

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.86%) gained 41.74 points and closed the week at 4,914.04 points. The blue-chip index DS30 (+1.32%) gained 21.98 points and stood at 1,692.44 points. The Shariah-based index DSES (+0.11%) gained 1.20 points and stood at 1,114.17 points. The large cap index CDSET (+0.52%) gained 5.13 points and closed at 987.01 points. DSEX, DS30, DSES and CDSET showed YTD returns of +10.36%, +11.83%, +11.44%, +9.70%, respectively.

Total Turnover During The Week (DSE): BDT 42.4 billion (USD 499 million)
Average Daily Turnover Value (ADTV): BDT 8.5 billion ($\Delta\%$ Week: +26.3%)

Market P/E: 15.8x

Daily Index Movement during the Week:

Market performed five sessions during this week. Market performed positively in the first session by +0.11% and continued to be positive in the second and third session by +0.50% and +0.31% respectively. Market remained flat in the fourth session by -0.01%. In the last session, market ended at negative by -0.06%.

Sectoral Performance:

- All the financial sectors posted positive performance this week except Mutual Fund (-0.96%). General Insurance booked the highest gain of 17.25% followed by Life Insurance (+5.94%), NBF1 (+3.23%), and Bank (+0.83%).
- Non-financial sectors posted mixed performance this week. Pharmaceutical booked the highest gain of 0.79% followed by Food & Allied (+0.30%). Engineering experienced the highest loss of 6.65% followed by Telecommunication (-3.07%) and Fuel & Power (-1.35%).

Macroeconomic arena:

- Bangladesh surpassing India in per capita GDP in 2020 as forecast by the International Monetary Fund is not a fluke and is rather a reflection of the country's steady economic growth and a solid foundation, said economists yesterday. According to the IMF's latest World Economic Outlook report, Bangladesh's per capita growth of gross domestic product (GDP) would rise to USD 1,887.97 in dollar terms and at current prices at the end of this year, while India's per capita GDP would fall to USD 1,877.
- The yields on 91-Day Treasury Bills (T-bills) fell below 1.0% on Sunday after more than one decade as banks preferred to invest their excess funds in the government securities. The cut off yields, generally known as interest rate, on 91-day T-bills came down to 0.94% on the day from 1.39% of the previous auction, held on October 11.
- Development spending rose 16% year-on-year to BDT 89.50 billion in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic. This is the first growth since March this year as the expenditure from the ADP dipped every month since then compared to a year ago
- The government's revenue collection witnessed positive growth after seven months of coping with the blows dealt by the Covid-19 pandemic. In addition to 1.55% growth in September, according to NBR sources, in the first quarter of the current fiscal year, BDT 480.17 billion came from customs, VAT, and income tax, and growth was 0.67%.

Stock Market arena:

- The securities regulator has imposed a two-year lock-in on Robi Axiata's shares which will be allotted to its employees. As per the approval, Robi will allot 136.1million shares to its employees under the Employee Share Purchase Plan (ESPP) at an offer price BDT 10 each.
- The board of directors of Mercantile Bank Limited (MBL) has decided to issue Perpetual Bond up to Tk 7.0 billion, said an official disclosure on Thursday.
- The bidding for eligible investors (EIs) to discover the cut-off price of shares of Index Agro Industries Limited will begin on November 1 and will continue until November 4.
- Lovello Ice Cream, an ice cream brand of Taufika Foods and Agro Industries Ltd (TFAIL), got approval to raise BDT 300 million by issuing 30 million shares in the capital market through IPO. The securities regulator has approved the IPO (initial public offering) proposal of eGeneration which will raise a capital worth BDT 150 million from the capital market.

