

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+1.12%) gained 54.65 points and closed the week at 4,927.82 points. The blue-chip index DS30 (+1.50%) gained 25.31 points and stood at 1,715.41 points. The Shariah-based index DSES (+0.99%) gained 11.21 points and stood at 1,141.82 points. The large cap index CDSET (+1.26%) gained 12.46 points and closed at 1,001.34 points. DSEX, DS30, DSES and CDSET showed YTD returns of +10.66%, +13.35%, +14.20%, +11.29%, respectively.

Total Turnover During The Week (DSE): BDT 42.4 billion (USD 499.0 million)

Average Daily Turnover Value (ADTV): BDT 10.6 billion ($\Delta\%$ Week: -27.9%)

Market P/E: 15.7x

Daily Index Movement during the Week:

Market performed four sessions during this week. Market performed positively in the first session by 0.12%. Then market reverted to negative by 0.35% in the second session. Then the market turned positive in the third session by 0.60% and ended with a positive movement of 0.74% in the fourth session.

Sectoral Performance:

- Financial sectors posted mixed performance this week. NBFIs booked the highest gain of 4.25% followed by Banks (+1.34%). Life Insurance experienced the highest loss of 4.85% followed by General Insurance (-1.64%) and Mutual Funds (-1.34%).
- Non-financial sectors reported positive performance this week except Food & Allied (-1.82%). Telecommunication booked the highest gain of 2.40% followed by Engineering (+1.40%), Fuel & Power (+1.33%), and Pharmaceuticals (+0.59%).

Macroeconomic arena:

- Migrant workers who toil abroad have once again beat forecasts, sending home 36% higher remittance in August, in a respite for their families as well as the ailing economy amid the coronavirus pandemic. Last month, they remitted USD 1.96 billion against USD 1.44 billion in the same month a year ago, Bangladesh Bank data showed. The inflow of remittance grew 50% year-on-year to USD 4.56 billion in the July-August period.
- Foreign exchange reserves have crossed USD 39 billion for the first time which is equivalent to about 10 months of import payments. An increase in inward remittances and exports topped with USD 300 million from the Japan International Cooperation Agency boosted the reserves to a new high.
- The point-to-point inflation rate went up marginally to 5.68% in August from 5.53% in the previous month. The inflation rate was 5.49% in the same month last year. The latest Bangladesh Bureau of Statistic (BBS) data showed that the point-to-point food inflation increased to 6.08% last month, up by 0.38% points from 5.70% in July. In contrast, the non-food inflation fell to 5.05% during the month under review from 5.28% in the previous month.
- The country's trade deficit narrowed by 91.89% or USD 975 million in July as exports soared and imports dropped amid stagnation in local investment. The country's exports have already gained some momentum in July after three months of stagnation due to the coronavirus outbreak and the subsequent imposition of the countrywide shutdown for around two months. As a result, the country's current account balance posted a USD 1.97-billion surplus in July of FY21 against USD 108 million in deficit in the same month last year.

Stock Market arena:

- Beximco Pharmaceuticals – the fastest-growing manufacturer of generic pharmaceutical products and active pharmaceutical ingredients in Bangladesh – will be the exclusive distributor of Serum Institute of India (SII) for a Covid-19 vaccine in Bangladesh. Once the vaccine receives regulatory approvals, Serum Institute – the world's largest manufacturer of vaccines by volume – will include Bangladesh among the countries that will be the first to receive an agreed quantity of this vaccine from SII on a priority basis.
- City Bank announced the rollout of an interoperable QR-based payment solution. So far, only Mutual Trust Bank's Mastercard and Eastern Bank's Visa cardholders could pay at retail points that displayed the Bangla QR. City Bank's move is a gamechanger in that it allows Visa, Mastercard, American Express and UnionPay cardholders of any bank to pay with its QR code.

