

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.91%) lost -44.67 points and closed the week at 4,872.30 points. The blue-chip index DS30 (+0.06%) gained 1.08 points and stood at 1,670.45 points. The Shariah-based index DSES (+0.38%) gained 4.17 points and stood at 1,112.97 points. The large cap index CDSET (+0.00%) gained 0.04 points and closed at 981.88 points. DSEX, DS30, DSES and CDSET showed YTD returns of +9.42%, +10.38%, +11.32%, +9.13%, respectively.

Total Turnover During The Week (DSE): BDT 33.6 billion (USD 395 million)
Average Daily Turnover Value (ADTV): BDT 6.7 billion (Δ % Week: -27.1%)

Market P/E: 16.0x

Daily Index Movement during the Week:

Market performed five sessions during this week. Market performed negatively in the first session by -1.19% and continued to be negative by -1.00% in the second session. Market closed in the positive territory by +0.63% in the third session and reverted to negative in the fourth session by -0.02%. In the last session, market ended at positive by +0.69%.

Sectoral Performance:

- All the financial sectors registered negative performance this week. Mutual Fund experienced the highest loss of -7.12% followed by General Insurance (-4.84%), NBF (I) (-4.13%), Life Insurance (-3.51%), and Bank (-1.37%).
- All the non-financial sectors posted positive performance this week except Engineering (-2.71%). Telecommunication booked the highest gain of 4.13% followed by Food & Allied (+3.02%), Pharmaceutical (+0.58%), and Fuel & Power (+0.29%).

Macroeconomic arena:

- The country's foreign exchange reserves witnessed a new record crossing the USD 40 billion mark on Thursday, 8th of October. High inflows of remittance and low import expenditure mainly contributed to the surge in forex reserves. The remittance inflow saw a healthy 46% growth in September compared to the same period last year. In September, the country's export earnings saw a 3.53% year-on-year growth, while imports registered a negative 6.68% growth till August.
- The country's apparel exports to the non-traditional markets are still facing hurdles. According to Export Promotion Bureau (EPB) data exports of both knit and woven items to the non-traditional destinations declined by 8.33% to USD 1.24 billion in Q1 as compared to USD 1.36 billion in the corresponding period of the last FY.
- The International Monetary Fund (IMF) projected a 4.4% economic growth of Bangladesh in the current fiscal year (FY) 2020-21. The IMF also estimated 3.8% growth in the Gross Domestic Product (GDP) of Bangladesh for FY'20. According to IMF's latest projection Bangladesh will be able to achieve 7.3% GDP growth in FY '25.
- The government's debt soared in the first half of the current calendar year, fueled by a sharp rise in its borrowing, an American consultancy has found. The government borrowing shot up by 3.5% points to 37.8% of the GDP during January-June compared with the same period a year earlier.

Stock Market arena:

- Defying odds amid the Covid-19 pandemic, Bangladesh's stock market is emerging as Asia's best-performing capital market. According to research by Asia Frontier Capital, DSEX, posted a double digit growth by 24.4% in Q3 (July-September), of 2020, the highest gain in key index among the world's top performing stock exchanges.
- The City Bank zero-coupon bond subscription will end on 31 October this year, which began on 15 September. The three-year bond worth BDT 3 billion. The face value of each unit is BDT 5,000. City Bank revised the Yield to Maturity (YTM) of the bond from the initial 8.50% to 7.50%
- The board of directors of Marico Bangladesh Ltd. has decided to invest BDT 2.27 billion in phases for the purpose of increasing its manufacturing capacity.
- The board of directors of Olympic Industries has decided to import complete set of machinery, equipment and spare parts from China at an estimated total cost of USD 579,600 equivalent around BDT 49.26 million. The company will import these items for installation at Sonargaon in Narayangonj for making PET Sheet and PET Tray for packing of biscuits and confectionary inputs.

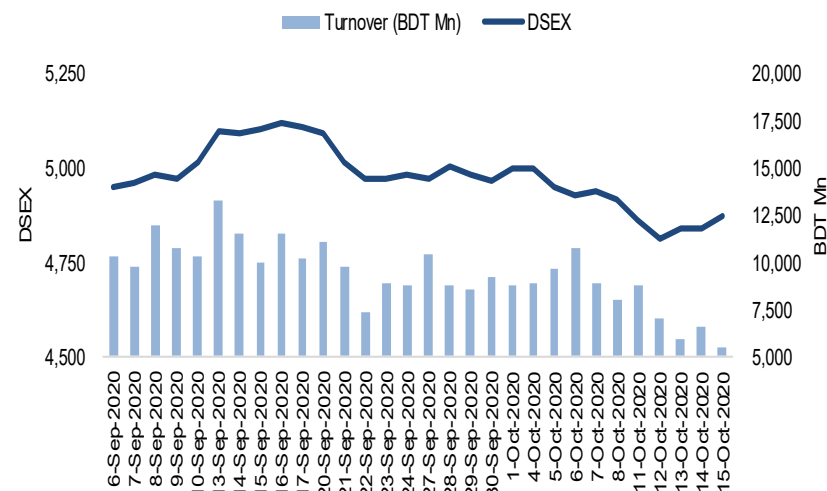
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	Δ % Week	Δ %YTD
DSEX	4,872.30	4,916.97	-44.67	4,452.93	-0.91%	+9.42%
DS30	1,670.45	1,669.37	+1.08	1,513.35	+0.06%	+10.38%
DSES	1,112.97	1,108.80	+4.17	999.83	+0.38%	+11.32%
CDSET	981.88	981.84	+0.04	899.76	+0.00%	+9.13%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	3,985,520	3,996,741	-0.3%
	Mn USD	46,911	47,043	
Turnover	Mn BDT	33,582	46,050	-27.1%
	Mn USD	395	542	
Average Daily Turnover	Mn BDT	6,716	9,210	-27.1%
	Mn USD	79	108	-27.1%
Volume	Mn Shares	1,452	1,940	-25.1%

