastructure.

<https://www.tbsnews.net/economy/stocks/bat-bangladesh-invest-tk1156cr-set-rooftop-solar-panel-951456>

UCB | BDT 750 Mn loss looms over UCB as stock investment raises questions

- United Commercial Bank (UCB) PLC is on the verge of incurring losses of around BDT 750 Mn as one-third of its total share market investment has been on a lone stock that has undergone price manipulation.

<https://www.thedailystar.net/business/economy/banks/news/tk-75cr-loss-looms-over-ucb-stock-investment-raises-questions-3714891>

SEAPEARL | Only a slap on the wrist for hundreds of crore taka Sea Pearl share scam!

- Sea Pearl Beach Resorts and Spa's share price skyrocketed more than threefold in just two months in 2022. Behind this unusual price rise was a network of insiders, including the five-star resort's managing director, who engaged in coordinated trades that netted them a staggering BDT 3 Bn, according to a Dhaka Stock Exchange (DSE) probe.

<https://www.tbsnews.net/bangladesh/only-slap-wrist-hundreds-crore-taka-sea-pearl-share-scam-952961>

EXCHANGE | Calls for BSEC chairman to step down if investor confidence isn't restored

- Investors have called for the urgent restoration of confidence in the declining capital market, warning that if this is not achieved, Bangladesh Securities and Exchange Commission (BSEC) Chairman Khondoker Rashed Maqsood should resign due to perceived incompetence.

<https://www.tbsnews.net/economy/stocks/calls-bsec-chairman-step-down-if-investor-confidence-isnt-restored-952816>

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transactions.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Fahim Hassan	Research Analyst	fahim.hassan@bracepl.com	01709 636 546
Hossain Zaman Towhidi Khan	Research Analyst	hztowhidi.khan@bracepl.com	01708 805 224
Foyisal Ahmed	Research Associate	foysal.ahmed@bracepl.com	01708 805 201
S M Toufique Imran	Research Associate	smtoufique.imran@bracepl.com	01708 805 228
Rakibul Hasan	Research Associate	rakibul.hasan@bracepl.com	01708 805 229
Md Istiaz Uddin	Research Associate	mistiaz.uddin@bracepl.com	01708 805 202

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	----------------------------------------------------------	---------------

FOR SERVICE-RELATED QUERIES, REACH OUT TO

 care@bracepl.com
 Call 16285



Website

www.bracepl.com

Address

Symphony, Plot No. S.E. (F) - 9, Road No.
142, Gulshan-1, Dhaka

E-Mail

Research: research@bracepl.com
Sales : ftrader@bracepl.com

Contact

Phone: +880 2 985 2446-50
Fax: +880 2 985 2451