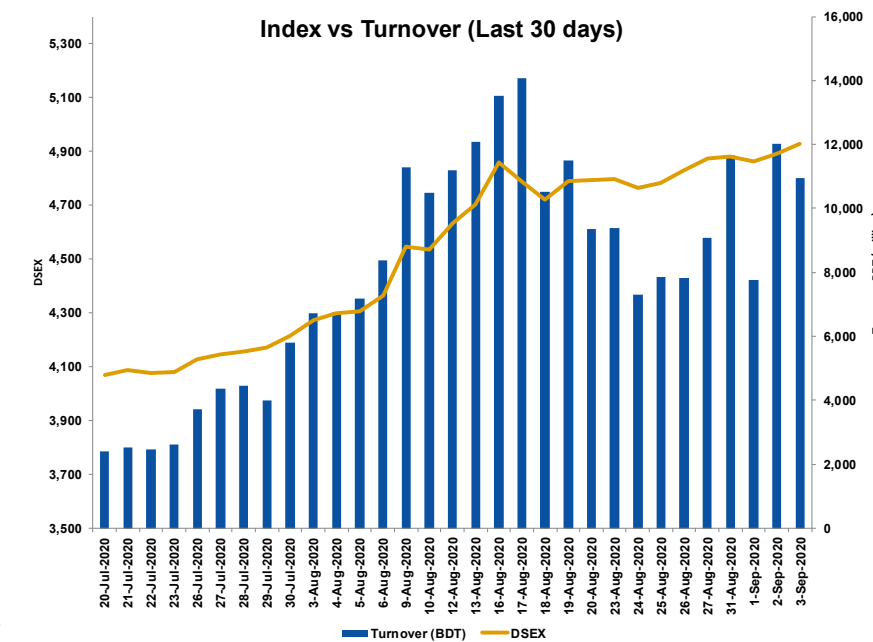
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	4,927.82	4,873.18	54.65	4,452.93	1.12%	10.66%
DS30	1,715.41	1,690.10	25.31	1,513.35	1.50%	13.35%
DSES	1,141.82	1,130.61	11.21	999.83	0.99%	14.20%
CDSET	1,001.34	988.88	12.46	899.76	1.26%	11.29%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	3,725,877.1	3,696,562.0	0.8%
	Mn USD	43,854.5	43,509.4	
Turnover	Mn BDT	42,394.4	41,442.2	2.3%
	Mn USD	499.0	487.8	
Average Daily Turnover	Mn BDT	10,598.6	8,288.4	27.9%
	Mn USD	124.7	97.6	
Volume	Mn Shares	1,220.3	1,389.5	-12.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Express Insurance Limited	28.60	10.00	186.0%	1,864.6	584.27	42.5x	1.9x
Miracle Ind.	29	18.70	54.0%	1,014.3	243.40	NM	0.8x
ANwar Galvanizing Ltd.	117.80	77.70	51.6%	1,710.5	248.48	83.8x	14.6x
BD Finance	16.20	10.80	50.0%	2,714.0	453.52	115.7x	1.1x
GQ Ball Pen	229.60	160.90	42.7%	2,049.9	187.25	NM	1.7x
Zeal Bangla Sugar Mills	209.10	150.50	38.9%	1,254.6	32.54	NM	NM
Information Services Network Ltd.	51.40	38.90	32.1%	583.7	178.60	117.2x	4.2x
Dulamia Cotton	95.50	72.50	31.7%	721.7	19.30	NM	NM
Savar Refractories	313.50	238.20	31.6%	436.6	10.17	NM	49.9x
Jute Spinners	134.20	103.50	29.7%	228.1	2.59	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Progressive Life Ins	121.50	141.70	-14.3%	1,750.8	73.20	NM	12.2x
R.N. Spinning Mills Limited	3.80	4.30	-11.6%	1,491.7	14.64	NM	0.3x
Beacon Pharmaceuticals Limited	78.40	88.40	-11.3%	18,110.4	281.89	157.6x	6.2x
Islami Insurance	24.00	27.00	-11.1%	898.2	17.95	14.8x	1.8x
EXIM Bank 1st Mutual Fund	5.70	6.40	-10.9%	816.6	4.39	NM	0.6x
Bangladesh National Insurance Company Limited	23.60	26.30	-10.3%	1,044.3	15.99	10.0x	1.2x
IFIC Bank	11.50	12.80	-10.2%	18,628.5	507.59	6.4x	0.6x
Pragati Insurance	42.60	47.30	-9.9%	2,794.1	31.44	18.3x	0.9x
Northern Islami Insurance Limited	23.40	25.80	-9.3%	998.2	46.45	15.5x	1.2x
Karnaphuli Insurance	20.80	22.90	-9.2%	933.4	22.19	19.1x	1.4x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Beximco Pharmaceuticals	120.70	111.70	8.1%	48,950.7	4,336.47	14.3x	1.7x
Beximco Limited	27.60	26.20	5.3%	24,186.4	2,302.75	25.6x	0.4x
BRAC Bank	40.00	36.90	8.4%	53,035.1	1,207.79	11.7x	1.2x
Orion Pharma Ltd.	58.60	62.70	-6.5%	13,712.4	1,066.58	18.2x	0.8x
Square Pharmaceuticals	213.30	205.40	3.8%	180,076.2	1,015.00	13.1x	2.7x
Grameenphone Ltd.	322.90	286.10	12.9%	436,011.9	756.64	12.8x	10.3x
Lankabangla Finance	20.80	17.10	21.6%	11,207.8	641.12	21.7x	1.2x
LafargeHolcim Bangladesh Limited	43.50	42.90	1.4%	50,519.7	592.32	28.1x	3.3x
Express Insurance Limited	28.60	10.00	186.0%	1,864.6	584.27	42.5x	1.9x
Delta Brac Housing	92.60	92.60	0.0%	14,273.6	578.24	14.9x	2.2x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Beximco Pharmaceuticals	120.70	73.92%	48,950.7	14.3x
Baraka Power Limited	32.80	44.49%	7,218.0	13.9x
ACI Limited	259.60	43.03%	14,893.9	NM
Bangladesh Steel Re-Rolling Mills Limited	66.40	36.07%	15,674.9	11.9x
MJL Bangladesh Limited	85.20	34.60%	26,987.3	14.7x
The ACME Laboratories Limited	81.30	33.50%	17,203.2	12.1x
Glaxo Smithkline	2,326.00	32.44%	28,020.0	49.2x
Islami Bank	25.00	30.89%	40,249.8	7.3x
LafargeHolcim Bangladesh Limited	43.50	29.46%	50,519.7	28.1x
Active Fine Chemicals Limited	18.60	26.53%	4,462.8	13.4x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1338.47	1320.79	1319.28	1.34%	1.45%
NBFIs	1845.35	1770.07	1565.13	4.25%	17.90%
Mutual Funds	660.96	669.92	591.17	-1.34%	11.80%
General Insurance	2391.31	2431.21	1927.02	-1.64%	24.09%
Life Insurance	1952.84	2052.29	2194.70	-4.85%	-11.02%
Telecommunication	4555.20	4448.37	3993.59	2.40%	14.06%
Pharmaceuticals	3054.57	3036.68	2492.51	0.59%	22.55%
Fuel & Power	1736.43	1713.58	1515.21	1.33%	14.60%
Cement	1388.62	1429.35	1132.29	-2.85%	22.64%
Services & Real Estate	1031.64	1004.48	886.70	2.70%	16.35%
Engineering	2405.37	2372.14	2257.22	1.40%	6.56%
Food & Allied	13472.08	13721.73	12121.49	-1.82%	11.14%
IT	2187.76	2085.41	1823.13	4.91%	20.00%
Textiles	1105.04	1096.13	1042.04	0.81%	6.05%
Paper & Printing	6371.94	6029.81	5233.20	5.67%	21.76%
Tannery	1783.92	1797.17	1826.45	-0.74%	-2.33%
Jute	10347.63	10432.36	11393.28	-0.81%	-9.18%
Ceramics	443.59	444.89	459.10	-0.29%	-3.38%
Miscellaneous	2109.25	2087.63	1745.96	1.04%	20.81%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	851.8	722.4	17.91%	8.98%	7.4x	0.7x
NBFIs	651.8	224.5	190.29%	6.87%	157.4x	2.5x
Mutual Funds	190.3	236.5	-19.54%	2.01%	NM	0.5x
General Insurance	769.9	693.2	11.07%	8.12%	16.7x	1.5x
Life Insurance	86.4	74.6	15.79%	0.91%	NM	8.1x
Telecommunication	277.0	317.4	-12.73%	2.92%	13.1x	9.5x
Pharmaceuticals	2,295.7	1,687.9	36.01%	24.20%	19.5x	2.7x
Fuel & Power	605.2	635.6	-4.77%	6.38%	11.7x	2.0x
Cement	218.7	289.4	-24.41%	2.31%	38.1x	2.6x
Services & Real Estate	73.2	48.0	52.44%	0.77%	94.8x	0.8x
Engineering	877.3	680.6	28.91%	9.25%	17.0x	1.4x
Food & Allied	431.7	391.0	10.43%	4.55%	24.3x	7.7x
IT	293.0	156.3	87.44%	3.09%	19.3x	2.9x
Textiles	602.9	636.9	-5.34%	6.35%	NM	0.8x
Paper & Printing	90.5	34.6	161.56%	0.95%	255.9x	1.3x
Tannery	98.7	75.6	30.54%	1.04%	26.9x	1.9x
Jute	46.7	55.7	-16.08%	0.49%	NM	4.7x
Ceramics	98.7	88.1	11.96%	1.04%	190.6x	1.7x
Miscellaneous	928.2	899.9	3.15%	9.78%	24.8x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
BRAC Bank	40.00	-24.69%	53,035.1	11.7x
Eastern Cables	170.80	-14.26%	4,099.2	NM
Runner Automobiles Limited	52.00	-12.61%	5,904.1	10.3x
Unique Hotel & Resorts Limited	39.60	-9.79%	11,658.2	26.6x
Golden Harvest Agro Industries Ltd.	18.10	-7.65%	3,906.7	13.2x
Delta Brac Housing	92.60	-6.83%	14,273.6	14.9x
Singer Bangladesh	169.50	-6.04%	16,899.6	16.6x
Prime Bank	17.20	-5.49%	19,475.3	11.3x
GPH Ispat Limited	24.60	-5.02%	9,303.6	15.1x
Mutual Trust Bank	24.10	-4.51%	16,104.9	11.9x