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
SAVAREFR	341.8	262.5	+30.2%	476	24.8	NM	89.2x
NFML	13.2	10.2	+29.4%	1,130	296.6	161.1x	1.0x
ASIAPACINS	67.8	52.7	+28.7%	2,871	1,076.0	34.5x	3.2x
GOLDENSON	10.0	8.4	+19.0%	1,717	31.8	NM	0.5x
SHYAMPSUG	69.2	60.2	+15.0%	346	13.2	NM	NM
KBPPWBIL	9.3	8.1	+14.8%	912	63.5	96.7x	0.9x
GPHISPAT	29.7	26.1	+13.8%	11,232	62.6	18.2x	1.7x
QGBALLPEN	208.2	183.9	+13.2%	1,859	74.0	NM	1.5x
MEGHNAPET	16.6	14.7	+12.9%	199	8.2	NM	NM
MEGCONMILK	16.7	14.9	+12.1%	267	6.7	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
BDFINANCE	23.8	28.6	-16.8%	3,987	609.1	11.9x	1.4x
ISLAMIINS	34.9	41.3	-15.5%	1,306	301.2	22.1x	2.3x
EBLNRBMF	5.9	6.9	-14.5%	1,323	50.7	NM	0.6x
TRUSTB1MF	6.0	7.0	-14.3%	1,822	265.9	NM	0.6x
PHPMF1	6.0	6.9	-13.0%	1,691	108.3	NM	0.6x
EIL	33.1	38.0	-12.9%	2,158	512.7	33.3x	3.0x
NITOLINS	53.0	60.8	-12.8%	2,131	279.3	9.1x	1.9x
SEMLIBLSF	7.6	8.7	-12.6%	760	90.3	NM	0.8x
EBL1STMF	7.0	8.0	-12.5%	1,013	72.3	NM	0.8x
NORTHRNINS	34.5	39.4	-12.4%	1,472	512.6	22.9x	1.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
ASIAPACINS	67.8	52.7	+28.7%	2,871	1,076.0	34.5x	3.2x
CONTININS	55.6	52.5	+5.9%	2,224	955.4	49.2x	2.7x
BXPBARMA	110.5	114.4	-3.4%	44,814	766.6	13.1x	1.5x
WALTONHIL	834.0	869.6	-4.1%	252,642	761.0	17.8x	3.2x
BEXIMCO	23.4	25.0	-6.4%	20,506	746.5	21.7x	0.3x
BRACBANK	38.4	38.9	-1.3%	50,914	732.3	14.1x	1.2x
RUPALIINS	32.0	32.8	-2.4%	2,453	674.1	21.0x	1.5x
BDFINANCE	23.8	28.6	-16.8%	3,987	609.1	11.9x	1.4x
SANDHANINS	31.4	32.3	-2.8%	3,445	604.0	NM	NM
REPUBLIC	43.5	45.9	-5.2%	2,017	590.5	21.1x	2.6x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E
BXPBARMA	110.5	+59.2%	44,814	13.1x
ISLAMIBANK	26.1	+36.6%	42,021	8.0x
ACI	245.5	+35.3%	14,085	NM
MARICO	2,254.0	+34.7%	71,001	26.8x
MJLBD	84.9	+34.1%	26,892	14.5x
BARKAPOWER	29.0	+27.8%	6,382	12.3x
GLAXOSMITH	2,186.6	+24.5%	26,341	25.4x
UPGDCL	301.2	+22.8%	158,731	22.1x
LANKABAFIN	21.0	+22.5%	11,316	36.2x
RECKITTEN	3,911.0	+22.5%	18,479	25.9x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,303.21	1,321.26	1,319.28	-1.37%	-1.22%
NBFIs	1,904.23	1,986.22	1,565.13	-4.13%	+21.67%
Mutual Funds	769.62	828.64	591.17	-7.12%	+30.18%
General Insurance	3,115.35	3,273.73	1,927.02	-4.84%	+61.67%
Life Insurance	1,987.13	2,059.40	2,194.70	-3.51%	-9.46%
Telecommunication	4,763.59	4,574.64	3,993.59	+4.13%	+19.28%
Pharmaceuticals	2,952.54	2,935.53	2,492.51	+0.58%	+18.46%
Fuel & Power	1,740.29	1,735.26	1,515.21	+0.29%	+14.85%
Cement	1,264.12	1,269.36	1,132.29	-0.41%	+11.64%
Services & Real Estate	1,016.89	1,035.13	886.70	-1.76%	+14.68%
Engineering	3,560.92	3,659.95	2,257.22	-2.71%	+57.76%
Food & Allied	13,424.91	13,031.59	12,121.49	+3.02%	+10.75%
IT	2,076.65	2,130.16	1,823.13	-2.51%	+13.91%
Textiles	1,147.17	1,197.56	1,042.04	-4.21%	+10.09%
Paper & Printing	5,217.36	5,278.64	5,233.20	-1.16%	-0.30%
Tannery	1,666.29	1,676.04	1,826.45	-0.58%	-8.77%
Jute	10,056.35	10,094.05	11,393.28	-0.37%	-11.73%
Ceramics	430.24	435.31	459.10	-1.16%	-6.29%
Miscellaneous	1,936.36	1,937.02	1,745.96	-0.03%	+10.91%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	379.2	523.2	-27.5%	5.8%	8.0x	0.7x
NBFIs	386.7	711.8	-45.7%	5.9%	NM	2.6x
Mutual Funds	690.1	750.5	-8.0%	10.5%	NM	0.8x
General Insurance	2,197.1	2,896.2	-24.1%	33.5%	20.2x	1.6x
Life Insurance	240.2	385.7	-37.7%	3.7%	NM	NM
Telecommunication	151.3	85.1	+77.7%	2.3%	13.9x	8.4x
Pharmaceuticals	486.7	740.7	-34.3%	7.4%	18.6x	2.5x
Fuel & Power	191.1	194.0	-1.5%	2.9%	11.8x	1.3x
Cement	57.1	76.1	-24.9%	0.9%	32.2x	2.0x
Services & Real Estate	35.1	55.7	-37.1%	0.5%	22.4x	0.8x
Engineering	552.5	673.1	-17.9%	8.4%	17.7x	1.7x
Food & Allied	138.3	164.3	-15.8%	2.1%	19.5x	5.9x
IT	103.1	161.0	-35.9%	1.6%	20.3x	2.3x
Textiles	527.8	1,113.1	-52.6%	8.1%	NM	0.8x
Paper & Printing	24.0	31.5	-23.8%	0.4%	253.8x	1.0x
Tannery	22.1	39.1	-43.4%	0.3%	NM	1.7x
Jute	14.6	17.3	-15.7%	0.2%	NM	8.4x
Ceramics	55.0	57.7	-4.6%	0.8%	62.8x	1.5x
Miscellaneous	303.9	354.3	-14.2%	4.6%	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
BRACBANK	38.4	-27.7%	50,914	14.1x
ECABLES	147.0	-26.2%	3,528	NM
RUNNERAUTO	49.7	-16.5%	5,643	10.6x
GHAIL	16.8	-14.3%	3,626	16.0x
IFADAUTOS	41.0	-11.3%	10,168	17.5x
HEIDELBCEM	146.8	-10.9%	8,295	NM
UNIQUEHRL	39.5	-10.0%	11,629	26.6x
DBH	92.6	-6.8%	14,274	17.8x
SINGERBD	169.1	-6.3%	16,860	23.7x
SHAHJABANK	20.9	-6.2%	20,484	12.3x

Important News: Business & Economy

Forex reserves cross USD 40 billion mark

• The country's foreign exchange reserves witnessed a new record crossing the USD 40 billion mark on Thursday, keeping the money market afloat. High inflows of remittance despite sluggish manpower export amidst the ongoing Covid-19 pandemic and low import expenditure mainly contributed to the surge in forex reserves. The current reserve of foreign exchange is enough to meet import demand for more than 10 months – well above the international standard of three months.

• The remittance inflow saw a healthy 46% growth in September compared to the same period last year. In September, the country's export earnings saw a 3.53% year-on-year growth, while imports – as of the latest update till August – registered a negative 6.68% growth, according to the central bank data. The rising forex reserves is a good sign for the country as it will increase the government's spending capacity, said the Executive Director of the Centre for Policy Dialogue (CPD). However, sustainability remains a question because migrant workers who mainly contribute to forex reserves are losing jobs, she said. She added that a fall in imports is not always a good sign because a drop in the import of capital machinery is an indication of lack of investment. Therefore, the import of exactly which components is declining should be looked into, she added.

<https://tbsnews.net/economy/forex-reserves-cross-40-billion-mark-142864>
<https://today.thefinancialexpress.com.bd/public/trade-market/lower-imports-higher-remittance-flow-push-forex-reserves-above-40b-1602259313>

Exports keep shrinking in Q1

• The country's apparel exports to the non-traditional markets are still facing hurdles. Shipments to those destinations maintained negative growth during the first quarter (Q1) of the current fiscal year (FY), industry people said. According to Export Promotion Bureau (EPB) data exports of both knit and woven items to the non-traditional destinations declined by 8.33% to USD 1.24 billion in Q1 as compared to USD 1.36 billion in the corresponding period of the last FY.

• Bangladesh fetched USD 4.78 billion or 17.10% of the total USD 27.94 billion RMG exports from the non-traditional markets in the last FY. The RMG shipments to the US witnessed a rise by 5.98% to USD 1.58 billion during the Q1. EU imported apparel worth USD 5.02 billion, marking a 1.58% growth, while Canada imported goods worth USD 270.09 million, recording a 5.83% rise during the first quarter, data showed.

<https://today.thefinancialexpress.com.bd/first-page/exports-keep-shrinking-in-q1-1602609385>

International Monetary Fund (IMF) projects 4.4 % growth

• The International Monetary Fund (IMF) projected a 4.4% economic growth of Bangladesh in the current fiscal year (FY) 2020-21. The IMF also estimated 3.8% growth in the Gross Domestic Product (GDP) of Bangladesh for FY'20. According to the IMF's latest projection Bangladesh will be able to achieve 7.3% GDP growth in FY '25. The average inflation rate will hit 5.9% by the end of the current fiscal year.

