

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.57%) lost -78.35 points and closed the week at 4,916.97 points. The blue-chip index DS30 (-2.42%) lost -41.34 points and stood at 1,669.37 points. The Shariah-based index DSES (-1.58%) lost -17.82 points and stood at 1,108.80 points. The large cap index CDSET (-2.16%) lost -21.72 points and closed at 981.84 points. DSEX, DS30, DSES and CDSET showed YTD returns of +10.42%, +10.31%, +10.90%, +9.12%, respectively.

Total Turnover During The Week (DSE): BDT 46.1 billion (USD 542 million)
Average Daily Turnover Value (ADTV): BDT 9.2 billion ($\Delta\%$ Week: +1.1%)

Market P/E: 16.0x

Daily Index Movement during the Week:

Market performed five sessions during this week. Market performed positively in the first session by 0.05% and turned negative by -1.03% in the second session. Market again closed in the negative territory by -0.36% and reverted to positive in the fourth session by +0.11%. In the last session, market ended at negative by -0.35%.

Sectoral Performance:

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 5.89% followed by Mutual Fund (+1.90%). Life Insurance experienced the highest loss of 3.46% followed by NBFI (-2.27%), Bank (-1.69%).

- All the non-financial sectors registered negative performance this week except Engineering (+2.99%). Food & Allied experienced the highest loss of 3.84% followed by Fuel & Power (-2.45%), Pharmaceutical (-1.62%), and Telecommunication (-0.95%).

Macroeconomic arena:

- The country's current-account posted a record surplus in July-August period of the current fiscal year, amid the pandemic. The current account balance rose to USD 3.3 billion at the end of August, 2020. During the period, export was recorded at USD 6.7 billion while import payment was USD 7.4 billion.

- Despite grim predictions, remittance inflow stayed strong for the fourth straight month as expatriates sent home USD 2.15 billion last month, giving the country's economy some relief amid the pandemic. The inflow went up by 9.53% from the previous month and 45.64% from September last year. Experts attributed the rise in remittance to the government's 2% cash incentive for remitters.

- The country's merchandise shipments during the first quarter (Q1) of current fiscal year (FY), 2020-21, grew by 2.58% to USD 9.89 billion over that of the same period of last fiscal. The July-September export earnings also surpassed the target set for the period by 2.45%. Bangladesh fetched USD 9.64 billion in July-September period of FY 2019-20. The single month income in September 2020 grew by 3.53% to USD 3.01 billion. The September 20 earnings also surpassed the target by 5.92%.

- The point-to-point inflation further increased by 0.29% points to 5.97% in September from that of 5.68% in August due mainly to a significant rise in prices of essential food items in the month. Food inflation rose by 0.52% points to 6.50% in September from that of 6.08% in the previous month. Non-food inflation also slightly increased to 5.12% in the month from 5.05% in August.

Stock Market arena:

- The board of directors of IDLC Finance has decided to issue unsecured non-convertible zero coupon bonds worth BDT 5.0 billion with four years tenure (in face value). These bonds will be issued only through private placement. The bond issue is yet to get the approval of the regulatory authorities- Bangladesh Bank and Bangladesh Security and Exchange commission.

- Standard Chartered has received all the regulatory approvals for issuing BDT 8.50 billion Zero Coupon Bond. This would be the first Zero Coupon Bond issued by a foreign bank in Bangladesh. Standard Chartered's issue is a non-convertible, unsecured, fully redeemable, zero coupon bond. The maturity period for the product will be 5 years from the date of issue

- The bidding for eligible investors (EIs) to fix the cut-off price of shares of Mir Akhter Hossain Ltd, a construction company had commenced on Sunday, 4th October at 5:00pm and continued until 5:00pm on October 7. The valuation report submission period for eligible investors through electronic subscription system will start at 10:30am on October 8 and continue until 10:30am on October 12.