Important News: Business & Economy

Remittance keeps rising despite pandemic headwinds

- Migrant workers who toil abroad have once again beat forecasts, sending home 36% higher remittance in August, in a respite for their families as well as the ailing economy amid the coronavirus pandemic. Last month, they remitted USD 1.96 billion against USD 1.44 billion in the same month a year ago, Bangladesh Bank data showed. The inflow of remittance grew 50% year-on-year to USD 4.56 billion in the July-August period.
- This was the third month in a row that remittance inflows have been rising despite falling employment abroad and the return of migrant workers from their host countries, which are also struggling in the face of the pestilence. About 181,000 migrant workers found jobs abroad from January to May. In contrast, at least 78,043 Bangladeshi workers returned home from 26 countries since April because of the crisis, according to statistics published by the expatriate welfare ministry last month.
- Bankers credited the government's 2% cash incentive on the remittance sent through the formal channels as one of the main reasons behind the recent surge. Besides, the expansion of agent banking in suburban areas has encouraged migrant workers to send money through the formal channel as the beneficiaries receive the funds very quickly, deputy managing director of Islami Bank Bangladesh Ltd said. He also found repeated floods behind the spiral in inflows. There was a restriction on sending money above a certain amount in the Middle East, particularly in Saudi Arabia. That restriction has been relaxed, he said.

<https://www.thedailystar.net/business/news/remittance-keeps-rising-despite-pandemic-headwinds-1954477>
<https://tbsnews.net/economy/remittance-shows-no-sign-slowing-down-127111>
<https://www.dhakatribune.com/business/economy/2020/09/01/remittances-post-36-growth-in-august>

Forex reserves cross USD 39 billion for the first time

- Foreign exchange reserves have crossed USD 39 billion for the first time, an official of Bangladesh Bank says, reports bdnews24.com. The reserves recorded at USD 39.4 billion on Tuesday are equivalent to about 10 months of import payments with USD 4 billion a month. An increase in inward remittances and exports topped with USD 300 million from the Japan International Cooperation Agency boosted the reserves to a new high, said the general manager of Forex Reserve and Treasury Management Department at Bangladesh Bank.
- The coronavirus pandemic has left inward remittances largely unscathed. Expatriates remitted USD 1.72 billion in 27 days of August, according to the central bank, compared to USD 1.4 billion in the full month of August a year earlier. The total remittance in July was USD 2.6 billion, a monthly record. Bangladesh's exports rose 0.59% year-on-year to USD 3.91 billion in July. The amount was 13.4% higher than the target. Through this, Bangladesh's exports reversed a decline of seven months.
- Exports in the first month of the current fiscal year-July-was more than in any other month of the last fiscal year. More than 10 million expatriates working across the globe remit funds home to Bangladesh playing a major role in the economy. Remittances account for 12% of the country's gross domestic product.

<https://today.thefinancialexpress.com.bd/last-page/forex-reserves-cross-39b-for-first-time-1598979189>
<https://www.newagebd.net/article/115080/reserve-hits-39b-as-remittance-posts-36pc-growth-in-aug>

August sees rise in food inflation

- The point-to-point inflation rate went up marginally to 5.68% in August from 5.53% in the previous month, according to official data released on Tuesday. The inflation rate was 5.49% in the same month last year. The latest Bangladesh Bureau of Statistic (BBS) data, however, showed that the point-to-point food inflation increased to 6.08% last month, up by 0.38% points from 5.70% in July. In contrast, the non-food inflation fell to 5.05% during the month under review from 5.28% in the previous month.
- The BBS also unveiled the rural and urban inflation data for the month of August, showing the consumer price indexes (CPI) ticking higher. In rural Bangladesh, the inflation rate in August soared to 5.60% from 5.43% in July. The wage rate index (WRI) on point-to-point basis in August accelerated to 5.91% from 5.82% in July.

<https://today.thefinancialexpress.com.bd/last-page/august-sees-rise-in-food-inflation-1598979283>
<https://www.newagebd.net/article/115085/inflation-rises-to-568pc-in-august>
<https://www.thedailystar.net/business/news/inflation-ticks-august-1954489>
<https://tbsnews.net/economy/food-price-pushes-inflation-568-august-127069>
<https://www.dhakatribune.com/business/2020/09/01/inflation-hits-5-68-in-august>

Trade deficit narrows to USD 86 million as exports rebound

- The country's trade deficit narrowed by 91.89% or USD 975 million in July, the first month of the current fiscal year 2020-2021, as exports soared and imports dropped amid stagnation in local investment. On the other hand, the country's exports have already gained some momentum in July after three months of stagnation due to the coronavirus outbreak and the subsequent imposition of the countrywide shutdown for around two months. As a result, the country's current account balance posted a USD 1.97-billion surplus in July of FY21 against USD 108 million in deficit in the same month last year.
- Elaborating on the state of the country's economy in the context of balance of payments in July, Policy Research Institute executive director said that it was not a positive indication but rather indicated that the country's domestic economic activities remained sluggish. The export situation has been recovering and would regain its pre-pandemic position by the end of this year, he said, adding that the domestic sector, including the import situation, still remained dismal. The stimulus package has helped the country's export sector and that is why exports have recovered but the package designed for the small and medium entrepreneurs was not picking up pace, he said.
- In FY20, the country's trade deficit widened by 12.79% year-on-year due mainly to a plunge in export earnings during the countrywide shutdown amid the coronavirus pandemic. Both exports and imports were hit severely after the outbreak of the coronavirus in the country. Export earnings recovered in the last couple of months but import earnings remained stagnant during the period.

<https://www.newagebd.net/article/115079/trade-deficit-narrows-to-86m-as-exports-rebound>

RMG exports again in positive territory

- The country's ready-made garment (RMG) exports in August witnessed a robust 44.63% growth year-on-year. The positive development came after seven months of consecutive negative growth since January 2020. The industry people, however, are not in an upbeat mood as the most shipments, according to them, comprise orders that were put on hold or cancelled in the previous months following the outbreak of the Covid-19 pandemic. RMG exports last recorded a positive growth of 1.26% in December 2019, according to data.
- The garment export earnings in August stood at USD 3.24 billion, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) data. The BGMEA prepared the data from the National Board of Revenue (NBR) statistics on August 30. Bangladesh fetched USD 2.23 billion in August 2019. A former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the good thing is that the growth has returned to positive territory.
- Despite nearly one-week holiday due to the Eid-ul-Azha in August, goods amounting to over USD 3.0 billion were shipped in other days of the month, he added. Another former leader of the BGMEA, said that majority of the shipments, made in August, were previously withheld or cancelled orders. About new orders, he said that they are now receiving 15-20% lower orders compared to last year.