• Earlier on October 08, the World Bank forecasted 1.6% GDP growth for Bangladesh for the current fiscal year and 3.4% for the next fiscal year, assuming that the impact of the

Covid-19 crisis would extend.

<https://today.thefinancialexpress.com.bd/first-page/now-imf-projects-44pc-growth-1602609255>
<https://www.dhakatribune.com/business/economy/2020/10/13/imf-bangladesh-s-gdp-to-grow-3-4-in-2020>
<https://www.thedailystar.net/business/news/imf-lowers-gdp-growth-forecast-44pc-1977661>
<https://tbsnews.net/economy/44-growth-fy21-economy-rebound-2022-imf-144715>

Government's H1 debt soars as revenue wanes

• The government's debt soared in the first half of the current calendar year, fueled by a sharp rise in its borrowing, an American consultancy has found. The government borrowing shot up by 3.5% points to 37.8% of the GDP during January-June compared with the same period a year earlier, according to the Institute of International Finance, a Washington-based financial intelligence.

• The household debt surged to 11% of the Gross Domestic Product during the first half of the year against 10.5% at the same period last year. The financial sector debt increased to 2.3% of the GDP during the period under review against that of 2.1% of the same period a year earlier. Financial institutions issue some debt instruments, mostly junior bonds, to meet their capital shortfall.

• The non-financial corporate debt, however, slightly dropped to 35% of the GDP from 35.8% during the same period last year. Economists attributed the rise in the government's debt to the poor revenue mobilisation and slow economic activities. They said the COVID-19 pandemic continues to hit the domestic economy, leading to the fall in revenue collections.

<https://today.thefinancialexpress.com.bd/public/first-page/govts-hi-debt-soars-as-revenue-wanes-1602265854>

Relaxed foreign exchange regulation extended

• The Bangladesh Bank has extended relaxed foreign exchange regulation facilities till March 31 next year to facilitate foreign trade transactions taking into consideration the ongoing pandemic situation. In separate circulars issued on Tuesday, the relaxed regulations for refinancing for imports from Export Development Fund (EDF), advance payment against import of life-saving drugs, and usance period in import of industrial raw materials by industrial importers have been extended from existing deadline of September 30 this year. Referring to the previous circular, the Bangladesh Bank said that given the ongoing situation with Covid-19, it has decided to extend the refinancing facilities from EDF for settlement of back-to-back LCs (Letter of Credit) from 30 September this year up to March 31, 2021.

<https://tbsnews.net/economy/banking/relaxed-foreign-exchange-regulation-facilities-extended-till-next-year-considering>

All efforts fail to reduce NPLs at state banks

• In the late nineties, the key financial indicators of the state-owned commercial banks deteriorated alarmingly. Non-performing loans (NPLs) rose to 45.6% because of poor corporate governance. This prompted the Bangladesh Bank to sign memoranda of understanding with the banks in 2003 to put them on the right track. The central bank sits

with the managing directors of four state lenders – Sonali, Janata, Agrani and Rupali – every quarter. But all efforts in the last two decades have little effect on the actual condition of the banks.

- NPLs in the state lenders stood at 21.6% of their total outstanding loans of BDT 1.89 trillion as of June, down from 31.23% a year ago. But this is not the actual picture as the lenders regularised defaulted loans to the tune of BDT 152.86 billion last year using the relaxed rescheduling facility introduced by the central bank. The BB has been asking them to contain defaulted loans since signing the agreement nearly two decades ago, with no result in sight. In reality, the meeting has become a routine affair for the central bank.

- On October 8, the central bank again sat with the four banks and asked them to bolster their audit function to strengthen internal control and compliance. The central bank does not have any control on the state-run lenders as their genuine regulator is the finance ministry's banking division, said the executive director of the Policy Research Institute of Bangladesh. The central bank advises them but they are not compelled to follow the suggestions, he added.

<https://www.thedailystar.net/business/news/all-efforts-fail-reduce-npls-state-banks-1976001>

Steel rod makers having tough time

- The country's steel rod manufacturing sector is going through a tough time due to lower demand for the key construction materials and soaring raw material prices in the global market amid the ongoing Covid pandemic, insiders have said. They also said the demand decreased to a level less than half of the usual period, apparently posing a threat to the sustainability of many factories in the long run.

- They are selling the metals at lower prices and the operational cost went higher mainly due to the hike in raw materials' price, they added. The sector, which has been growing at a significant rate in the last several years, is now struggling hard due to the pandemic, said a leader of the country's steel makers. Many factories are now running below the breakeven point, he said, adding that the continuation of such a trend could lead to a closure of the factories, he said.

- The Secretary General of the Bangladesh Steel Manufacturers Association (BSMA), said the construction work at both the public and private sectors has been slow for some time now due to the pandemic. The overall production has decreased to around 40% than usual time, leaving huge production capacity unused, said the Managing Director of Metrocem Ispat Ltd.

<https://today.thefinancialexpress.com.bd/public/last-page/steel-rod-makers-having-tough-time-1602266440>

Current cigarette tax is not discouraging consumption: World Bank

- The existing taxation system in Bangladesh has neither decreased cigarette consumption nor increased revenue generation, said a report of the World Bank. The number of smokers has been increasing as existing laws to prevent smoking cigarettes are not implemented properly, the report read. Cigarette consumers are opting for low-priced brands due to the increased tax rates. As a result, health risks and the economic burden of low-income people have been increasing, the report mentioned. When tax rates rise, cigarette manufacturers lower the standard of their brands' different slabs and thus technically evade the increased tax rate. As a result, the government is being deprived of revenue, said the

report.

- Since 2011, the volume of consumption of the low-priced segment has risen by an average of 26%, causing the market share to increase. The market share of the low-priced segment accounts for nearly 77% of the total volume whereas it was 51% in the 2010–11 fiscal year. Yet, it represents only 40% of the total revenue from cigarettes, according to the report.

- The tobacco consumption rate is 69% in 30% of families of the ultra-poor in Bangladesh while it is 55% in well-off families. Tobacco consumption accounts for 3.7% of total household expenditures in 50% of the ultra-poor families in the country. On the other hand, the expenditure on cigarettes is only 2% of total household expenses in the richest families.

- Bangladesh is one of the largest consumers of tobacco in the world where four in 10 adults – 46 million people – use some sort of tobacco. About 39.8% of men are using tobacco while the rate is 0.7% among women. The prevalence of smokeless tobacco use is similar among men and women, which is about 30%. The rate of smokers among men in Bangladesh is the second highest in South Asia, followed by 41.9% in Pakistan, revealed the report.

<https://tbsnews.net/economy/current-cigarette-tax-not-discouraging-consumption-world-bank-143071>

Government to use forex reserves for development projects

- The government has decided to use the country's ballooning foreign exchange reserves to implement development projects. The government is carrying out a study to select the probable projects where forex reserves will be invested, Finance Minister said. The funds would be repaid in foreign currencies so that the reserves remain the same, he added. His comments came as the country's reserve touched a new milestone of USD 40 billion on October 8 riding on robust flow of remittance, a fall in imports caused by the pandemic and a recent uptick in exports.

- The government would pick those projects for the foreign currency loans that would have a high rate of return so that it can repay the loans also in the foreign currencies, he also said. In September, the central bank submitted a concept paper to the finance ministry on using the foreign exchange reserve. If the government takes fund from the reserve to implement projects, it will have to provide guarantee, the BB said.

<https://www.thedailystar.net/business/news/govt-use-forex-reserves-development-projects-1976561>

Apparel exporters brace for fresh hiccups amid second wave, US polls

- The wait for a Covid-19 vaccine, a second wave of infections in the western world and the upcoming US election may lead to hiccups in the recovery of Bangladeshi garment shipments, according to local exporters. The shipments had started rebounding with the reopening of stores by western retailers and brands, restoring the familiar humming of machineries in factories. Now international retailers and brands are increasingly coming up with work orders for suppliers' factories.