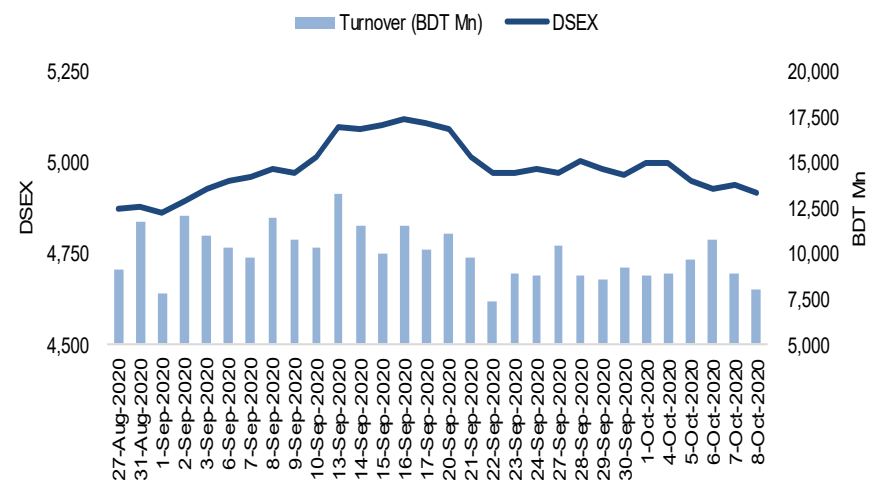
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	4,916.97	4,995.32	-78.35	4,452.93	-1.57%	+10.42%
DS30	1,669.37	1,710.72	-41.34	1,513.35	-2.42%	+10.31%
DSES	1,108.80	1,126.62	-17.82	999.83	-1.58%	+10.90%
CDSET	981.84	1,003.56	-21.72	899.76	-2.16%	+9.12%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	3,996,741	4,033,955	-0.9%
	Mn USD	47,043	47,481	
Turnover	Mn BDT	46,050	45,548	+1.1%
	Mn USD	542	536	
Average Daily Turnover	Mn BDT	9,210	9,110	+1.1%
	Mn USD	108	107	+1.1%
Volume	Mn Shares	1,940	1,843	+5.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
CONTININS	52.5	37.2	+41.1%	2,100	949.5	46.5x	2.5x
NORTHRNINS	39.4	28.3	+39.2%	1,681	725.1	26.2x	1.9x
ISLAMINS	41.3	30.4	+35.9%	1,546	583.0	26.2x	2.8x
ASIAINS	48.0	38.9	+23.4%	2,259	584.1	28.4x	2.3x
EIL	38.0	31.0	+22.6%	2,478	944.7	38.2x	3.4x
PRIMEINSUR	31.9	26.2	+21.8%	1,304	97.4	NM	2.0x
BGIC	36.4	30.1	+20.9%	1,967	280.0	36.0x	1.9x
BNICL	35.3	29.5	+19.7%	1,562	381.4	17.2x	1.8x
ANWARGALV	145.8	122.6	+18.9%	2,117	268.1	71.3x	14.1x
ETL	10.6	9.0	+17.8%	1,847	237.2	24.3x	0.8x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
NITOLINS	60.8	72.4	-16.0%	2,445	444.2	10.5x	2.2x
GOLDENSON	8.4	9.8	-14.3%	1,443	17.9	NM	0.4x
ILFSL	7.5	8.6	-12.8%	1,664	112.4	42.1x	0.6x
FASFIN	8.0	9.0	-11.1%	1,193	127.6	13.2x	0.6x
EASTERNINS	91.3	102.7	-11.1%	3,936	175.6	25.0x	2.0x
MIRACLEIND	26.2	29.2	-10.3%	923	94.4	NM	0.7x
PROGRESLIF	124.3	138.3	-10.1%	1,791	54.3	NM	NM
PRIMEFIN	11.0	12.2	-9.8%	3,002	86.4	NM	1.2x
FAREASTLIF	48.8	54.0	-9.6%	3,647	55.0	NM	NM
ISNLTD	48.9	54.1	-9.6%	555	78.7	111.5x	3.9x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
BXPBARMA	114.4	119.2	-4.0%	46,396	1,452	13.6x	1.5x
BEXIMCO	25.0	25.9	-3.5%	21,908	1,248	23.2x	0.4x
WALTONHIL	869.6	813.8	+6.9%	263,426	1,160	18.6x	3.3x
CONTININS	52.5	37.2	+41.1%	2,100	949	46.5x	2.5x
EIL	38.0	31.0	+22.6%	2,478	945	38.2x	3.4x
SANDHANINS	32.3	33.6	-3.9%	3,543	878	NM	NM
REPUBLIC	45.9	41.5	+10.6%	2,128	812	22.2x	2.8x
PTL	65.1	67.8	-4.0%	9,615	807	14.0x	3.0x
RUPALIINS	32.8	29.6	+10.8%	2,515	786	21.5x	1.5x
BRACBANK	38.9	41.4	-6.0%	51,577	747	14.3x	1.2x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E
BXPBARMA	114.4	+64.8%	46,396	13.6x
ACI	251.3	+38.5%	14,418	NM
ISLAMIBANK	26.3	+37.7%	42,343	8.0x
MJLBD	85.2	+34.6%	26,987	14.6x
LANKABAFIN	22.6	+31.8%	12,178	39.0x
MARICO	2,097.3	+25.3%	66,065	25.0x
GLAXOSMITH	2,198.1	+25.2%	26,479	25.6x
BARKAPOWER	28.4	+25.1%	6,250	12.1x
BSRMLTD	60.7	+24.4%	14,329	10.9x
IDLC	55.3	+21.8%	20,851	15.8x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,321.26	1,343.97	1,319.28	-1.69%	+0.15%
NBFIs	1,986.22	2,032.33	1,565.13	-2.27%	+26.90%
Mutual Funds	828.64	813.17	591.17	+1.90%	+40.17%
General Insurance	3,273.73	3,091.63	1,927.02	+5.89%	+69.89%
Life Insurance	2,059.40	2,133.30	2,194.70	-3.46%	-6.16%
Telecommunication	4,574.64	4,618.39	3,993.59	-0.95%	+14.55%
Pharmaceuticals	2,935.53	2,983.90	2,492.51	-1.62%	+17.77%
Fuel & Power	1,735.26	1,778.81	1,515.21	-2.45%	+14.52%
Cement	1,269.36	1,295.36	1,132.29	-2.01%	+12.11%
Services & Real Estate	1,035.13	1,054.31	886.70	-1.82%	+16.74%
Engineering	3,659.95	3,553.59	2,257.22	+2.99%	+62.14%
Food & Allied	13,031.59	13,551.62	12,121.49	-3.84%	+7.51%
IT	2,130.16	2,206.90	1,823.13	-3.48%	+16.84%
Textiles	1,197.56	1,175.27	1,042.04	+1.90%	+14.93%
Paper & Printing	5,278.64	5,492.76	5,233.20	-3.90%	+0.87%
Tannery	1,676.04	1,694.39	1,826.45	-1.08%	-8.23%
Jute	10,094.05	10,178.61	11,393.28	-0.83%	-11.40%
Ceramics	435.31	444.10	459.10	-1.98%	-5.18%
Miscellaneous	1,937.02	1,989.47	1,745.96	-2.64%	+10.94%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	523.2	599.9	-12.8%	5.8%	8.1x	0.7x
NBFIs	711.8	902.4	-21.1%	7.9%	NM	2.7x
Mutual Funds	750.5	584.1	+28.5%	8.3%	NM	0.8x
General Insurance	2,896.2	2,378.6	+21.8%	32.1%	21.2x	1.7x
Life Insurance	385.7	528.8	-27.1%	4.3%	NM	NM
Telecommunication	85.1	84.1	+1.2%	0.9%	13.3x	8.1x
Pharmaceuticals	740.7	925.0	-19.9%	8.2%	18.5x	2.5x
Fuel & Power	194.0	279.0	-30.5%	2.1%	11.7x	1.3x
Cement	76.1	104.2	-27.0%	0.8%	32.3x	2.0x
Services & Real Estate	55.7	66.1	-15.7%	0.6%	22.8x	0.8x
Engineering	673.1	519.4	+29.6%	7.5%	17.7x	1.8x
Food & Allied	164.3	209.6	-21.6%	1.8%	19.0x	5.8x
IT	161.0	138.8	+16.0%	1.8%	20.8x	2.3x
Textiles	1,113.1	817.3	+36.2%	12.3%	NM	0.8x
Paper & Printing	31.5	39.3	-19.8%	0.3%	256.7x	1.1x
Tannery	39.1	37.8	+3.5%	0.4%	NM	1.7x
Jute	17.3	20.5	-15.5%	0.2%	NM	8.4x
Ceramics	57.7	66.8	-13.7%	0.6%	63.5x	1.5x
Miscellaneous	354.3	441.5	-19.8%	3.9%	25.1x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
ECABLES	144.6	-27.4%	3,470	NM
BRACBANK	38.9	-26.8%	51,577	14.3x
GHAIL	17.1	-12.8%	3,691	16.3x
RUNNERAUTO	52.1	-12.4%	5,915	11.1x
HEIDELBCEM	146.9	-10.9%	8,300	NM
UNIQUEHRL	39.5	-10.0%	11,629	26.6x
IFADAUTOS	42.3	-8.4%	10,490	18.0x
SINGERBD	167.8	-7.0%	16,730	23.6x
DBH	92.6	-6.8%	14,274	17.8x
LINDEBD	1,230.8	-5.3%	18,731	17.8x