<https://today.thefinancialexpress.com.bd/first-page/rmg-exports-again-in-positive-territory-1598892290>

<https://www.newagebd.net/article/114990/rmg-export-posts-45pc-growth>

Government measures behind surge in remittance: Finance Minister

- Finance Minister yesterday gave credits to the government's 2% cash incentive for the recent surge in remittance. Migrant workers sent home USD 1.96 billion in August, up 36% year-on-year. They remitted USD 2.6 billion in July, a record for a single month. He also said that he ran a study on the remittance flow when he was the planning minister, from 2014 to 2018. They found that 51% remittance enters the country through legal channels, while the rest 49% via informal channels.
- This prompted the government to introduce a 2% incentive on remittance in the last fiscal year. The government has also removed complexities beneficiaries had faced while receiving the money. The flow of remittance is increasing because of proactive measures from the government, he said. According to experts and bankers, migrant workers sent more money in recent months as the pandemic has wiped out the livelihoods of their relatives back home. The recent floods also prompted them to remit more.
- The surge in remittance flow came despite gloomy forecasts from multilateral organizations owing to the coronavirus pandemic. Remittance hit an all-time high of USD 18.2 billion in the fiscal year 2019-20, up 10.87% year-on-year. In the worst-case scenario, Bangladesh's remittance will decline by 27.8% from its 2018 level. In 2018, Bangladesh received USD 15.5 billion in remittance. The rising flow of remittance took the country's foreign currency reserves to an all-time high of USD 38.48 billion on August 26, Bangladesh Bank data showed.

<https://www.thedailystar.net/business/news/govt-measures-behind-surge-remittance-kamal-1955137>

Agent banking holds promise for faster economic recovery

- Agent banking has gained momentum amid the ongoing recession. If it is harnessed well, this digital banking channel -- thanks to its reach to the remotest parts where banks have not yet set their foot in -- can turn into an important cog in the wheels of the economic locomotive that would pull the country out of the ongoing crisis. Agent banking, which has been in operation since 2016, could help lenders give out loans and mobilize deposits in tandem in the days ahead.
- The number of accounts created through agent banking, which is being operated by 23 banks, stood at 7.4 million as of June. This is a 115% rise year-on-year and 13.25% from that three months ago, according to data from the central bank. Deposits soared 93.40% year-on-year to BDT 102.20 billion at the end of June while loan disbursement grew 203% to BDT 720 crore. Bank Asia, which has been a pioneer in popularizing the model, is thinking about extending its agent banking operations by increasing its lending operation through the banking window.
- For lending, agents enjoy a commission of 1% of the sum; for bringing in deposits, they get 2% of the sum; and for remittance, they get BDT 50 per payment. Agent banking has helped underprivileged people get banking services smoothly, said the general manager of the financial inclusion department of the central bank.

<https://www.thedailystar.net/business/news/agent-banking-holds-promise-faster-economic-recovery-1955149>

Banks asked to be strict to prevent loan diversion

- The Bangladesh Bank has made it clear that borrowers will not be allowed to use fresh loans to repay or adjust their previous debts, and instructed banks to monitor this properly through their internal audits. The central bank had issued a circular in June 2018, asking banks to take action to prevent fund diversion and ensure that the borrower utilizes the previous loan instalment properly before disbursing the next instalment of a loan.
- After the reopening of economic activities, businesses have started taking loans under various stimulus packages to recover their losses caused by the novel coronavirus pandemic. This has contributed to the private sector's credit growth and, in July, the growth increased to 9.20% year-on-year from 8.61% in June.

<https://tbsnews.net/economy/banking/banks-asked-be-strict-prevent-loan-diversion-127450>
<https://www.newagebd.net/article/115177/prevent-use-of-new-loans-for-repayment-of-previous-ones>

<https://www.thedailystar.net/business/news/banks-asked-not-give-fresh-credit-adjust-previous-loans-1955133>

Government to buy LNG from spot market for the first time

- The government has decided to buy liquified natural gas (LNG) from the spot market for the first time -- a move that would help the country purchase the super-chilled fuel at a cheaper rate, officials said yesterday. Bangladesh would buy 34,90,200 MMBTu (million British thermal units) of LNG from Vitol Asia Pte of Singapore at USD 3.8321 per MMBTu, said an official of the cabinet division. The total cost would stand at about BDT 132.93 crore. Purchasing from the spot market would help save Bangladesh BDT 30 crore, said an

additional secretary of the cabinet division.

<https://www.thedailystar.net/business/news/govt-buy-1ng-spot-market-the-first-time-1955145>

2 more banks get agent banking license

• Two more banks, Prime Bank and NRB Global Bank, have received agent banking licenses from the central bank in the April-June quarter amid moves by the banks to mobilize funds at lower cost and to expand their wings at minimal expenses. With the two new agent banks, the total number of banks with agent banking licenses has risen to 28 at the end of June this year from 26 at the end of March this year. Out of the 28 agent banking licensees, 23 banks are running agent banking services.

• Deposit mobilization by the banks through their agent banking operations has increased to BDT 102.20 billion as of June this year, up by 19.74% from BDT 85.35 billion three months ago, according to the Bangladesh Bank's quarterly report on agent banking. Even in the midst of the pandemic, opening of agent banking accounts in rural areas rose by 14.23% to 63,77,457 in June this year from 55,82,788 in April. The number of agents of the banks went up by 6.1% to 8,764 at the end of June this year from 8,260 three months ago.

<https://www.newagebd.net/article/115082/2-more-banks-get-agent-banking-licence>
<https://www.dhakatribune.com/business/banks/2020/09/01/agent-banking-still-focused-on-deposit-collection>

Bangladesh Investment Development Authority (Bida) channels in USD 11 billion foreign investment in four years

• Foreign investments worth USD 11 billion came through the Bangladesh Investment Development Authority (Bida) in four years until last March, according to Bida Executive Chairman. Bangladesh scored 168 out of 190 in the World Bank's 2020 Ease of Doing Business report after notching up eight steps. Despite the improvement, the country still remains just ahead of war-torn Afghanistan in South Asia. Higher ranking (a low numerical value) indicates a better business environment.

• The Bida executive chairman said Japan and the USA are withdrawing investments from China owing to the Covid-19 pandemic. The world still depends on China for raw material supplies. The investments are shifting away due to the coronavirus pandemic as questions have been raised over excessive dependence on a single country. Both Bida and Bangladesh Economic Zones Authority (BEZA) are working to attract shifting Japanese investments to Bangladesh from China. Bangladesh had interacted with Japanese investors through the Japanese Embassy in Dhaka, Japan International Cooperation Agency (JICA) and Japan External Trade Organization (JETRO).

<https://tbsnews.net/economy/bida-channels-11b-foreign-investment-four-yrs-127006>

Banks skimp on loans when retail needs boost

• While governments across the world are focusing on stimulating consumption to speed up economic recovery from pandemic shocks by producing financial packages, banks in Bangladesh are walking a different path by skimping on retail loan disbursement. Two factors – lending rate cap and erosion of the economic capacity of customers – have driven banks away from the retail business, said industry insiders. The disbursement of retail

loans, which consist of consumer and personal loans, dropped by more than 90% in the April-June quarter from that of the previous quarter of the current year, according to banks.