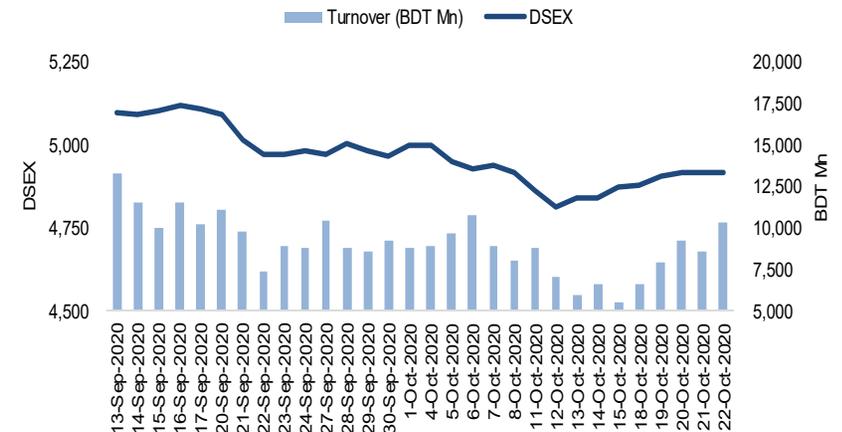
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	4,914.04	4,872.30	+41.74	4,452.93	+0.86%	+10.36%
DS30	1,692.44	1,670.45	+21.98	1,513.35	+1.32%	+11.83%
DSES	1,114.17	1,112.97	+1.20	999.83	+0.11%	+11.44%
CDSET	987.01	981.88	+5.13	899.76	+0.52%	+9.70%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	3,965,751	3,985,520	
	Mn USD	46,678	46,911	-0.5%
Turnover	Mn BDT	42,408	33,582	+26.3%
	Mn USD	499	395	
Average Daily Turnover	Mn BDT	8,482	6,716	+26.3%
	Mn USD	100	79	+26.3%
Volume	Mn Shares	1,489,269,958	1,452,406,920	+2.5%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
GLOBALINS	51.4	30.6	+68.0%	1,985	796.0	73.0x	4.3x
PROVATIINS	67.4	42.1	+60.1%	2,002	853.7	26.5x	3.4x
ASIAINS	68.6	48.2	+42.3%	3,229	574.5	40.6x	3.3x
PRIMEINSUR	39.0	29.0	+34.5%	1,594	112.7	NM	2.4x
UNITEDINS	59.8	44.7	+33.8%	2,661	124.2	25.6x	1.7x
MERCINS	41.3	31.0	+33.2%	1,780	339.8	35.6x	2.2x
PENINSULA	22.0	17.3	+27.2%	2,611	292.1	50.1x	0.7x
DHAKAINS	53.3	42.3	+26.0%	2,139	366.7	24.9x	2.6x
TAKAFULINS	51.2	40.9	+25.2%	2,180	176.9	29.1x	2.9x
PEOPLESINS	39.8	31.9	+24.8%	1,839	706.6	16.0x	1.4x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SAVAREFR	279.5	341.8	-18.2%	389	30.1	NM	73.0x
BDTHAI	20.5	23.6	-13.1%	2,543	208.4	50.0x	0.7x
MEGHNAPE	14.6	16.6	-12.0%	175	3.3	NM	NM
USMANIAGL	53.2	60.3	-11.8%	926	9.0	NM	0.5x
ETL	8.9	10.0	-11.0%	1,551	82.3	20.4x	0.6x
DULAMIACOT	74.6	83.6	-10.8%	564	5.1	NM	NM
FEKDIL	11.0	12.3	-10.6%	2,359	28.3	33.3x	0.6x
BIFC	5.1	5.7	-10.5%	513	1.2	NM	NM
HFL	24.7	27.5	-10.2%	2,249	100.7	28.5x	0.6x
ALLTEX	8.0	8.9	-10.1%	448	2.0	NM	0.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
CONTININS	52.1	55.6	-6.3%	2,084	1,476	46.1x	2.5x
BXPBARMA	115.7	110.5	+4.7%	46,923	1,333	13.7x	1.5x
REPUBLIC	52.2	43.5	+20.0%	2,421	1,162	25.3x	3.2x
ASIAPACINS	71.8	67.8	+5.9%	3,041	1,055	36.5x	3.4x
BEXIMCO	23.4	23.4	-	20,506	1,051	21.7x	0.3x
BRACBANK	41.3	38.4	+7.6%	54,759	972	15.2x	1.2x
RUPALIINS	37.8	32.0	+18.1%	2,898	886	24.8x	1.7x
PROVATIINS	67.4	42.1	+60.1%	2,002	854	26.5x	3.4x
BSCCL	137.8	136.8	+0.7%	22,724	834	27.2x	3.5x