Important News: Business & Economy

Current account records surplus in two months

- The country's current-account posted a record surplus in July-August period of the current fiscal year, amid the pandemic. The current account balance rose to USD 3.3 billion at the end of August, 2020, Bangladesh Bank statistics said. During the period, export was recorded at USD 6.7 billion while import payment was USD 7.4 billion. In July-August of 2019, export was USD 6.6 billion, but import soared by USD 1.2 billion to USD 8.6 billion. On the other hand, workers' remittance inflow during July-August-2020 was much higher at USD 4.6 billion against USD 3.0 billion in the same period a year earlier.
- Economists said that the COVID-19 crisis reshaped capital flows to many developing nations, including Bangladesh, India, Pakistan and other similar economies. They said import volumes fell sharply in Bangladesh. Exports also dropped significantly during the first few months of the pandemic. But they said the manufacturing, especially the clothing sector trade data, suggests a V-shaped recovery is taking hold. The executive director at the think tank Policy Research Institute of Bangladesh (PRI) said Bangladesh's huge surplus is a result of higher remittance coupled with low volume of imports. He, however, said the country needs a moderately negative current account balance.
- He said many developing economies usually maintain such type of trend during their graduation from the lower middle income status. He also said such higher surplus is helping build up foreign exchange reserves. But he said Bangladesh is picking up, but it will take at least June next to reach the level of pre-COVID. A former lead economist of the World Bank's Dhaka office is not excited about the trend, saying the current account surplus means there is no consumption and investment demand in the economy. The weak domestic demand and slow investment have led to the surplus, he said

<https://today.thefinancialexpress.com.bd/first-page/current-account-records-surplus-in-two-months-1601743804>

Remittance inflow defies grim forecast

- Despite grim predictions, remittance inflow stayed strong for the fourth straight month as expatriates sent home USD 2.15 billion last month, giving the country's economy some relief amid the pandemic. The inflow went up by 9.53% from the previous month and 45.64pc from September last year, according to Bangladesh Bank data. Experts attributed the rise in remittance to the government's two% cash incentive for remitters. They also said expatriate Bangladeshis in North America and Europe now send in a robust amount of remittance as interest rates on deposits in those countries have dropped to almost zero in the wake of the ongoing coronavirus-driven economic slowdown.
- Travelling has almost come to a halt due to the ongoing pandemic and it has dealt a big blow to the hundi system, said the former lead economist at the World Bank's Dhaka office. He said that many migrants, who lost work opportunities in the host countries amid the pandemic, sent their last savings before returning home, which has given a boost to the remittance inflow. Against the backdrop, the discrepancy in exchange rates of dollars between formal and informal sectors have declined significantly, encouraging remitters to send their hard-earned money through the legal banking system. The Finance Minister echoed a similar view and said expats previously sent 49% of the total remittance using the non-banking channels. But the two% cash incentive and an increase in distribution channels of remittance in the country have discouraged remitters to send their money using the non-banking channel that ultimately registered a shining growth in recent times, he

added.

<https://www.thedailystar.net/frontpage/news/remittance-inflow-defies-grim-forecast-1970885>
<https://tbsnews.net/economy/remittance-inflow-sees-46-growth-september-140188>
<https://today.thefinancialexpress.com.bd/public/first-page/q1-remittance-flow-climbs-48pc-on-incentives-offer-1601573940>
<https://www.dhakatribune.com/business/banks/2020/10/01/remittance-posts-46-growth-in-september-amid-covid-19>

Q1 exports up by 2.58%, cross target by 2.45%

- The country's merchandise shipments during the first quarter (Q1) of current fiscal year (FY), 2020-21, grew by 2.58% to USD 9.89 billion over that of the same period of last fiscal. The July-September export earnings also surpassed the target set for the period by 2.45%. Bangladesh fetched USD 9.64 billion in July-September period of FY 2019-20. The single month income in September 2020 grew by 3.53% to USD 3.01 billion, which was USD 2.91 billion in September 2019. The September 20 earnings also surpassed the target by 5.92%.
- The export recovery has started in June and continued in September also. The July earnings grew by 0.59% year-on-year to USD 3.91 billion after a continuous fall in shipments in the previous months of the current calendar year amid the coronavirus outbreak. The August 2020 earnings grew by 4.32% to USD 2.96 billion. The RMG sector that contributed over 83% to the total exports fetched USD 8.12 billion export income during the first quarter of FY 21.
- The RMG earnings also witnessed a nominal 0.85% growth. The earnings exceeded the strategic target set for the months by 2.09%. The country earned USD 4.46 billion from knitwear exports in Q1 of FY 21, registering a growth of 7.04%. Knitwear exports fetched USD 4.17 billion in July-September of last fiscal.

<https://today.thefinancialexpress.com.bd/first-page/q1-exports-up-by-258pc-cross-target-by-245pc-1601834698>
<https://www.newagebd.net/article/118108/exports-grow-by-258pc-in-july-sept>
<https://tbsnews.net/economy/q1-exports-gain-strength-141313>
<https://www.dhakatribune.com/business/economy/2020/10/04/exports-up-3-53-in-september>

Inflation in September rises to 5.97%

- The point-to-point inflation further increased by 0.29% points to 5.97% in September from that of 5.68% in August due mainly to a significant rise in prices of essential food items in the month. Food inflation rose by 0.52% points to 6.50% in September from that of 6.08% in the previous month. Non-food inflation also slightly increased to 5.12% in the month from 5.05% in August.
- Monthly wage rate index increased in September to 5.95% from 5.91% in August due mainly to a rise in wages in all three sectors that includes agriculture, industry and services. The agriculture wage index increased to 6.23% in the month from 6.16% in August. Wages in industry and services also increased to 5.26% and 6.04% respectively in September from 5.25% and 6.02% in August.

<https://www.newagebd.net/article/118286/inflation-in-sept-rises-to-597pc>
<https://tbsnews.net/economy/food-inflation-hits-rural-areas-harder-142099>

Mighty taka puts Bangladesh Bank in a bind

- For exporters desperately trying to keep up the latest robust run of merchandise sales abroad and cement the recovery from the coronavirus pandemic, an old problem has raised its head: a rising taka against a falling US dollar. The situation has prompted the experts to call on the central bank and the government to take initiatives to shield exporters from the appreciating trend of the local currency. Although the export volume has increased in recent months defying the uncertainty stemming from the ongoing economic slowdown, exporters are still facing hurdles due to the relatively higher exchange rate of the taka against its peers.
- As part of its efforts to halt the appreciation of the taka, the central bank has started purchasing the dollar from banks soon after the recession hit the country. Between July 1 and October 4, the Bangladesh Bank bought the dollar worth USD 2.62 billion, up 200% from the last fiscal year. Still, the interbank exchange rate fell slightly to BDT 84.80 per USD in contrast to BDT 84.95 on March 25, a day before the country declared the countrywide lockdown to contain the coronavirus pandemic. The central bank, however, has managed a bit of success in stemming the massive appreciation of the local currency by intervening in the foreign exchange market.
- The inter-bank exchange rate has been hovering between at BDT 84.80 and BDT 84.90 since July. Had the central bank not intervened in the foreign exchange market, the local currency would have risen to a great extent. But this is not good enough given the exchange rate in other countries. For instance, the Indian rupee was at 73.26 per dollar on October 5, up from 71.37 on January 1, according to data from the Reserve Bank of India. The Bangladesh Bank will face a challenge to depreciate the local currency in the next couple of months given the ongoing global economic situation, said the managing director of Mutual Trust Bank.