• Industry insiders said retail loan disbursement in the banking sector remained sluggish in July and August as well. However, according to the latest July data, private sector credit growth rebounded to 9.20%, backed by the implementation of the Covid-19 stimulus packages. Sources in banks say the implementation of the lending rate cap has forced the banks to be more careful in disbursing retail loans.

<https://tbsnews.net/economy/banking/banks-skimp-loans-when-retail-needs-boost-126577>

Central bank eases conditions for small loans under stimulus

• The central bank of the country, the Bangladesh Bank, has relaxed its rules for banks and non-bank financial institutions (NBFIs) to issue loans to cottage, micro, small, and medium-sized enterprises from the government-announced BDT 200.00 billion stimulus package. Even though the central bank formed a BDT 100.00 billion refinance scheme to support the banks and NBFIs with liquidity, the disbursement of loans from the package remained low. So, this prompted the central bank to extend the loan disbursement deadline by two months to October.

• As per the new circular, banks and NBFIs were allowed to disburse 80% of their overall loans to the manufacturing and service sub-sectors. Earlier, the banks and NBFIs were allowed to disburse 50% and 30% of their total loans to the manufacturing and service sub-sectors, respectively. None of the manufacturing or service sector entities would be entitled to get loans exceeding 50% of their outstanding working capital loans as on December 31, 2019. The same loan ratio would be applicable for the new borrowers as well, it said, adding that the borrowers would get 50% of their entitled working capital loans as stimulus loans.

<https://tbsnews.net/economy/banking/central-bank-eases-conditions-small-loans-under-stimulus-126520>
<https://www.newagebd.net/article/114994/bangladesh-bank-eases-cmsme-loan-rules-for-manufacturing-service-sub-sectors>
<https://www.dhakatribune.com/business/banks/2020/08/31/bb-eases-rules-to-expedite-lending-for-manufacturing-service-sub-sectors>

Banks cannot raise interest after approving loan: Bangladesh Bank

• Banks cannot charge more than 9% interest on any loan under the single-digit interest rate guideline effective from April 1. Earlier a Bangladesh Bank instruction – issued in May 2018 – said banks could raise interest rate after approving a loan, following certain conditions. The instruction created confusion. However, on Monday the Bangladesh Bank issued a circular stating to scrap the instruction that allowed the banks to raise the interest rate. Now the banks will have to lend at a maximum 9% interest and the rate cannot be raised within the loan tenure, a Bangladesh Bank official told The Business Standard.

<https://tbsnews.net/economy/banking/banks-cannot-raise-interest-after-approving-loan-bb-126595>

Elderly, disabled and widows to get safety net allowances through MFS

• The government plans to disburse social safety net allowances among elderly, disabled and widows through mobile financial services -- a move that can help the country reach the targeted beneficiaries, ensure value for money and prevent misuse. Under the move, it would initiate a pilot involving 13,845 beneficiaries. Last week, it wrote to four top mobile financial service carriers to run the piloting in eight union parishads in eight divisions. Of the total, Nagad, a financial arm of the postal department, will run the piloting by disbursing safety net allocations among 4,114 beneficiaries -- the highest. bKash, the market leader, will disburse funds among 3,695 beneficiaries. SureCash will run the piloting among 3,331 beneficiaries and Rocket, a venture of Dutch-Bangla Bank, will disburse allowances among 2,705 beneficiaries.

• In April, the government allocated BDT 12.50 billion for the 5 million poor families whose breadwinners were rendered unemployed because of the coronavirus pandemic and most of them were disbursed through the four MFS carriers. The government distributed cash support among 3.5 million beneficiaries rendered poor. Nagad distributed BDT 3.25 billion among 1.3 million beneficiaries, while bKash channeled about BDT 2.34 billion among 0.93 million beneficiaries. Rocket disbursed BDT 1.8 billion among 0.71 million recipients and SureCash BDT 1.21 billion among 0.48 million beneficiaries, according to a finance ministry report.

<https://www.thedailystar.net/business/news/elderly-disabled-and-widows-get-safety-net-allowances-through-mfs-1953865>

Cars 'made in Bangladesh' on the way

• Bangladesh is on its way to marking an epoch in history by manufacturing its own brand of automobiles with assistance from Japan. State-run Pragati Industries is set to accomplish the feat in close cooperation with Japanese automotive giant Mitsubishi Corporation. The government aims to kick off plans by finalising within a short time a 2020 Automobile Industry Development Policy, the draft of which has already been shared with stakeholders seeking their opinion.

• Currently, Pragati assembles cars designed by Mitsubishi Motors, while PHP Motors, a sister concern of the PHP Family based in Chattogram, manufactures cars made by Malaysia's PROTON. Besides, Indian automotive giants Tata Motors and Mahindra & Mahindra recently showed interest in setting up similar partnerships with local manufacturers to grab a bigger slice of the growing Bangladesh automobile pie.

• At present, about 63 vehicles are sold each day. In 2012, when the market had just started taking off, the daily figure was 29, according to the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida). In 2019, car sales amounted to BDT 50 billion, which was more or less the same as in the previous year. Bangladesh's thriving automobile sector has grown 8% on average every year since 2012, said various industry insiders.

<https://www.thedailystar.net/business/news/cars-made-bangladesh-the-way-1953853>

USD 6.0 billion ADB pledge for next three years

• The Asian Development Bank (ADB) has pledged nearly USD 6.0-billion assistance to Bangladesh in the next three years from fiscal year (FY) 2021 to FY 2023. Besides, the

Manila-based lender has kept aside another USD 5.2 billion standby project aid for the country for disbursement during the period. ADB country director said that, given the coronavirus pandemic, they're enhancing their partnership with Bangladesh adjusting programme priorities to help it overcome immediate challenges related to health and social protection, accelerate economic recovery and maintain inclusive growth.

<https://today.thefinancialexpress.com.bd/public/last-page/60b-adb-pledge-for-next-three-years-1598549460>

Bangladesh Bank eases credit rules for exporters

• The Bangladesh Bank has relaxed rules on securing funds from pre-shipment credit schemes and the Export Development Fund so that exporters can avail soft loans to expedite shipments and make their international business more competitive. The central bank issued two circulars in this regard yesterday. In the case of pre-shipment credit disbursements, lenders can now claim the amount from the BB within a week of disbursing the fund to its clients. Commercial banks have made disbursements from a pre-shipment credit fund of BDT 50 billion, which was allotted by the government in April this year to help businesses survive the Covid-19 fallout. Previously, lenders could only claim the disbursed amount after exporters delivered their shipments of goods as per the participation agreement with the BB.

• Now, exporters can avail sizeable loans from the credit scheme against their letters of credit (LCs). For instance, if the exporter avails an 80% back-to-back loan, he can avail a further 15% loan from the pre-shipment credit scheme with only a 6% interest rate. But if the exporter had received a 70% back-to-back loan, then he or she will be able to avail a 15% loan from the pre-shipment credit scheme while the remainder would come out of his own pocket.