- Prospects started brightening up in July when garment export receipts reached USD 3.24 billion before falling to USD 2.47 billion in August and totaling USD 2.41 billion in September, according to data from the Export Promotion Bureau (EPB). The export of

garments reached rock bottom in April to USD 0.37 billion as a fallout of the pandemic. Garments trade occurs at an international scale and externalities tend to affect shipments. The manufacturers have been fearing that the rebounding of export of garment items might be affected to some extent because of a possible second wave of Covid-19 and any complication centring the US election.

- Many buyers have dropped placing of work orders to some extent because of a possible second wave of Covid-19 and for delay in vaccine arrival for the mass people use, said the managing director of Evince Group, a leading garment exporter. The buyers are more cautious now compared to pre-Covid time, he said. Facing the fallouts of a second wave of infections is very important for Bangladesh, he said, adding that already some states of the US have been affected with a second wave and schools were being shut down again.

<https://www.thedailystar.net/business/news/apparel-exporters-brace-fresh-hiccups-amid-second-wave-us-polls-1976553>

Recovery still slow in leather sector

- A return to normalcy is still a far off reality for Bangladesh's leather sector as the ongoing coronavirus pandemic has led to low domestic demand and a decline in exports, according to industry insiders. Since leather goods are considered to be semi-luxury products, customers are uninterested in purchasing those during times of crisis such as the ongoing one, they said.

- According to the latest export figures, the sector's earnings between July and September totalled USD 225.15 million, down 11.49% from that in the corresponding period the previous year, when it was USD 254.3 million. During the July-September period of the ongoing fiscal, leather shipments declined by 22.45% year-on-year while that of leather goods 17.49% and of leather footwear 6.83%.

- The leather industry is still in a vulnerable position as domestic demand has yet to rebound, said the chairman and managing director of Jennys Shoes, a local pioneer in the manufacture and export of leather footwear. He closed 40 out of 65 outlets across different districts and divisional cities where operational costs exceeded revenue, he added. Besides, most entrepreneurs related to the industry were unable to avail any financial support from the government's stimulus packages, which has led to a shortage of working capital in the sector.

<https://www.thedailystar.net/business/news/recovery-still-slow-leather-sector-1976541>

Cement sales rise slightly

- The cement makers are finally getting some respite from the Covid-19 fallout thanks to a slight increase in sales but they believe it will not be possible to book any profit this year. By the end of 2020, sales could reach 80% of what it was last year. Sales in the sector grew by 7% in September compared to the month before, which gives hope of recovery in the future, said the chief operating officer of Bengal Cement. Bulk orders for cement are coming as the construction work on the government's major development projects resumed in July.

- Besides, expatriate workers are going back to their jobs, leading to a ripple effect on the rural economy that will impact the cement sector, he also said. According to the chief operating officer, it takes at least two months to start disbursing funds for the development projects after a new budget is passed. For this reason, it is taking a bit of time for sales volumes to return to pre-pandemic levels.

<https://www.thedailystar.net/business/news/cement-sales-rise-slightly-1976353>

E-commerce sale grows 24 times over three years

- The e-commerce in Bangladesh is booming, with a BDT 131.84-billion sale made in 2019 while the amount was BDT 5.60 billion in 2016. The figure shows that the sale increased 24 times over the period of three years. In eight months of the current year, products worth BDT 1.66 trillion were sold which is 26% higher compared to those during the entire year of 2019. But lack of necessary infrastructure, digital market analysis, information and literacy, and above all lack of awareness are the obstacles to bring discipline to the e-commerce sector.

- The director of the Bangladesh Competition Commission said that the e-commerce industry in Bangladesh began evolving as a proper ecosystem from the year 2012. He also said currently, a total of 1,300 members of e-Cab are engaged with e-commerce while some 50,000 entrepreneurs are operating their business on Facebook. The paper also said about 30,000 products are being delivered per day in Bangladesh through e-commerce and Dhaka, Chattogram and Gazipur districts account for 80% of them.

<https://tbsnews.net/economy/e-commerce-sale-grows-24-times-over-three-years-143923>

Regulator to cut life insurance companies' lapsed policies

- The Insurance Development and Regulatory Authority (IDRA) has issued a circular on Sunday with the aim of reducing the number of lapsed policies of the life insurance companies. A policy for which all benefits to the policyholder cease and are terminated due to nonpayment of premium amount on due date or even after grace period is called a lapsed policy.

- The insurance regulator said this is one of the key impediments to raise insurance penetration rate that has been less one 1.0% for long in the country. As per the IDRA circular, signed by its chairman, the agents or development officers will get 10% less commission of the accrued amount in the first year. The 10% commission will be adjusted after successful collection of renewal in the second year. The agents, however, will be given interest for the delayed payment.

<https://today.thefinancialexpress.com.bd/last-page/regulator-to-cut-life-ins-cos-lapsed-policies-1602435587>

Job recovery gains momentum

- People are increasingly returning to jobs they had lost to the coronavirus pandemic despite the persisting health risks and the wage growth failing to keep pace with the rebounding economy. The number of unemployed people had risen by 10 times to 22.23% in July as the impacts of the crisis battered the economy, from 2.3% in March. It came down to 4% in September as people have started to take part in economic activities, according to a survey.

- The survey has proven that there is a dynamic labor market in Bangladesh, which is a positive sign. We are gradually recovering from the impacts of the Covid-19, the statistical agency said in a report. The gain in the job sector came after the government eased restrictions from June, ending the two-month-long countrywide lockdown although the deadly virus has not come under control yet. The number of businesses returned to the pre-

pandemic level of 17% last month, recovering from July's 10%.

<https://www.thedailystar.net/business/news/job-recovery-gains-momentum-1977133>

Leather turning into a big draw for foreign investors

- The leather sector in Bangladesh is turning into a hotspot for foreign investment due to the country's low manufacturing costs, availability of cheap raw materials and its eligibility for trade benefits on exports, said industry insiders. New investors from Japan, Taiwan and Vietnam have been contacting local leather goods and footwear manufacturers either to make investments in joint ventures or in companies they could establish themselves. The export incentive on crust leather is 7.5% while its 15% on leather goods, which is also a major factor drawing foreign direct investment (FDI) to this sector.
- Foreign investors are also interested in Bangladesh's domestic markets because of the rising number of middle-income customers and lifestyle changes for rapid urbanization which have mainly pushed up the use and sale of leather goods and footwear. Currently, total investment in leather and leather goods and footwear is more than USD 1 billion, of which some USD 700 million is from domestic investors while the remaining USD 300 million is from foreign investors who are engaged in the export of manufactured goods.
- The president of the Leather goods and Footwear Manufacturers and Exporters Association of Bangladesh said that he has been receiving a lot of queries from foreign investors as they are interested to invest in Bangladesh. Interest spiked when the government recently allowed tanneries at the country's Savar Tannery Industrial Estate (STIE) to set up their individual effluent treatment plants (ETPs).

<https://www.thedailystar.net/business/news/leather-turning-big-draw-foreign-investors-1977121>

Biggies look hungry but minnows lose appetite

- A major portion of the stimulus package for large industries and services has been implemented while only 24.18% was executed in another package for the cottage, micro, small and medium enterprises until September 30. Nearly BDT 272 billion was disbursed as working capital to 2,358 firms until October 12 under the stimulus package of BDT 330 billion for the large borrowers in industrial and service sectors. The implementation rate of the package is more than 82%.
- The banks and NBFIs disbursed just BDT 48.23 billion of the stimulus package to the smaller firms, which is 24.18% of the total BDT 200 billion financial support for the sector. Nine private commercial banks (PCBs) have already been asked to complete the disbursement of loans under the package for the large industries and services by October 15.

<https://today.thefinancialexpress.com.bd/first-page/biggies-look-hungry-but-minnows-lose-appetite-1602521237>

Recovery from loan write-off plummets

- Recovery from loan write-offs plunged to at least a 66-month low in the second quarter of 2020 as banks faced troubles in realising the delinquent loans because of the countrywide shutdown. In contrast, lenders wrote off a large amount of loans between April and June to clean their balance sheets. Banks collectively recouped BDT 480 million from their written-

off loans in the April to June quarter, down 66% from three months ago and 87% from a year earlier, according to data from the central bank. This is the slowest recovery from the written-off loans since 2015. Loan recovery data before 2015 was not available.