<https://www.thedailystar.net/business/news/mighty-taka-puts-bb-bind-1974345>

Government debts to scheduled banks rise, to Bangladesh Bank (BB) drop

- The government's borrowing from the country's scheduled banks grew by BDT 263.03 billion in July-September of this fiscal year of 2020-21 but it repaid the Bangladesh Bank BDT 232.70 billion in the three months. So, the net borrowing of the government from the banking system came down to BDT 30.32 billion in July-September of FY21 against BDT 266.56 billion in the same period in FY20.
- The government's borrowing from the BB dropped to BDT 210.83 billion at the end of September from BDT 443.53 billion three months ago but its borrowing from the scheduled banks increased to BDT 1.59 trillion from BDT 1.33 trillion. Bangladesh Bank officials said that the government's net borrowing from the banking system dropped due mainly to an increase in sales of national savings certificates and improvement in revenue collection situation. A Bangladesh official further added that, the government's payment to the central bank against its debts would lower the money circulation on the market.

<https://www.newagebd.net/article/118386/govt-debts-to-scheduled-banks-rise-to-bb-drop>

Mobile phone subscribers nearly back to pre-pandemic level

- The number of mobile phone subscribers in Bangladesh almost returned to the pre-Covid-19 level in August, signalling the strengthening of the economic recovery underway from the devastating crisis. The number of mobile phone subscribers stood at 166.0 million in

August which is almost close to the February level when it was 166.1 million. August's figure is also the highest among that of the last six months and 2.12% up from that of the same month a year ago.

- Grameenphone, the largest mobile phone operator in the country, had 77 million mobile phone subscribers as of August, up 1.45% from 75.9 million in February and 1.85% from 75.6 million in August last year. Second-placed Robi Axiata had 49.8 million subscribers in August, which was 0.40% higher from 49.6 million in February and 4.18% higher from 47.8 million in August in 2019. Banglalink and state-run Teletalk are yet to fully recoup from the pandemic's detrimental effects.

- Since the lifting of the nationwide shutdown, life has started returning to normalcy. As a result, economic activities have resumed gradually, said the chief corporate and regulatory affairs officer of Banglalink. The industry is also trying to cope with the situation, which is a good sign. They are still assessing the effects of the pandemic and trying to provide customers with the digital facilities that can truly cater to their needs under the existing circumstances.

<https://www.thedailystar.net/business/news/mobile-phone-subscribers-nearly-back-pre-pandemic-level-1974329>

Ministry sits with banks Thursday over dismal small loan disbursement

- Nine private and foreign banks – which are supposed to loan BDT 1.80 billion – have not yet begun disbursements from the BDT 200.00 billion stimulus package announced for the pandemic-affected cottage, micro, small and medium enterprise (CMSME) sector. As of 15 September, Brac Bank has disbursed only BDT 929.0 million against its target of BDT 11.00 billion; First Security Bank distributed only BDT 4.0 million against BDT 3.00 billion, and Southeast disbursed BDT 322.2 million out of its target of BDT 10.00 billion. The performance of the state-owned banks appears to be worse as they have given only BDT 83.7 million out of BDT 10.37 billion to 21 entrepreneurs, which is 0.81% of the target.

- In the last five months, 22 out of 56 local and foreign banks have disbursed only 10% of their targets while 22 others could distribute less than 5% of their targeted amounts. Moreover, till September 15, all the banks could distribute only BDT 33.30 billion from the BDT 200.00 billion bailout package, which is 16.65% of the total fund. Some 14,302 out of over 20.0 million CMSME enterprises have so far have got loans – the rate is 0.07%.

<https://tbsnews.net/economy/banking/ministry-sits-banks-today-over-dismal-small-loan-disbursement-142528>

Government releases BDT 2.14 billion for jute mill's pay arrears

- The government has released BDT 2.14 billion as operating loan to pay workers' arrears of closed state-owned Platinum Jubilee Jute Mills Ltd, officials said. They further added that, 50% of total arrears of mill's workers will be paid to their respective bank accounts while the rest of 50% through 3-monthly profit-bearing Sanchayapatra.

- There were a total of 3,836 permanent workers in the state-owned jute mill which was shut down recently. Of them, 3,800 workers will get their dues from loan while 36 others will get their arrears as per the merit of case results.

<https://today.thefinancialexpress.com.bd/first-page/govt-releases-BDT-214b-for-jute-mills-pay-arrears-160209320>

Japanese companies eye business expansion

• Around 50 Japanese companies are expected to arrive in Bangladesh every year with their investment plan, Country Representative of Japan External Trade Organisation (JETRO) said. 70% of Japanese companies surveyed by JETRO under its annual programme last year showed interest in expanding investment in Bangladesh. The rate is the highest among other countries surveyed. He, however, said there exists scope of relocating businesses in Bangladesh from China, but ASEAN countries are getting priority in this case.

<https://today.thefinancialexpress.com.bd/first-page/japanese-cos-eye-business-expansion-1602093043>

Two major export items yet to rebound

• While all major export-oriented sectors in the country have returned to a growth trajectory following an unprecedented business slowdown induced by the Covid-19 pandemic, two of the top 10 export items are still struggling to rebound. Further, exports to three of the top 10 destinations – the United Kingdom, Spain and Japan – posted negative growth in the first quarter of the current fiscal year compared to the previous year. According to data provided by the Export Promotion Bureau, the two products which saw a decline in their exports in the July-September period are woven garments, leather and leather products.

• Exporters attributed the poor performance of woven garments to the fact that the US market – a major destination of Bangladesh's woven apparel – has yet to recover from the pandemic's fallout. On the other hand, leather and leather goods, which were already losing access to the global market due to compliance issues, further lost their way amid the pandemic situation, they said. Exports to Spain fell because of extended Covid-19 lockdowns in that country. On the other hand, Japan is a very sensitive nation. It adopted extra cautionary measures at the beginning of the novel coronavirus outbreak, which included reducing imports from Bangladesh, the managing director of Plummy Fashions said.

• A former president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), added that Bangladesh has been able to rebound in export earnings thanks to quick recovery in European countries – the largest market of Bangladesh's knitwear products. He, however, said the market situation is still volatile as Europe is under threat of a second wave of Covid-19.