• The central bank also extended the allotted time to receive payments from international buyers so that they do not incur any overdue costs for up to 720 days under the Export Development Fund. The existing timeframe is 300 days. This move will also encourage the exporters as they will get more time to pay their suppliers for raw materials, Hatem said.

<https://www.thedailystar.net/business/news/bb-eases-credit-rules-exporters-1952153>

Bangladesh still among top sourcing destinations

• Bangladesh remains one of the top sourcing destinations after China for international clothing retailers and brands even during the coronavirus pandemic because of its competitive prices, according to a new report by leading supply chain compliance solutions provider QIMA. After Vietnam, India and Bangladesh, alternative sourcing options of choice are still largely countries in Asia, including Taiwan, which enjoyed overwhelming preference as a sourcing market among US-based respondents.

• The US brands are by far most likely to diversify sourcing, with 95% of US-based respondents reporting plans to the effect, likely due to the pandemic and worsening geopolitical tensions between Washington and Beijing. On the other hand, European buyers are not as ready to walk away from China, with only about half of the EU-based respondents reporting plans to seek suppliers elsewhere.

<https://www.thedailystar.net/business/news/bangladesh-still-among-top-sourcing->

[destinations-1953273](#)

Australian biotech firm to set active pharmaceutical ingredient (API) plant at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) for USD 30 million

• Australian biotechnology company HA TECH will invest up to USD 80 million, or roughly BDT 7 billion, to establish a large-scale active pharmaceutical ingredient (API) manufacturing facility in Bangladesh that could help the country meet its growing demand. Initially, the Sydney-based company, which produces APIs mainly for cardiovascular, diabetic, ulcer and oncology applications, will invest USD 30 million to develop the facility. But within the next five years, the total investment could reach USD 80 million if the company wants to increase the product range.

• There are about 10 local companies, including Eskayef, Square, Beacon and Beximco, that produce API materials on a limited scale, according to the secretary general of Bangladesh Association of Pharmaceutical Industries (BAPI), a collective of about 250 local drug makers. Local production can at best meet 5 or 6% of the annual demand from the pharmaceutical sector, which has only grown in stature with the onset of the coronavirus pandemic, according to the director for global business development at Beacon Pharmaceuticals. Subsequently, Bangladesh spends about USD 1.3 billion each year to import APIs from the US, Taiwan, Italy, Germany, Spain, Switzerland, France and the UK.

<https://www.thedailystar.net/business/news/australian-biotech-firm-set-api-plant-bsmsn-30m-1953261>

Foreign funding for NGOs drops sharply

• Foreign donors' commitment to NGOs operating in Bangladesh for providing them with funds through a government regulatory body has declined sharply in the last fiscal year (FY) 2019-2020 mainly due to the Covid-19 pandemic. According to the data available with the NGO Affairs Bureau (NGOAB), the commitment for the grants decreased by almost 17% to BDT 75.59 billion in the FY 2019-2020 from BDT 91.18 billion in the previous fiscal (2018-19). The pandemic also caused a slight decrease in the amount of released funds during the same period, the NGOAB data also revealed.

• BDT 78.50 billion was released in the last fiscal, around one% decrease from BDT 79.29 billion in the FY 2018-19. The inflow of grants donated by the foreign entities, except for United Nations (UN) organisations, needs to be approved by the NGOAB. The influx of Rohingya people from Myanmar to Bangladesh at the end of August 2017 created the avenue for rising volumes of foreign grants, which curved down in the last fiscal due to outbreak of Covid-19, an official at NGOAB said.

<https://today.thefinancialexpress.com.bd/public/last-page/foreign-funding-for-ngos-drops-sharply-1598635968>

Government permits clinical trial of Chinese vaccine

• The government has permitted in principle doing the clinical trial of Sinovac's COVID-19 vaccine through the International Centre for Diarrhoeal Disease Research, Bangladesh (icddr,b). The application of the Chinese company through ICDDR,B for vaccine trial has been approved after analysing its efficacy, Health Minister said. China has kept Bangladesh on top of the choice list. If Bangladesh takes part in the trial, it will get 0.1 million doses of

vaccine free of cost. The country will get priority in the procurement of other vaccines too. The company has informed that it will initially conduct vaccine trials on 4,200 health workers of seven COVID-19 dedicated hospitals in Bangladesh.

<https://today.thefinancialexpress.com.bd/first-page/govt-permits-clinical-trial-of-chinese-vaccine-1598549033>

Important News: Capital Market

Beximco cuts deal to be lone distributor of Indian Covid vaccine

• Beximco Pharmaceuticals Ltd has announced that it will invest with Serum Institute of India (SII) for the development of a Covid-19 vaccine. Beximco Pharmaceuticals – the fastest-growing manufacturer of generic pharmaceutical products and active pharmaceutical ingredients in Bangladesh – will be the exclusive distributor of SII for this vaccine in Bangladesh. The investment amount will be treated as an advance, and once the vaccine receives regulatory approvals, Serum Institute – the world's largest manufacturer of vaccines by volume – will include Bangladesh among the countries that will be the first to receive an agreed quantity of this vaccine from SII on a priority basis, says a press release.

• Beximco's investment amount and Serum Institute's priority supply commitment will be determined in consideration of Serum Institute's production capacity and earlier commitments to other countries. A decision regarding the amount of investment will be made once Serum Institute produces the vaccine, officials of Beximco Pharmaceuticals said.

• If Beximco is ready to supply it in advance, it will be an advantage for Bangladesh. The government will be able to bargain with Beximco here. Bangladesh may be able to buy the vaccine at the rate set by the Indian government, the principal scientific officer at the Institute of Epidemiology Disease Control and Research (IEDCR) argued.

<https://tbsnews.net/coronavirus-chronicle/beximco-invest-indias-serum-institute-produce-covid-19-vaccine-125467>

City Bank betting big on digital money

• Bangladesh's hopes of becoming a cashless society got further momentum today thanks to City Bank, a major point-of-sales terminal provider, which announced the rollout of an interoperable QR-based payment solution – a first for the country. Last year, the central bank came up with Bangla QR, an interoperable QR payment system. So far, only Mutual Trust Bank's Mastercard holders and Eastern Bank's Visa cardholders could pay at retail points that displayed the Bangla QR. City Bank's move is a gamechanger in that it allows Visa, Mastercard, American Express and UnionPay cardholders of any bank to pay with its QR code. Not just this, foreign cardholders of the four providers would also be able to pay with the City QR code. City Bank has 30,000 POS terminals around the country out of a total of 65,000, according to the lender.

• City's interoperable QR code payment system has two-pronged benefits: customers will not need to scan separate QR codes of different payment networks, while the merchants will only need to display one QR code at the storefront. City's latest move comes as part of

the lender's push towards digital money and also to consolidate its position as the market leader in the card payment segment. Last week, it announced the roll out of UnionPay debit cards, joining a growing list of lenders in Bangladesh offering cards of the world's biggest card issuer. UnionPay cards are accepted at more than 28 million merchants and upwards of 1.7 million ATMs across 179 countries. As of now, the bank has issued 1.3 million cards.