- Banks wrote off BDT 9.92 billion in the second quarter, the highest since January 2019. Loans amounting to BDT 20.57 billion were written off in the last quarter of 2018. There is no realistic prospect of recovering them and the majority of loans are now owned by the habitual defaulters. These loans are shifted to off-balance sheet records. The module of loan write-off has become a better tool than the loan rescheduling as some defaulters now frequently regularise their non-performing loans by taking advantage of the relaxed facility, experts said.

- Banks will have to sacrifice profits to write off defaulted loans as they have to maintain a large amount of provisioning, said the managing director of Dhaka Bank. But, the recovery from such loans has created a worrisome situation for the banking sector as a major portion of the written-off loans is owned by the habitual defaulters, he said. The recovery from all types of loans declined in the second quarter due to the shutdown put in place to contain the spread of the coronavirus pandemic.

<https://www.thedailystar.net/business/news/recovery-loan-write-plummets-1977681>

Bangladesh to seek USD 5 billion soft loan from WB in next three years

- Bangladesh would seek funds worth USD 5.0 billion from the World Bank's (WB's) IDA-19 package for the next three years to bankroll its socio-economic development activities, officials said on Tuesday. They further added that, additionally the government would also request the Bank to confirm some USD 500 million budgetary support for the current fiscal year (FY), 2020-21, to tackle the Covid-19 pandemic impact on the economy.
- The government has so far announced some BDT 1.03-trillion stimulus package, which is 3.7% of the total Gross Domestic Product (GDP), to fight the coronavirus pandemic and protect people amid the crisis. Another official said Bangladesh had received USD 250 million DPC-II from the WB in June.

<https://today.thefinancialexpress.com.bd/first-page/bd-to-seek-5b-soft-loan-from-wb-in-next-three-years-1602609422>

<https://tbsnews.net/economy/bangladeshs-foreign-debt-rises-125pc-10-years-world-bank-144427>

Reconditioned car sales drop 60%

- The sales of reconditioned cars in the country slumped by over 60% during the Covid-19 pandemic, sector insiders have said. Bangladesh Reconditioned Vehicles Importers and Dealers Association expressed grave concern over the proposed 'Automobile Industry Development Policy 2020' that aims to phase out use of reconditioned vehicles in five years, which is apprehended to cause huge losses to the reconditioned car traders.

<https://today.thefinancialexpress.com.bd/last-page/reconditioned-car-sales-drop-60pc-1602610075>

Bangladesh to overtake India in per capita GDP: International Monetary Fund

• Bangladesh is set to overtake India in terms of per capita Gross Domestic Product (GDP) in 2020-21, reports BSS. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) report, India's per capita GDP is likely to fall 10.5% to USD 1,877 -- the lowest in four years -- due to the sharp economic contraction following the strictest nationwide lockdown in the world due to the Novel Coronavirus (COVID-19) pandemic. Bangladesh, on the other hand, is expected to see its per capita GDP to grow by 4% to USD 1,888.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-overtake-india-in-per-capita-gdp-imf-1602696677>

<https://www.thedailystar.net/business/news/bangladesh-set-surpass-india-capita-gdp-1978285>

<https://tbsnews.net/economy/bangladesh-overtakes-india-capita-gdp-144988>

E-banking loses steam in August

• E-commerce transactions fell by BDT 1.52 billion in August, 2020 over July last. Mobile financial service transactions also dropped by more than 34% in the month compared with July, the central bank statistics show. Transactions through ATMs dropped to BDT 128.3 billion in August against BDT 173.4 billion in July, point of sale or POS dealings stood at BDT 11.8 billion, down by 16% from July 2020, according to the statistics

• The EFT transactions fell to BDT 216.4 billion in August from BDT 271.8 billion in July, and the real time gross settlement (RTGS) fell to BDT 1.71 trillion in August over BDT 1.76 trillion in July. Only internet banking transactions surged to BDT 68 billion in August against BDT 62.5 billion in July last.

<https://today.thefinancialexpress.com.bd/first-page/e-banking-loses-steam-in-aug-1602695481>

Government now to ease capital repatriation for foreign investors

• After granting facilities to foreign investors to send home profits and dividends from Bangladesh, the government is now moving to ease the process of remitting their capital too. The lock-in period for foreign investors in the capital market is also going to be reduced from three years to one year, including the introduction of e-signature to facilitate the process of share transfers for foreigners in non-listed companies. In addition, the Bangladesh Bank will ease the transfer and repatriation of the money earned from sales of shares where foreigners have not invested through the Non-Resident Investors' Taka Account.

• The central bank will also allow foreign investors to send their share dividends back home or shift them to other countries. In the case of money repatriation by foreigners, the central bank will have the firms determine the share prices too. All these decisions were taken recently at a high-level meeting chaired by the Prime Minister's Private Industry and Investment Adviser. He also said that although the process of remitting dividends and profits from Bangladesh has been simplified, there are some problems in the repatriation of foreigners' capital. Initiatives are being taken to ease those issues.

<https://tbsnews.net/economy/stock/govt-now-ease-capital-repatriation-foreign-investors->

[145240](#)

Two global firms seek to supply spot LNG to BD

• Two global firms -- Vitol Asia and AOT Trading AG of Switzerland -- are keen to supply the second LNG cargo to Bangladesh from the international spot market. According to a senior energy ministry official, state-run Rupantarita Prakritik Gas Company Ltd, or RPGCL, received bids from these two suppliers to supply LNG, or liquefied natural gas, to Bangladesh in November from the spot market. Bangladesh could save around BDT 300 million in purchasing LNG from the spot market from the first cargo compared to regular LNG market.

• Vitol Asia Pte delivered the first-ever spot LNG cargo carrying around 138,000 cubic metres of LNG from the spot market last month. Vitol Asia had offered the best bid at USD 3.8321 per million British thermal unit, or MMBTu, to bag the deal to supply its first LNG cargo to Bangladesh. Currently, the country's LNG import price under long-term deal with Qatar's Qatargas and Oman's Oman Trading International, or OTI, ranges between USD 5.50 and USD 6.0 per MMBtu, RPGCL official said.

<https://today.thefinancialexpress.com.bd/last-page/two-global-firms-seek-to-supply-spot-lng-to-bd-1602696166>

Important News: Capital Market

Q3 2020: Bangladeshi capital market deemed Asia's best

• Defying odds amid the Covid-19 pandemic, Bangladesh's stock market performed well during July-September period of 2020, emerging as Asia's best-performing capital market. In terms of gains in the key index, Bangladesh's stock market performance was also the highest in the world. According to research by Asia Frontier Capital, DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), posted a double digit growth by 24.4% in Q3 (July-September), of 2020, the highest gain in key index among the world's top performing stock exchanges.

• Meanwhile, Pakistan's stock market has risen as the second highest in Asia after Bangladesh. In the third quarter, the country's stock market rose to 19.40%, whereas Sri Lanka's stock market rose to third place with 17%. Earlier, according to a Bloomberg report, the stock market of Bangladesh in August rose the highest among Asian stock markets and also performed the best in the world with a 15.8% gain in key index.

<https://www.dhakatribune.com/business/2020/10/12/bangladeshi-capital-market-performs-best-in-world-in-q3>

City Bank zero-coupon bond subscription to end this month

• The City Bank zero-coupon bond subscription will end on 31 October this year, which began on 15 September. The chief executive officer of City Bank Capital Resources Limited (CBCRL) confirmed the bond subscription deadline. The three-year bond worth BDT 3 billion is non-convertible, fully redeemable, unsecured and unlisted. It will be redeemed through five equal payments every six months, starting from the 12th month of issuance, which will ensure ample liquidity for the bondholders, said a press release.