<https://tbsnews.net/economy/two-major-export-items-yet-rebound-141793>

Bangladesh Bank (BB) extends deadline for import payments

• The central bank yesterday issued multiple notices and extended the deadline of the relaxed rules for foreign exchange businesses in various sectors until March 31 next year. Banks have been asked to accept advance payments of up to USD 500,000 from businesses seeking to import Covid-19-related lifesaving drugs and essential medical items until March 31, according to a notice of the Bangladesh Bank. The deadline expired on September 30. Importers are usually allowed to make advance payments of a maximum of USD 10,000 for the import of general items, including raw materials meant for industrial purposes and consumer goods.

• Global drug companies are now refusing to export such items if the payments are not made in advance, said a central bank official. In another order, the central bank has allowed

the importers of industrial raw materials to enjoy the one-year timeframe for making import payments until March next year. Before the pandemic, businesses had to make the import payment for industrial raw materials within six months. This relaxation aims to cushion the enterprises from the ongoing financial crisis stemming from the coronavirus pandemic.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-tenure-by-six-months-1602006379>
<https://www.thedailystar.net/business/news/bb-extends-deadline-import-payments-1973861>
<https://tbsnews.net/economy/banking/relaxed-foreign-exchange-regulation-facilities-extended-till-next-year-considering>
<https://www.newagebd.net/article/118290/policy-relaxation-extended-by-six-months>
<https://www.dhakatribune.com/business/banks/2020/10/06/bangladesh-bank-extends-benign-foreign-exchange-policies-till-march>

Record rise in July, great recovery by September

• The unemployment rate in Bangladesh had reached a record high to 22.39% in July before coming down sharply to 4.0% in September last. The unemployment rate was only 2.3% just before the Covid-19 pandemic. The BBS noted that the sharp rise in the joblessness was due to the negative impact of the pandemic on all sectors of the economy. The rate, however, dropped again to 4.0% in September amid restarting of the economic activities gradually, it has claimed.

• Research Director at the Centre for Policy Dialogue (CPD) questioned how the unemployment rate could drop to only 4.0% from more than 22% when the industrial sector and businesses were still struggling, the credit growth, import of raw materials and capital machinery were witnessing a weak trend and agriculture was affected. During the full or partial shutdown from March to July last, two-thirds of the households across the country had faced the financial crisis, the BBS said.

<https://today.thefinancialexpress.com.bd/first-page/record-rise-in-july-great-recovery-by-september-1602006164>
<https://www.dhakatribune.com/business/2020/10/06/bbs-survey-household-incomes-fell-by-20-due-to-covid-19>

Jute secures 2nd position in export trade

• Textiles and jute minister said that the country had earned around BDT 24.60 billion (USD 307.5 million) in the first quarter of the current fiscal year from jute export due to the government's different action plans while the sector secured the second in position in export, replacing the leather industry. He further told that, the first three months from July-September period, BDT 24.60 billion was earned from jute and jute goods export which is 39.26% higher than the last corresponding period.

<https://www.newagebd.net/article/118293/jute-secures-2nd-position-in-export-trade>
<https://www.dhakatribune.com/business/2020/10/06/jute-secures-second-position-in-export-trade-replacing-leather-industry>

Bangladesh Bank (BB) resumes action after three years

• The central bank purchased USD 2.63 billion from the commercial banks directly in the first quarter (Q1) of the current fiscal year (FY), aiming to keep the inter-bank foreign exchange (forex) market stable. Official figures show the amount of purchasing the

greenback was nearly three times higher than that of FY 2019-20 when the Bangladesh Bank (BB) bought USD 877 million. The central bank resumed purchasing the US currency on March 09 last after around three years to keep the exchange rate of the local currency against the greenback stable.

- The BB's intervention came against the backdrop of appreciating mode of Bangladesh Taka (BDT) against the US currency mainly due to lower import payments recently. On the other hand, the central bank sold only USD 200 million to the banks during the July-September period of FY '21 to meet their demand for the greenback. They have bought the US currency from the banks to protect interest of the exporters and migrant workers, the executive director of the BB.

- The USD was quoted at BDT 84.80 on the inter-bank forex market on Monday. The rate remained at the same level in the Q1 of FY '21. Another BB official said the central bank has intensified buying the USD from the banks to offset higher inflow of the foreign currency in the recent months. The supply side of the foreign currency is improving gradually, following higher growth of inward remittances despite the ongoing Covid-19 pandemic, the central banker added.

<https://today.thefinancialexpress.com.bd/first-page/bb-resumes-action-after-three-years-1601919261>

Government to reassess waiver of loans worth BDT 6.86 billion

- The government will scrutinise further a BGMEA proposal for waiving the entire bank loan liabilities of as many as 131 readymade garments (RMG) units, a person familiar with the situation said. When contacted, the commerce secretary said, they will examine further the proposal for exempting the 131 ailing RMG factories from the repayment of bank loans. A committee will work on the matter and then we will take the next course of steps.

- In 2019, BGMEA president requested the finance minister for considering waiving the principal loan amount, interest and other costs of 133 RMG units, said a senior official of the ministry. In response to the BGMEA application, the finance ministry then had asked for the central bank's opinion on the issue.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-reassess-waiver-of-loans-worth-BDT-686b-1601919390>

<https://www.thedailystar.net/business/news/committee-formed-review-proposal-waive-BDT-649cr-rmg-factories-raking-losses-1973349>

Mobile banking faces bump in August

- Transactions through mobile financial services (MFS) dropped by more than 34% in August as people resumed normal banking despite the Covid-19 pandemic. The expiry of the tenure of the stimulus package for the payments of salary of the workers of export-oriented readymade garment (RMG) sector also pushed down such transactions using the digital channels, officials said.

- Total MFS transactions came down to BDT 414.04 billion in August 2020 from BDT 629.99 billion in the previous month. It's a normal trend in MFS transactions, a senior official of the Bangladesh Bank (BB) said. Transactions through MFS were BDT 397.85 billion in March this calendar year. But July's transactions were higher because an increasing number of people, businesses and government agencies used such digital

services for making their payments to avoid movement, according to the central banker.

<https://today.thefinancialexpress.com.bd/trade-market/mobile-banking-faces-bump-in-aug-1601915046>

Bangladesh Bank initiates move to integrate bank, MFS accounts

- The Bangladesh Bank has initiated a move to integrate mobile financial service accounts with the bank accounts of MFS users to facilitate a number of banking services, including offering lending and deposit products, through the widely used digital transaction service. One of the main targets of the initiative is to facilitate getting bank loans by the small-scale businesses, which do not have the ability to fulfil all the requirements for the purpose, he said. Once the integration is completed, banks would be able to assess creditworthiness of any customer of the MFS operators based on the customer's transactions through MFS, the official said.