<https://tbsnews.net/economy/banking/city-bank-betting-big-digital-money-127555>
<https://www.newagebd.net/article/115164/city-bank-launches-countrys-1st-global-all-network-qr-for-cards-payment>

Walton exports compressor to Iraq

• Bangladesh based electronics giant Walton started exporting its produced compressor to Iraq. To this end, the electronic products manufacturer signed an agreement with Ashraqat Alnarjes General Company, a renowned electronics retailer in Iraq, and made it the distributor of the Walton product there, said a media release. Already, Walton has sent the first consignment of the compressor to Iraq. After a successful penetration in Iraq market, Walton will ensure its footprint in the neighboring countries in the Middle East region," managing director of Ashraqat Alnarjes General Company said.

<https://www.dhakatribune.com/business/2020/09/02/walton-exports-compressor-to-iraq>

Prime Bank to get on agent banking bandwagon this year

• Prime Bank plans to step into the agent banking arena this year as part of its push to widen footprint and cut reliance on branches, said its top executive. Prime Bank has not opened any new branches in the last four years and has no plans to open any in the future either.

• Bank Asia has been a pioneer in popularizing the model, followed by Dutch-Bangla Bank. Agent banking has allowed banks to expand businesses and accelerate financial inclusion using agents as intermediaries, according to the central bank. It has now gone beyond the basic banking services such as cash deposits, cash withdrawal, and receipt of remittances. Rather, banks have started giving out small loans through these outlets.

• Deposits soared 129% year-on-year to BDT 85.35 billion at the end of March, the latest for which data is available. Loan disbursement grew 306% to BDT 8.53 billion. There are outlets 11,875 under 8,260 agents in the country.

<https://www.thedailystar.net/business/news/prime-bank-get-agent-banking-bandwagon-year-1953269>

Robi beats pandemic blues as its profit takes a leap in second quarter

• The second quarter of 2020 will possibly go down in Robi's annals as one of its pluckiest. The global coronavirus pandemic was at its ferocious worst then, so it was a given that businesses in all shapes and sizes would take a battering. But Robi seems to have logged in solid numbers during the three months. A year earlier, the operator was in the losses. Now, it is not only in the black, but its profits trebled from the previous quarter. The country's second-largest mobile phone operator cited the results as a mixture of cost optimisation drives and lower customer acquisition for the pandemic. Another reason is the higher data consumption, which grew 18.9% from the previous quarter and 23.7% from a year earlier. Of its 48 million active subscribers, 32 million are internet users. The operator

is not happy though, saying that the pandemic-induced drastic data price reductions resulting in data revenue de-growth of 1.5% compared with the previous quarter.

• In a statement, it said its net profit was "heavily impacted by the discriminatory 2% minimum turnover tax". The harsh impact of the pandemic on the business was further exacerbated due to the increase of supplementary duty by 5% on all SIM services introduced in the budget for fiscal 2020-21 unveiled on 11 June.

<https://www.thedailystar.net/business/news/robi-beats-pandemic-blues-its-profit-takes-leap-second-quarter-1952217>

UCB plans to launch new MFS company by Dec

• The United Commercial Bank Limited's (UCB) MFS wallets - U-Cash and U-pay - are going to be replaced with a new brand under an independent company by this year-end, its project head said. The proposed fintech-based MFS service has a target to provide banking services on mobile phone for the customers, he added. Programme Director of the UCB's MFS project informed that they already applied to the central bank for operating pendent MFS company, instead of operating as a wing of the UCB, by launching new services and products.

• The project head also added that they would enter the market by this December as a fully independent company, where the customers will get some innovative new products along with the traditional ones. He also said the new brand of their mobile banking wallet would be named soon, and then U-cash and U-pay would be shut. According to the BB, the daily transactions through MFSs in this June were worth BDT 44.831 billion.

<https://today.thefinancialexpress.com.bd/public/trade-market/ucb-plans-to-launch-new-mfs-co-by-dec-1598711195>

Embargo on Ring Shine Textiles' IPO fund use lifted

• The securities regulator has withdrawn an embargo on the use of the initial public offering (IPO) fund of Ring Shine Textiles. As a result, the company will be able to use the IPO fund from now. It is mainly engaged in manufacturing and marketing gray and finished fleece fabrics of various qualities and dyed yarn to garments industry in Bangladesh and international market.

• BSEC had earlier requested the Bangladesh Bank to freeze the IPO account of the company on charges of irregular cash disbursements. The firm raised BDT150 crore from the country's stock market by issuing the IPO in October 2019. As of July 2020, it has repaid loans of BDT 500 million. The company repaid a loan of BDT 220 million to Premier Bank instead of the Dhaka branch of Woori Bank Ltd. After that, Woori Bank requested the regulator to intervene and ensure the recovery of its loan. But Ring Shine claimed that the repayment of the Premier Bank's loan, instead of that of Woori Bank, was discussed and approved in its annual general meeting.

<https://tbsnews.net/economy/stock/embargo-ring-shine-textiles-ipo-fund-use-lifted-127567>

12 'Z' category cos upgraded

• Twelve 'Z' category companies were upgraded from Wednesday after redefinition of 'Z' category stocks as the securities regulator took major steps to bring the underperforming

companies back to the track. AB Bank, Renwick Jaineswar, Prime Insurance, Libra Infusions and Heidelberg Cement were placed in 'A' category from 'Z' category. Bangladesh Thai Aluminum, Salvo Chemicals, Safko Spinning, Appollo Ispat, Zahintex Industries, Khan Brothers PP Woven and Fu-Wang Ceramic placed in 'B' category from 'Z' category.

- The BSEC also reduced the time for trading settlements for the companies in the 'Z' category to T+3 days instead of T+9 days, also effective from Wednesday. The stock brokers and merchant bankers are requested to abstain from providing loan facilities to purchase securities of these companies in between 1st to 30th trading day after change of categorization, with effect from Wednesday as the BSEC directive, according to a disclosure posted on the Dhaka Stock Exchange website on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/12-z-category-cos-upgraded-1599061663>

Bangladesh Securities and Exchange Commission (BSEC) for taking actions against rumor-mongers under Digital Security Act

- Bangladesh Securities and Exchange Commission (BSEC) has directed all concerned to refrain from spreading any prediction or price forecasting or undisclosed information in any forms including social media, otherwise the BSEC will take legal actions as per securities laws as well as digital security act-2018. The securities regulator also issued a directive on Wednesday to all persons/entities concerned that are directly or indirectly related to or associate with the securities market, refrained from using name of BSEC, DSE or CSE and their logo with the profile or page of individual or group of any forms including social media.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-taking-actions-against-rumour-mongers-under-digital-security-act-1599061607>

Genex Infosys to provide IPTV and online streaming platform

- Genex Infosys Ltd, a listed company, has approved a strategic business agreement with RedDot Digital Ltd to launch a service called "Binge". The RedDot Digital, a subsidiary of Robi Axiata is the country's second-largest mobile operator, according to an official disclosure on Tuesday. Binge is Bangladesh's first Google-certified online video-streaming service along with an android device that offers endless entertainment which has developed by Genex Infosys.