• The face value of each unit is BDT 5,000 and that of a single lot is BDT 2.92 million. City Bank revised the Yield to Maturity (YTM) of the bond from the initial 8.50% to 7.50% and received additional approval on the revised rate from the Bangladesh Bank on 10 June 2020.

<https://tbsnews.net/economy/banking/city-bank-zero-coupon-bond-subscription-end-month-143536>

Marico to invest BDT 2.27b to boost production capacity

• The board of directors of Marico Bangladesh Ltd. has decided to invest BDT 2.27 billion in phases for the purpose of increasing its manufacturing capacity. The multinational company has a plan to set up its operations in the Special Economic Zone under the Bangladesh Economic Zones Authority (BEZA), according to an official disclosure on Thursday. Marico Bangladesh, the first subsidiary of Indian fast-moving consumer goods company Marico Ltd, was listed on the Dhaka Stock Exchange (DSE) in 2009.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/marico-to-invest-BDT-227b-to-boost-production-capacity-1602171765>

Olympic Industries to import brand new machinery worth BDT 49.26 million

• The board of directors of Olympic Industries has decided to import brand new complete set of machinery, equipment and spare parts from China at an estimated total cost of USD 579,600 equivalent around BDT 49.26 million. The company will import these items for installation at its biscuits and confectionary factory at Sonargaon in Narayanganj for making PET Sheet and PET Tray for packing of biscuits and confectionary inputs produced by the company, according to an official disclosure on Monday.

• The specifications of item are: PET Co-Extrusion Sheet Extrusion Line complete with Extruder, Preheating system, Master Batch, Dousing unit, Glass heater, Encoder motor, Inverter, Touch screen etc. at an estimated cost of USD 433,070 equivalent around BDT 36.81 million. Capacity: 480-500 Kgs of final PET Sheet of 0.33 thicknesses per hour.

<https://today.thefinancialexpress.com.bd/stock-corporate/olympic-industries-to-import-brand-new-machinery-worth-BDT-4926m-1602514521>

<https://tbsnews.net/companies/olympic-set-machinery-reducing-cost-144280>

The Bangladesh Krishi Bank (BKB) seeks BDT 103 billion zero-coupon bond

• The Bangladesh Krishi Bank (BKB) has requested the government to issue redeemable zero-coupon bond worth BDT 103.18 billion to meet its capital shortfall. Officials said the state-owned BKB has sought the redeemable 10-series zero-coupon bond under recapitalisation at a 4.0-per cent yield. The product's maturity period will be 10 years from the date of issuance. It will be paid in 10 equal instalments, BDT 12.72 billion, including yield annually.

• According to a government instruction, the BKB gives loans to crop, fisheries and livestock sectors at a maximum of 9.0-per cent interest rate, although the cost of fund is 9.78% (provisional). According to the Bangladesh Bank, the BKB had a capital shortfall of more than BDT 103.18 billion (provisional) as of June 2020. The disbursement of farm loans by the BKB has surpassed its target in the last fiscal year. It achieved 113% of its target set by the central bank.

<https://today.thefinancialexpress.com.bd/trade-market/bkb-seeks-BDT-103b-zero-coupon-bond-1602341302>

BSEC adamant on establishing good governance

• The stock market regulator will not back down from its goal of establishing good governance in the capital market, said the chairman of Bangladesh Securities and Exchange Commission (BSEC). The chairman said that they believe a majority of the investors want good governance and want to follow rules in the capital market. But some are dissatisfied with the commission's decision to reform the rules. They want to ensure that the investors feel secure about their investments in the stock market, he added.

• They are trying to bring the Z-category companies into compliance and also to investigate the reasons behind their predicament. They found out that some companies are trying to improve their performance, while the offices of a few cannot be traced, he continued. The chairman further said, they have also heard several calls for reform, to ensure compliance in mutual funds. If they can successfully reform the rules for mutual funds, then investors may consider them as better options than FDR.

<https://tbsnews.net/economy/stock/bsec-adamant-establishing-good-governance-143920>

Thrust on proper maintenance of consolidated customer's account

• The securities regulator has started the job of ensuring compliance in operations of mutual funds in a bid to make such funds the alternative of FDR (fixed deposit receipts), the chairman of the Bangladesh Securities and Exchange Commission (BSEC) said this on Sunday.

• He further added that criticisms were galore in media and different platforms over the poor performance of mutual funds which are supposed to distribute dividend as per mandate. That's why we are working to ensure governance in operations of mutual funds so that such investment tools can be the alternative of FDR.

<https://today.thefinancialexpress.com.bd/stock-corporate/thrust-on-proper-maintenance-of-consolidated-customers-account-1602430221>

Cut-off price of Mir Akhter shares set at BDT 60 each

• The cut-off price of shares of Mir Akhter Hossain Ltd, a construction & engineering company, has been fixed at BDT 60 each through electronic bidding by eligible investors. 245 institutional and eligible investors offered different prices to buy the company's shares. Among them, most bids were BDT 50 and BDT 61 each, according to the data from the electronic subscription system (ESS).

• A total of 24 bidders offered BDT 50 each and 17 bidders offered BDT 61 each to buy the shares of the company. The highest bidding price was BDT 98 and the lowest price was BDT 14 each, according to the ESS data.

<https://today.thefinancialexpress.com.bd/stock-corporate/cut-off-price-of-mir-akhter-shares-set-at-BDT-60-each-1602430388>

<https://tbsnews.net/economy/stock/general-investors-buy-mir-akhters-share-BDT-143908> 54-

MI Cement postpones setting up of sixth-unit due to pandemic

- The MI Cement Factory Limited, the owning entity of popular brand Crown Cement, has postponed expansion plans of its sixth manufacturing unit due to Covid-19 pandemic. According to the company both the technical and commercial negotiations with the international contractors got suspended with the outbreak of Covid-19 as well as the financing arrangement.
- The board of the company thinks it will be able to meet the market demand over the next two-three years with its existing capacity. As such the decision for the sixth manufacturing unit can be considered at a later stage, it added.

<https://today.thefinancialexpress.com.bd/stock-corporate/mi-cement-postpones-setting-up-of-sixth-unit-due-to-pandemic-1602430931>
https://tbsnews.net/economy/industry/crown-cement-ditches-BDT_600cr-expansion-plan-overcapacity-143587

Lub-rref share bidding begins today.

- The bidding for eligible investors (EIs) to discover the cut-off price of shares of Lub-rref (Bangladesh) Limited begins today. The bidding will take place until Thursday 5:00pm on the Dhaka Stock Exchange. The Chittagong-based company is due to use the BDT 1.50-billion IPO fund to install new machinery at its plant and repay some of its bank loans.
- According to Lub-rref's IPO prospectus, The lubricant manufacturer will invest BDT 980 million to expand its existing manufacturing plant, which would enable the company to capture 20% lube oil market share, from the existing 8%. According to the entity's audited financial statements for the year ending on June 30, 2019, the company's weighted net asset value per share was BDT 31.93 while earnings per share (EPS) was BDT 2.08.

<https://www.dhakatribune.com/business/stock/2020/10/11/lub-rref-share-bidding-begins-monday>

Resident, non-resident persons, orgs eligible for sukuk investment

- The finance ministry has issued guidelines on releasing sukuk (interest-free Shariah-based bonds) to meet infrastructure financing deficits. Any resident or non-resident individual, or organization, will be able to invest in Bangladeshi or foreign currency. Non-residents will be able to send back profits and proceeds from sales in foreign currency. Sukuk transactions will also take place on the secondary capital market. Sukuk is usually launched under a specific project. The proceeds from the project are distributed among sukuk investors as profit. Its face value is determined by the government.
- As for sukuk's secondary trading, the guidelines state that both resident and non-resident investors can participate in secondary trading. A special purpose vehicle will be able to take necessary steps to list and trade sukuk within the country or on any international platform.