- Nagad, a digital financial arm of the postal department, managing director said that the regulatory body should take a prompt initiative to implement the integration system as it would bring ample opportunities for the customers. Along with the integration, the interoperability services among the MFS operators should also be launched as soon as possible, he said.

<https://www.newagebd.net/article/118202/bangladesh-bank-initiates-move-to-integrate-bank-mfs-accounts>

Most RMG orders revived, but on buyers' terms

- Most part of the work orders worth over USD 3.0 billion that the local apparel makers had reported either cancelled or held up have been reinstated by their respective global buyers, industry people said. About 90% of such work orders for the country's struggling readymade garment (RMG) industry have been restored, but at heavy bargain prices including deferred payment and discounts, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

- A total of 1,134 of BGMEA member factories reported that (work orders of) some 975.20 million pieces of RMG products worth USD 3.18 billion were either been cancelled or held up until mid-April due to the pandemic. Of the total, USD 1.93 billion work orders were cancelled or held by buyers from European Union, followed by USD 574 million by US, and USD 52 million by Canadian buyers. Besides, work orders valued at about USD 620 million were cancelled or held by buyers from non-traditional markets, according to the BGMEA.

- The managing director of Rising Group, said one of his buyers has held up work orders worth USD 1.3 million and now the buyer is asking for 50% discount. They are now in negotiation as the buyer wants 50% discount and they have offered 17%, he said. He said that he was supposed to receive payment against a single work order in March, which was mutually settled to be paid by October.

<https://today.thefinancialexpress.com.bd/first-page/most-rmg-orders-revived-but-on-buyers-terms-1601834526>

MFS takes a dip after Eid bonanza

- Transactions through mobile financial services rose 16.6% year-on-year to BDT 414.03

billion in August, which shows the growing popularity of the digital money in Bangladesh. However, it plunged 34.3% compared to July, when a record BDT 629.99 billion was transacted. The number of transactions rose 32.06% to 269,697,875 in August but it fell 13.1% from July this year. The managing director of the postal department's mobile financial service Nagad, said before Eid-ul-Azha, there were heavy transactions in the disbursement of salary, wages, bonus and other allowances.

- People also sent a huge amount of money to their relatives. Even people made payment through MFS providers when they bought sacrificial animals. It came down in August, he said. He said financial transactions usually fall in the following month after Eid. This is true for all sectors, not just in the MFS segment. The head of corporate communications at bKash, said transactions through MFS returned to regular state following a huge increase in July.

- He said there was an obligation for garment factories to use banks and MFS to disburse wages and salaries of the workers under the government's stimulus package. Later in August, many companies went back to their own disbursement method as there was no obligation. As a result, its impact was seen in the transactions of August, he said. The managing director of Dutch-Bangla Bank, which owns Rocket, said there were a number of events in July, which include Eid.

<https://www.thedailystar.net/business/news/mfs-takes-dip-after-eid-bonanza-1972709>
<https://www.newagebd.net/article/118109/mfs-transactions-decline-by-343pc-in-august>
<https://tbsnews.net/economy/banking/mfs-transactions-slump-august-141289>
<https://www.dhakatribune.com/business/banks/2020/10/04/mfs-transactions-tumble-in-august>

Net sales of savings tools double in two months

- The net sales of national savings certificates have more than doubled in the first two months of the current fiscal year (FY) mainly due to lower interest rate, offered by the scheduled banks, on deposits. The government's net borrowing through selling savings tools jumped by 100.82% to BDT 74.55 billion during the July-August period of FY 2020-21 from BDT 37.12 billion in the same period of the previous fiscal year. Eyeing higher returns, savers, particularly small ones, now prefer investing their hard-earned money in the national savings certificates (NSCs) to depositing the same with the banks, a senior official of the Bangladesh Bank (BB).

- The government's savings schemes pay around 11% annualised profits, while the weighted average interest rate on bank deposits came down to below 5.0% in August 2020. The weighted average interest rate on deposits fell to 4.95% in August from 5.02% a month earlier. It was 5.37% in April last. In April 2020, the weighted average interest rate on deposits dropped to 5.37% from 5.51% in March following implementation of the single-digit interest rate in the banking sector.

- Most banks are now offering a maximum of 6.0% interest for fixed deposit receipts (FDRs), the managing director (MD) and chief executive officer (CEO) of Pubali Bank Limited. The investors, particularly small ones, are now purchasing the NSCs after complying with the government's rules and regulations just to get higher return on their investments, according to the senior banker. They expect that such higher sales of NSCs will continue in the near future, he predicted.

<https://today.thefinancialexpress.com.bd/first-page/net-sales-of-savings-tools-double-in-two-months-1601744087>

Loan rescheduling urge ebbs further amid payment holiday

- Loan rescheduling in the banking sector declined further in the second quarter of the year on the back of the ongoing loan moratorium facility introduced to help borrowers weather the fallout of the coronavirus pandemic. Between April and June, banks rescheduled defaulted loans amounting to BDT 26.58 billion, down 30.60% from three months earlier and 481% from a year ago, according to data from the central bank. But there is no scope to be complacent because of the falling rescheduling as loan classification has come to a halt due to the moratorium facility, said experts. Both the volume of classified and rescheduling of loans will escalate exponentially once the moratorium is lifted, they warned.

- The banking sector has faced the upheaval of large loan rescheduling in recent years, drawing criticism from different quarters as lenders have done so riding on either the relaxed facility offered by the central bank or sidestepping banking norms. For instance, defaulted loans to the tune of BDT 527.70 billion were regularised last year -- the highest in a single year -- based on the relaxed loan rescheduling rules. Under the policy, defaulters were allowed to regularise defaulted loans for 10 years by making 2% down payment. The move helped banks bring down the defaulted loans in 2019, when it stood at 9.32% of their total outstanding loans, down from 10.30% a year earlier.

<https://www.thedailystar.net/business/news/loan-rescheduling-urge-ebbs-further-amid-payment-holiday-1972101>

Foreign companies too will get stimulus loans

- The central bank yesterday said companies with 100% foreign ownership will also be allowed to get soft loans from the government's stimulus packages. The industrial units that are operating under the Bangladesh Economic Zones Authority, Bangladesh Export Processing Zones Authority and Bangladesh Hi-Tech Park Authority will get funds to revive their businesses by way of taking loans from the packages, according to a Bangladesh Bank notice. Firms with 100% foreign ownership are considered as Type-A companies. The BB earlier allowed Type-B and Type-C companies to enjoy soft loans from the stimulus packages dedicated for the revival of the economy from the ongoing slowdown brought on by the coronavirus pandemic.

<https://www.thedailystar.net/business/news/foreign-companies-too-will-get-stimulus-loans-1971025>
<https://tbsnews.net/economy/banking/foreign-companies-can-avail-loan-under-stimulus-packages-140242>

Important News: Capital Market

IDLC Finance to issue BDT 5.0 billion zero coupon bonds

- The board of directors of IDLC Finance has decided to issue unsecured non-convertible zero coupon bonds worth BDT 5.0 billion with four years tenure (in face value). The country's one of the leading non-bank financial institutions will issue the bond only through private placement. The bond issue is also subject to the approval of the regulatory authorities - Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC).

- Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in

1992, closed at BDT 56.40 on Sunday, losing 1.74% over the previous day. Its share traded between BDT 35 and BDT 60 in the last one year. The company's consolidated earnings per share (EPS) stood at BDT 0.99 for April-June, 2020 quarter as against BDT 1.31 for April-June, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-finance-to-issue-BDT-50b-zero-coupon-bonds-1601828783>
<https://tbsnews.net/companies/idlc-finance-issue-BDT500-crore-bond-141217>
<https://www.dhakatribune.com/business/stock/2020/10/04/idlc-finance-to-issue-BDT500c-zero-coupon-bonds>

SCB first bank to issue BDT 8.50 billion zero coupon bond

• Standard Chartered has received all the regulatory approvals for issuing BDT 8.50 billion Zero Coupon Bond. This would be the first Zero Coupon Bond issued by a foreign bank in Bangladesh. It marks another trailblazing transaction for the Bank in Bangladesh and is an important milestone in the development of Bangladesh's debt capital market, said a statement. The Zero-Coupon Bond will open up alternate investment avenues for corporates and individuals. With this offering, the Bank is leveraging strong investor confidence in its strategy and outlook, and the quality of its financial position, to increase its liquidity. The funds raised will support the Bank's overarching mission of being a partner in progress to the nation.

• Standard Chartered's issue is a non-convertible, unsecured, fully redeemable, zero coupon bond. The maturity period for the product will be 5 years from the date of issue. Green Delta Insurance Company Limited will act as the trustee for this issue.

<https://today.thefinancialexpress.com.bd/stock-corporate/scb-first-bank-to-issue-BDT-850b-zero-coupon-bond-1601734583>
<https://www.newagebd.net/article/117975/stanchart-to-issue-BDT-850b-zero-coupon-bond>
<https://www.dhakatribune.com/business/banks/2020/10/03/scb-to-pioneer-in-issuing-850c-zero-coupon-bond>

Mir Akhter's IPO share bidding begins Today

• The bidding for eligible investors (EIs) to fix the cut-off price of shares of Mir Akhter Hossain Ltd, a construction company, will commence tomorrow (Sunday) at 5:00pm. The construction and engineering company's price bidding through electronic subscription system (ESS) of the exchanges will be continued until 5:00pm on October 7 (round the clock), officials said. Earlier, the company's share bidding period was between September 27 and September 30. But, the company later revised the bidding period.

• The valuation report submission period for eligible investors through electronic subscription system will start at 10:30am on October 8 and continue until 10:30am on October 12. The minimum tick size (minimum bidding value) for bidding shall be BDT 5.0 million as per the BSEC consent letter to Mir Akhter Hossain dated August 23. IDLC Investments is the issue manager for the company's IPO process.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/mir-akhters-ipo-share-bidding-begins-tomorrow-1601649090>

Nagad slashes cash-out charge

• Nagad, the mobile financial arm of the Postal Department, has brought down the cash-out charge to BDT 9.99 per BDT 1,000, the lowest rate ever in the country's mobile financial service segment, says a statement. The fastest-growing mobile financial service provider in Bangladesh is offering the cheapest fund withdrawal rate for the customers to mark the 74th birthday of Prime Minister. For the customers who don't use the mobile app for cash-out and rather rely on the mobile phone's USSD facility, the charge will be BDT 12.99.

• To avail the new rate, users will have to withdraw at least BDT 2,100 in a single transaction. A 15% value added tax (VAT) will be applicable. About the cut in the cash-out charge, the managing director of Nagad, said that they had always been against a high rate of cash-out charges. They think that the cash-out charge that has been prevalent for the last decade (BDT 20 per BDT 1,000), is an injustice to customers. That is why Nagad has been offering the lowest cash-out charge to customers since its inception.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/nagad-slashes-cash-out-charge-1601567881>
<https://www.newagebd.net/article/117870/nagad-cuts-cash-out-charge-to-BDT-999>
<https://www.dhakatribune.com/business/2020/10/01/nagad-cuts-cash-out-charge-to-BDT9-99>

Metro Spinning directors to buy shares to ensure 30% holding

• Two sponsor directors of Metro Spinning Limited, a sister concern of Maksons Group, will buy shares of the company to comply with the 30% shareholding rules. As per the DSE data, the board of directors jointly hold 26.20% shares of the company. So, the two directors will buy 3.88% shares to meet the 30% shareholding criterion, according to the Dhaka Stock Exchange (DSE) website. Sponsor directors, Mohammad Ali Khokon, also managing director of Metro Spinning, and Laila Ali will buy 1.16 million and 1.23 million shares of the company respectively at the prevailing market price through the DSE by October 29, 2020.

• As per a directive from the Bangladesh Securities and Exchange Commission (BSEC), sponsors or promoters and directors must jointly hold a minimum 30% shares of the paid-up capital of a company at all times. The directors decided to buy the shares after a warning issued by the BSEC chief. He also warned that no concessions would be made in this regard.

<https://tbsnews.net/economy/stock/metro-spinning-directors-buy-shares-ensure-30-holding-142447>

Securities regulator to investigate Aman Feed's financial statements

• The Bangladesh Securities and Exchange Commission (BSEC) recently decided to form an inquiry committee to investigate the financial position of Aman Feed Limited. That committee will verify all the information in Aman Feed's audited financial statements from 2015 to 2020 as per International Accounting Standards and International Financial Reporting Standards. Sources at the regulator said the commission has decided to form a committee very soon to examine if there are any irregularities in the company's financial statements.

• The committee will also examine the issue of AB Bank's loan to the company. In September, the AB Bank arranged an auction for the sale of the company's land and

factory. After that, Aman Feed secured a stay order from the High Court, which ordered the company to pay BDT 600 million to AB Bank by December 2020. Previously, on 8 August, 2020 the AB Bank Limited issued a notice through a newspaper regarding the auction of Aman Feed's land. According to the notification, Aman Feed owed around BDT 2.68 billion, including loans and interest, to AB Bank till 31 July this year.

<https://tbsnews.net/economy/stock/securities-regulator-investigate-aman-feeds-financial-statements-142444>

Associated Oxygen to allot 15 million shares among successful applicants

- Associated Oxygen will allocate 15 million ordinary shares among the successful applicants as the company held IPO lottery draw on Wednesday. Earlier on July 16, the stock market regulator - Bangladesh Securities and Exchange Commission (BSEC)- approved the company's proposal to raise BDT 150 million from the capital market through initial public offering. BD Finance Capital Holdings Ltd is working as the issue manager of the company's IPO process. The company supplies oxygen and nitrogen in liquid and gaseous forms to industries and hospitals through its own sales network.