- Under the strategic business agreement, the company will provide combining Internet Protocol Television (IPTV) and online streaming platform for customers to purchase service for their digital entertainment. Bangladesh Telecommunication Regulatory Commission (BTRC) issued the IPTV license to operate such service to Genex Infosys, said the disclosure. This IPTV and its related strategic services segment is expected to generate up to BDT 50 million revenues per year, according to the disclosure.

- Customers will have to download the Binge mobile app from Google Play Store to enjoy the service on smartphones. An official of the company said a viewer can watch any type of content through Binge. There is something for everyone: thriller, drama, comedy, romance, action and what not, he added.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-iptv-and-online-streaming-platform-1598972041>

BSEC expedites settlement time for 'Z' category companies

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday ordered trading settlements for companies in the junk stocks, or "Z" category, to be T+3 from Wednesday instead of T+9 at the country's bourses. The country's prime bourse, Dhaka Stock Exchange, now trades 53 junk stocks. The securities regulator also ordered that the shares of a company will be traded under "Z" category if it fails to distribute cash dividend or hold AGM in two years. A company will be transferred to the "Z" category if its production remains closed for six months or more. The BSEC also said that a company having net operating loss or negative cash flow from operations for two consecutive years would also be transferred into the "Z" category. A listed company will also be transferred into the said category if its negative retained earnings crosses its paid-up capital.

- As per BSEC's new order, sponsors and directors holding shares of "Z" category companies will not be able to sell, transfer, hand over and/or pledge them. The companies, which have been in the "Z" category for two years, will have to reform their existing board of directors within the next 45 working days. If they fail to do so, those sponsors and directors will not remain as directors in those companies or in any other listed companies and capital market intermediaries. The stock market regulator will appoint special auditors and observers to ensure compliance and good governance. After the reformed board is put in place, if they too fail to improve the business within four consecutive years, then the stock exchanges will delist the companies.

<https://www.dhakatribune.com/business/stock/2020/09/01/bsec-expedites-settlement-time-for-z-category-companies>

Bank Asia to establish neobank

- Bank Asia is set to form a neobank, a completely new concept for Bangladesh, within December, in a move that can change the face of banking in the country broadening the financial inclusion. According to a recent Dhaka Stock Exchange disclosure, the customers of the platform will settle all transactions by way of using apps and online modules to be installed by Bank Asia, a leading PCB in the country. A neobank is a kind of digital banking operation where no branch is required as the service would totally be delivered online.

- Neobanks can be called fintech firms that provide digital and mobile-first financial solutions payments and money transfers, lending and different other banking services. Under the neobank platform, accounts will not have any attachment to the branch. Bank Asia will hold 51% shares of the company and the rest will be controlled by the foreign companies. Small lending like retail and microcredit ones will be given out without any bureaucratic complexity when the platform will get a tempo.

<https://today.thefinancialexpress.com.bd/stock-corporate/bank-asia-to-establish-neobank-1598886284>

DSE finds flaws in EGeneration's IPO prospectus

- A Dhaka Stock Exchange panel has detected a number of irregularities and non-compliance with securities rules in the prospectus of initial public offering of EGeneration Limited. Earlier on January 31 last year, the DSE sent 'no recommendation' about the IPO proposal of the company to market regulator Bangladesh Securities and Exchange Commission. EGeneration, however, resubmitted its IPO proposal on October 2 last year. The DSE IPO panel detected the irregularities and non-compliance in the resubmitted

prospectus, DSE officials said. EGeneration offered only BDT 150 million to be raised through the IPO. It has raised its paid-up capital by BDT 595.8 million in between April 2, 2017 and June 26, 2018 through issuing placement shares.

<https://www.newagebd.net/article/114992/dse-finds-flaws-in-egenerations-ipo-prospectus>

Single-day cash deposit to be doubled

- The securities regulator has assured stock brokers of doubling single-day cash deposit by investors to accelerate their participation in transactions. The official order is likely to be issued within this week, said the president of DSE Brokers Association (DBA). As per existing cash deposit limit, stock brokers are allowed to receive BDT 0.5 million from an investor per day for transaction purpose.

<https://today.thefinancialexpress.com.bd/stock-corporate/single-day-cash-deposit-to-be-doubled-1598886183>

City Bank becomes the third local lender to issue China's UnionPay card

- City Bank has rolled out UnionPay debit cards, joining a growing list of lenders in Bangladesh offering cards of the world's biggest card issuer. In Bangladesh, Eastern Bank and Mutual Trust Bank already issues the card of the Chinese state-controlled giant, whose cards are accepted at more than 28 million merchants and upwards of 1.7 million ATMs across 179 countries. Earlier this month, City Bank rolled out a dual-currency debit card, joining a growing list of lenders that are offering the facility to lure in the progressively global-minded customers in the country that are averse to using credit cards. The card business has gained momentum since July with the gradual resumption of economic activities, according to the managing director of City Bank.

- Card payments around the world plummeted as most countries banned air travel in early March to prevent the spread of coronavirus. In Bangladesh, economic activities came to a near halt from late March to June during a government-enforced shutdown. During that time, all banks witnessed a nosedive in credit cards payments for travel, tourism and lifestyle products. As the market leader with a 35% share of the credit cards in circulation, City Bank took a big hit. In January BDT 4.87 billion was paid at City Bank's POS terminals, a tool it leads in usage with a 46% market share. It plunged to only BDT 1.37 billion in April. But it has seen a sharp recovery in July to reach BDT 5.22 billion.

<https://www.thedailystar.net/business/news/city-bank-becomes-the-third-local-lender-issue-chinas-unionpay-card-1952177>

Restructuring of ICB underway

- The securities regulator will submit a report by December as part of the government move to restructure the state-run Investment Corporation of Bangladesh (ICB) and its subsidiaries. To this effect, the Bangladesh Securities and Exchange Commission (BSEC) has already invited tenders to pick a qualified consulting firm with intent to assess the ICB's overall operations. The government has decided to revamp the corporation against the backdrop of its deviation from its mandate and the current stalemate, BSEC chairman said.

- The issues such as ICB's role in securities market, state of its financial and non-financial resources, governance, organisational and legal structure and manpower capacity, among others, will be thoroughly assessed. The ICB managing director said the corporation

witnessed an erosion in the portfolio value following a continuous slide in the stock market indices. He hailed the government's restructuring plan, saying it will be positive for the ICB and the capital market.

- According to the ICB MD, the ICB with over BDT 7.67-billion paid-up capital has so far invested more than BDT 125 billion in the market. The corporation took BDT 107 billion in loans until January last from different organisations and capital market refinancing scheme to support the market. BSEC chief said that after getting the consultant's report, the BSEC will submit its own report to the government by December this year.

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