<https://tbsnews.net/economy/resident-non-resident-persons-orgs-eligible-sukuk-investment-144277>

Crystal Insurance's IPO subscription begins Nov 10

- The initial public offering (IPO) subscription of Crystal Insurance Company Ltd is set to open on November 10, aiming to raise BDT 160 million. The IPO subscription for shares of

the non-life insurer by the eligible investors through electronic subscription system under the fixed price method will be continued until November 16.

- The company will issue 16 million ordinary shares with an offer price of BDT 10 each under the fixed price method. The proceeds from the IPO will be used for investment in FDR & Treasury bond, capital market and to meet IPO related expenses. The non-life insurer's authorized capital is BDT 1.0 billion and pre-IPO paid-up capital is BDT 240 million. According to the financial statement ending June 30, 2019, the company's net asset value (NAV) per share was BDT 24.42, while earnings per share (EPS) were at BDT 2.92.

<https://today.thefinancialexpress.com.bd/stock-corporate/crystal-insurances-ipo-subscription-begins-nov-10-1602514491>

Islamic banks' deposits, investments grow amid pandemic

- The country's Islamic banks saw an increase in both deposits and investments during the second quarter (April-June) of this year amid the novel coronavirus pandemic, according to a report by the Bangladesh Bank. Deposits of Islamic banks stood at BDT 2.91 trillion at the end of June. Compared to the first quarter (January-March), deposits increased by 2.35% or BDT 66.92 billion. Deposit growth rate was 15.11% compared to the second quarter of last year. At the time, the amount of deposits was BDT 2.53 trillion.
- A total 34.48% of the deposits were in Islami Bank. First Security Islami Bank was in the second position with 13.03% of the deposits. Exim Bank accounted for 12% of the deposits while Al-Arafah Islami Bank's share was 11.17%. During April-June this year, the amount of lending or investment by Islamic banks was BDT 2.75 trillion, which was 3.05% or BDT 81.57 billion more than the first quarter. At the end of June last year, the investment of Islamic banks was BDT 2.45 trillion. Bangladesh ranked eighth on the Islamic Finance Country Index (IFCI) 2019, moving two notches up from the previous year's position.

<https://tbsnews.net/economy/banking/islamic-banks-deposits-investments-grow-amid-pandemic-144625>

GP, Banglalink objects to Robi-Airtel's lower spectrum renewal bid

- Mobile operators Grameenphone (GP) and Banglalink have raised their objection to Airtel's spectrum renewal at a lower price. They demanded that the spectrum be sold at a price set during the last auction in February 2018. The validity of Airtel's spectrum is going to end on December 19 later this year.
- According to sources, in 2005, Warid Telecom (later Airtel) spent BDT3.4 billion to buy 1800 MHz, meaning 15 MHz in the 2G band. The cost of this spectrum was allocated for 15 years, approximately BDT10.51 million per MHz spectrum. In 2011, when Robi Axiata renewed its 2G spectrum license, it spent BDT100 million per MHz. Thus, Robi had to pay more than BDT80.49 million extra for each megahertz of 2G spectrum.
- BTRC officials said that as they allotted the Airtel spectrum at a very low price back in 2005, additional fees were added to maintain balance when it merged with Robi. Now the same principle should be applied again if they want to acquire more spectrum, they added. Meanwhile, Banglalink and Grameenphone separately sent letters to BTRC on this issue where they demanded that Robi-Airtel be allotted spectrum as per the 2018 auction price.

<https://www.dhakatribune.com/business/2020/10/13/gp-banglalink-objects-to-rob-airtel-s>

[lower-spectrum-renewal-bid](#)

GPH Ispat to ship 25,000 tonnes of billet to China

• GPH Ispat, one of the country's leading steel makers, is going to export billet to China in what will be the biggest-ever outgoing shipment of raw materials by any Bangladeshi company. The company said it decided to ship 25,000 tonnes of MS billet to the world's second largest economy for USD 10.17 million. It is the first time that a bulk cargo of billet will be exported from Bangladesh, GPH Ispat said in its disclosure to the Dhaka Stock Exchange (DSE).

• The steel maker's disclosure came a month after it expanded its annual billet production capacity from 210,000 tonnes in 2018 to more than 1.0 million tonnes this year. GPH also increased its rod production capacity from 150,000 tonnes in 2018 to 760,000 tonnes in 2020. Today, GPH is the third biggest manufacturer of billet after AKS and BSRM in the country, which has attained self-sufficiency in the making of key raw materials used to produce steel thanks to drives by local companies to develop and expand backward linkage capacities to feed growing domestic demand for public and private construction.

• The non-financial corporate debt, however, slightly dropped to 35% of the GDP from 35.8% during the same period last year. Economists attributed the rise in the government's debt to the poor revenue mobilisation and slow economic activities. They said the COVID-19 pandemic continues to hit the domestic economy, leading to the fall in revenue collections.

<https://www.thedailystar.net/business/news/gph-ispate-ship-25000-tonnes-billet-china-1977657>

Two new units of Premier Cement remain idle for pandemic

• Premier Cement is yet to begin production at two of its new manufacturing units despite getting fully prepared in March, as a few key foreign experts and workers of the company could not return to Bangladesh due to the Covid-19 outbreak. They could not start production within the stipulated time due to the absence of some technical experts and workers from China and Denmark, said the managing director of the cement maker. After operating on a trial basis for a month, the units were scheduled to go into commercial production in June.

• One of the units was developed in Narayanganj at BDT 8.00 billion and the other one in Chattogram at BDT 5.00 billion, he said. Now, the cement maker expects to begin trial production in November and commercial production in December. The MD also claims that the expansion of their annual output from 2.4 million tonnes to 5.2 million tonnes will be a record for a single entity in the

<https://www.thedailystar.net/business/news/two-new-units-premier-cement-remain-idle-pandemic-1977653>

Irregularities cost Alliance Securities its license

• The securities regulator on Tuesday cancelled the stock-broker and stock dealer registration certificate of Alliance Securities and Management Limited on charges of irregularities. The regulator found many irregularities in an inquiry at that time. The company had provided business facilities to its directors and their family members. They used to withdraw money from their individual beneficiary owners (BO) accounts and adjust

their loans even when they did not have an adequate balance – in violation of the rules – the inquiry also found.

• The company has withdrawn BDT129.7 million from the investors' consolidated customers' account illegally and made a fixed deposit scheme, violating the rules. It did not cooperate with investigators at the time of the enquiry, the BSEC alleged. The chairman of Alliance Securities and Management Limited said that the regulator has taken a good decision to cancel the licence of the company in the interest of investors.

<https://tbsnews.net/economy/stock/irregularities-cost-alliance-securities-its-license-144703>

Aman Cotton illegally benefits from investors' funds

• The auditor of Aman Cotton Fibrous Ltd detected irregularities in the use of initial public offering (IPO) funds and gave a qualified opinion on the utilisation of the funds in the August audit report. The company failed to use its IPO proceeds within the scheduled period, the auditor found. The auditor also found that the BD T.73 billion FDR made from IPO proceeds was pledged as security for credit facilities enjoyed by other entities. The auditor found that the company had repaid BDT 21.6 million out of BDT 47.7 million of IPO fund accounts. It also repaid BDT 14.8 million which came from FDR made from IPO proceeds.

• Due to the irregularities, the securities regulator in June appointed a special auditor – Howladar Yunus & Co – to investigate the use of IPO proceeds and audited financial statements of the company. The company gave loans to one of its sister concerns without the approval of its general investors. As a result, investors were deprived of gains and lost a lot of capital.

<https://tbsnews.net/companies/aman-cotton-illegally-benefits-investors-funds-144700>

Investors send legal notice to Bangladesh Securities and Exchange Commission (BSEC) over margin loan closure

• Investors have sent a legal notice to the Bangladesh Securities and Exchange Commission (BSEC) following a recent slump in the stock market caused by the news of margin loan closure in the insurance sector by some of the top brokerage houses. After several brokerage houses cancelled the facilities of margin loans in the insurance sector on Monday (October 12), the market index witnessed a sharp fall. As a result, general investors suffered when the news broke, especially those in the insurance business.