<https://today.thefinancialexpress.com.bd/stock-corporate/associated-oxygen-to-allot-15m-shares-among-successful-applicants-1602087659>

The Bangladesh Securities and Exchange fines Prime Islami Life Insurance Limited's sponsor Sabiha BDT 40 million

- The Bangladesh Securities and Exchange Commission on Wednesday fined Prime Islami Life Insurance Limited's sponsor Sabiha Khaleque BDT 40 million for breaching insider trading rules. The stock market regulator found that Sabiha sold off shares during prohibition and without any prior declaration breaching provision 4(2), BSEC (prohibition of insider trading) Rules, 1995. The regulator also fined all directors of Quasem Silk Mills Limited and Quasem Textile Mills Limited BDT 0.1 million each for breaching securities rules.

<https://www.thedailystar.net/business/news/bsec-fines-directors-listed-firms-bending-rules-1974285>

<https://www.newagebd.net/article/118392/bsec-fines-pilils-sponsor-sabiha-BDT-4cr>

<https://www.dhakatribune.com/business/stock/2020/10/07/bsec-slaps-4c-fine-on-prime-islami-life-sponsor>

Associated Oxygen's IPO lottery draw tomorrow

- Associated Oxygen is set to hold IPO (initial public offering) lottery draw tomorrow (Wednesday), aiming to allocate 15 million ordinary shares among the successful applicants. The lottery draw will be held at 10:30am at Crystal Ballroom, Hotel Intercontinental in Dhaka, according to a disclosure posted on the Chittagong Stock Exchange (CSE) website on Monday.

- The company's IPO was oversubscribed by 31.46 times as the company received worth about BDT 4.72 billion against public issue of IPO of BDT 150 million, according to the disclosure. The stock market regulator - Bangladesh Securities and Exchange Commission (BSEC)- on July 16 approved the company's proposal to raise BDT 150 million from the capital market through initial public offering.

<https://today.thefinancialexpress.com.bd/stock-corporate/associated-oxygens-ipo-lottery-draw-tomorrow-1601913793>

Investors to get back BDT 1.50 billion debenture funds after a decade

- The Bangladesh Securities and Exchange Commission (BSEC) has taken an initiative to return funds that were raised through debentures about 30 years ago, totalling around BDT 1.50 billion. Eight debentures -- Bangladesh Luggage Industries, Bangladesh Zipper Industries, Beximco Knitting, Beximco Fisheries, Beximco Textiles, Beximco Denim, Aramit Cement and BD Welding Electrodes -- were listed with the Dhaka Stock Exchange (DSE) back in the 1990s. And although their tenures ended in between 2002 and 2008, the issuers did not repay the capital raised through investors.

- Unlike previous commissions though, the newly appointed commission, led by the current BSEC President has taken measures to return this money. The debentures will be paid back in phases with two companies returning the funds each phase. Of the eight companies, two will have their 14% debentures delisted after the money is returned to investors, according to the DSE. The two companies -- Bangladesh Luggage Industries and Bangladesh Zipper Industries -- are both concerns of Doel Group.

<https://www.thedailystar.net/business/news/investors-get-back-BDT-150cr-debenture-funds-after-decade-1973161>

Non-compliant companies to face action: BSEC chair

- Bangladesh Securities and Exchange Commission chairman said that the regulator would take action against the companies which had failed to comply with the 30-per cent joint shareholding rules. The regulator has already cancelled directorship of 17 directors for non-compliance with minimum 2% shareholding by the directors. It would also take actions against the companies which have failed to comply with the 30-per cent joint shareholding rules by the stipulated time, he said. The commission will soon introduce Sukuk bonds on the market, he said, adding that it would hold a roadshow on Sukuk in the Middle East to attract the expatriates there to the scheme.

<https://www.newagebd.net/article/118205/non-compliant-cos-to-face-action-bsec-chair>

Local, foreign cos can buy TREC for BDT 0.5 million

- The Bangladesh Securities and Exchange Commission has set the TREC or brokerage licence fee at BDT 0.5 million, allowing foreign companies, along with local ones, to acquire the licence. Market experts, however, said that the trading right entitlement certificate (TREC) fee set by the stock market regulator was very meagre and such a low amount would open the door for low-profile companies to brokerage business. As per the BSEC notification, any local and foreign company can buy TREC for BDT 0.5 million in registration fee.

<https://www.newagebd.net/article/118203/local-foreign-cos-can-buy-trec-for-BDT-5-lakh>

Tax receipts from DSE jump 63% in Jul-Sept

- The government revenue earnings from the Dhaka bourse jumped 63% in the first quarter (Q1) of the current fiscal year (FY) compared to the same quarter last fiscal as trading volume on the rise. Market operators attributed the rise to the revenue from the Dhaka Stock Exchange (DSE) as buoyant investors took part in the trading with fresh enthusiasm.

The government bagged revenue worth about BDT 709 million in July-September quarter of the FY 2020-21, which was BDT 435 million in the same quarter of the previous fiscal year.

- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer. Of the total earnings in Q1 of the current fiscal year, BDT 469 million came from the TREC holders' commission, popularly known as brokerage commission, while BDT 240 million came from the share sales by sponsor-directors and placement holders, the DSE data shows.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-jump-63pc-in-jul-sept-1601828586>

Bangladesh Securities and Exchange Commission (BSEC) gets tough on Doel Group

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to delist four companies and two debentures of Doel Group of Industries, which will compel the group to return around BDT 570 million to its investors. The companies are Bangladesh Chemical Industries, Bangladesh Dyeing & Finishing Industries, Bangladesh Luggage Industries and Bangladesh Zipper Industries. All the companies are listed with the over-the-counter market. They are not performing well and have not paid any dividends to investors for at least the last decade. The debentures that are going to be delisted are BD Zipper 14% Debenture and BD Luggage 14% Debenture.

<https://www.thedailystar.net/business/news/bsec-gets-tough-doel-group-1972077>

Genex Infosys signs business deal with Sonali Bank

- The board of directors of Genex Infosys Ltd has approved an agreement with Sonali Bank Ltd - the largest state-owned commercial bank in Bangladesh--for implementing online tuition fee payment systems across the country. This is a strategic business agreement to launch the online payment platform for all schools managed by Sonali Bank to handle their tuition fees services. Under the deal, students of all the schools managed by Sonali Bank are now able to pay their fees online through the Bank.
- With this engagement, Genex Infosys is expecting to generate an additional BDT 30 million to BDT 50 million in revenue per year, according to the disclosure. The company's consolidated earnings per share (EPS) stood at BDT 1.22 for January-March 2020 as against BDT 0.81 for January-March 2019.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/genex-infosys-signs-business-deal-with-sonali-bank-1601649022>