• These brokerage firms have stopped margin loans without any prior notice, affecting the entire market, the lawyer said. Regarding margin loan, BSEC Executive Director said that the commission has not made any decision yet. However, a house can decide whether to give a margin loan or not. They may retreat if they consider it risky.

<https://tbsnews.net/economy/stock/investors-send-legal-notice-bsec-over-margin-loan-closure-144556>

Envoy Textile's earning per share slumps 51%

The earnings per share (EPS) of Envoy Textiles Ltd plunged nearly 51% year-on-year for the year ended on June 30, 2020 as export declined due to pandemic. The board of directors of the company has recommended a 5.0% cash dividend for the year ended on June 30, 2020, according to an official disclosure on Tuesday

- The textile company's earnings per share (EPS) plunged 51% year-on-year to BDT 1.63 for the year ended on June 30, 2020. The company's EPS was BDT 3.31 for the year ended on June 30, 2019. The company has also reported net asset value (NAV) per share of BDT 40.57 and net operating cash flow per share (NOCFPS) of BDT 1.56 for the year ended on June 30, 2020 as against BDT 38.35 and BDT 2.58 respectively for the same period of the previous year.

<https://today.thefinancialexpress.com.bd/stock-corporate/envoy-textiles-earning-per-share-slumps-51pc-1602602809>

NRBC applies for IPO with 'non-compliant' directors

- NRB Commercial Bank is in trouble in getting its IPO (Initial Public Offering) proposal approved by the stock regulator due to its non-compliant directors in terms of holding required shares. The bank has filed its documents with Bangladesh Securities Exchange Commission (BSEC) mentioning 11 directors. Of them, two directors hold less than 2% shares. According to BSEC rules, a director of a company must hold a minimum 2% shares for IPO approval. However, NRB Bank's two directors Mohammed Manzurul Islam and Dr Nuran Nabi hold only 0.23% and 0.45% shares of the company, respectively.

- The bank wants to raise BDT 1.20 billion from the capital market following the fixed price method. The bank will use BDT 1.10 billion of this fund in government securities, BDT 60.5 million for investing in the secondary market and BDT 39.5 million as IPO expenses. Meanwhile, a sponsor shareholder has filed a complaint with the BSEC and the Ministry Of Finance, seeking immediate initiative to prevent IPO approval keeping these two individuals as directors.

- Sources at the BSEC said the bank must comply with the 2% minimum shareholding rule. The commission will seek explanation in this regard, they added. The managing director of Asian Tiger Capital Partners Investments Limited and also the issue manager of the bank that the two directors holding less than 2% shares resigned from the bank in its last board meeting.

<https://tbsnews.net/economy/stock/nrbc-applies-ipo-non-compliant-directors-145207>

KDS Accessories to invest BDT 144.5 million to boost production

- KDS Accessories Ltd, a sister concern of Chattogram-based KDS Group, will install automation technologies at a cost of BDT 144.5 million to increase its production capacity. According to sources at the company, after automation, the overall capacity utilisation can be increased by 15% per year. The company, which manufactures cartons, buttons, elastics, labels, and papers, may generate an approximate additional sales revenue of BDT 250 million annually. This project will be financed through a combination of bank loan and the company's own source.

- The chief financial officer (CFO) of the company said that almost 77% of revenue comes from the selling of cartons yearly. And its demand is increasing day by day. So, the company has opted for the latest technology to enhance its competitive ability. Earlier in 2019, the company had upgraded its factory machines by using its own resources, and without the help of any bank loan financing.

https://tbsnews.net/economy/stock/kds-accessories-invest-BDT_1445cr-boost-production-145201

Digitisation spurs Agrani Bank's business growth

- Agrani Bank has topped in deposit growth among its peer state-owned banks in 2019 mainly due to improvement in its client services. Its deposit growth surged to a new high at 11.3% in 2019, while Rupali Bank at 6.4%, Sonali Bank at 5.6% and Janata Bank at 2.3%, according to official statistics. Its loans and advances also edged up by nearly 18% in the year under review. Consequently, its net interest income increased in 2019 at BDT . 6.32 billion and profit after tax at BDT 1.07 billion.

- The Agrani Bank Limited is the biggest bank in foreign remittance transactions among the state-owned banks. And it is the second biggest bank in terms of transacting remittances among all banks in operation in Bangladesh. Its foreign remittance transaction has upped by over 17% than that of 2018. The chairman at the Board of Directors of the Agrani Bank Limited (ABL) told We've installed mobile app for the expatriates, especially in big market like Singapore, so that they can send money home sitting in their own place at abroad

<https://today.thefinancialexpress.com.bd/stock-corporate/digitisation-spurs-agrani-banks-business-growth-1602691412>

Outdated costly banking software puts Agrani in trouble

- Installation of an outdated core banking software at an exorbitant price has exposed the state- owned Agrani Bank to high cyber security risks. The lack of upgrading of the software may cause severe operational problems and put depositors at risk in the long run, said concerned bank officials. The core banking software (CBS) is typically used to run the core banking activities of banks, provides real time banking services to clients while protecting banks from cyber threats.

- Flora Telecom Limited, the local agent of Temenos, took the responsibility of implementation, monitoring and upgrading of the software. But FTL tried to misappropriate huge amounts of money from the bank without upgrading the software and without maintaining it properly, sources alleged. In doing so, FTL forged the signature of a Deputy General Manager of Agrani Bank Limited to secure the rights to handle the upgrading and the next round of investment that the bank would have to make to upgrade.

<https://www.dhakatribune.com/business/banks/2020/10/14/outdated-costly-banking-software-puts-agrani-in-trouble>

BSEC extends Zeal Bangla's trading suspension

- The Bangladesh Securities and Exchange Commission (BSEC) has extended the suspension of share trading of Zeal Bangla Sugar Mills Ltd - a state-owned junk company - for 15 more days. The suspension order issued by the securities regulator would be effective from 15 October this year. Earlier on 14 September, the securities regulator suspended the company's share trading for 30 days on charges of unusual transactions and increasing of share prices in the Dhaka Stock Exchange (DSE).

- On 31 August 2020, the commission directed the DSE for an inquiry into the unusual price hike of the company's shares. BSEC asked DSE to submit the probe report within 20 working days, but DSE sought another 15 days for submitting the report. The company failed to pay any dividend to its shareholders for the last 29 years. As a result, the company's loss is getting heavier year after year. According to its officials, production cost of Zeal Bangla's sugar is higher than the price of imported sugar. That is why the company is forced to sell its sugar at a discounted rate to survive in the market.

<https://tbsnews.net/economy/stock/bsec-extends-zeal-banglas-trading-suspension-145210>
<https://www.dhakatribune.com/business/stock/2020/10/14/zeal-bangla-share-trading-suspension-extended-to-october-29>

IPO share bidding of Lub-rref begins tomorrow

- The bidding for eligible investors (EIs) to explore the cut-off price of shares of Lub-rref (Bangladesh) Ltd, a local lubricant producer, will begin tomorrow (Monday). Officials said, The Chittagong-based lubricant company's shares bidding through electronic subscription system (ESS) of the exchanges will be continued until 5:00pm on October 15.
- The minimum tick size (minimum bidding value) for bidding shall be BDT 5.0 million which is in accordance with the BSEC consent letter to Lub-rref (Bangladesh) Limited, dated September 03, 2020. The local lubricant company will raise a capital worth BDT 1.50 billion from the capital market under the book-building method. To finance its expansion of existing refinery plant and payment of expensive bank loans, around BDT 980 million will be funded through IPO proceeds, which would enable the company to capture 20% market share, from the existing 8.0%, company officials said.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-share-bidding-of-lub-rref-begins-tomorrow-1602342807>

Trading booths in small towns likely

- The securities regulator is set to allow stockbrokers to open trading outlets in different areas of the country to reach the capital market to the people's doorsteps. As part of the move, the Bangladesh Securities and Exchange Commission (BSEC) has already formulated draft rules for installing trading booths in different areas, initially in municipal towns.

<https://today.thefinancialexpress.com.bd/last-page/trading-booths-in-small-towns-likely-1602349093>