GLOBALINS	51.4	30.6	+68.0%	1,985	796	73.0x	4.3x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
BXPBARMA	115.7	+66.7%	46,923	13.7x	1.5x
ACI	251.2	+38.4%	14,412	NM	1.5x
ISLAMIBANK	26.3	+37.7%	42,343	8.0x	0.7x
IDLC	61.6	+35.7%	23,226	17.6x	1.7x
MARICO	2,263.5	+35.3%	71,300	26.9x	51.4x
LANKABAFIN	22.4	+30.7%	12,070	38.7x	1.2x
BARKAPOW	29.1	+28.2%	6,404	12.3x	1.2x
MJLBD	80.9	+27.8%	25,625	13.8x	1.9x
GLAXOSMITH	2,188.0	+24.6%	26,358	25.5x	20.7x
LHBL	41.4	+23.2%	48,081	23.3x	2.9x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,313.97	1,303.21	1,319.28	+0.83%	-0.40%
NBFIs	1,965.80	1,904.23	1,565.13	+3.23%	+25.60%
Mutual Funds	762.20	769.62	591.17	-0.96%	+28.93%
General Insurance	3,652.69	3,115.35	1,927.02	+17.25%	+89.55%
Life Insurance	2,105.08	1,987.13	2,194.70	+5.94%	-4.08%
Telecommunication	4,617.44	4,763.59	3,993.59	-3.07%	+15.62%
Pharmaceuticals	2,975.89	2,952.54	2,492.51	+0.79%	+19.39%
Fuel & Power	1,716.83	1,740.29	1,515.21	-1.35%	+13.31%
Cement	1,293.28	1,264.12	1,132.29	+2.31%	+14.22%
Services & Real Estate	1,018.34	1,016.89	886.70	+0.14%	+14.85%
Engineering	3,324.21	3,560.92	2,257.22	-6.65%	+47.27%
Food & Allied	13,465.26	13,424.91	12,121.49	+0.30%	+11.09%
IT	2,058.16	2,076.65	1,823.13	-0.89%	+12.89%
Textiles	1,114.46	1,147.17	1,042.04	-2.85%	+6.95%
Paper & Printing	5,133.23	5,217.36	5,233.20	-1.61%	-1.91%
Tannery	1,667.07	1,666.29	1,826.45	+0.05%	-8.73%
Jute	9,589.87	10,056.35	11,393.28	-4.64%	-15.83%
Ceramics	421.80	430.24	459.10	-1.96%	-8.12%
Miscellaneous	1,920.29	1,936.36	1,745.96	-0.83%	+9.98%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	451.1	379.2	+19.0%	5.4%	8.0x	0.7x
NBFIs	363.9	386.7	-5.9%	4.4%	NM	2.6x
Mutual Funds	402.2	690.1	-41.7%	4.9%	NM	0.8x
General Insurance	3,514.2	2,197.1	+59.9%	42.4%	23.1x	1.9x
Life Insurance	291.8	240.2	+21.5%	3.5%	NM	NM
Telecommunication	219.0	151.3	+44.8%	2.6%	12.8x	9.6x
Pharmaceuticals	734.8	486.7	+51.0%	8.9%	18.8x	2.5x
Fuel & Power	182.7	191.1	-4.4%	2.2%	11.7x	1.3x
Cement	89.0	57.1	+55.8%	1.1%	29.7x	2.0x
Services & Real Estate	87.7	35.1	+150.1%	1.1%	22.4x	0.8x
Engineering	632.4	552.5	+14.5%	7.6%	17.2x	1.7x
Food & Allied	196.8	138.3	+42.3%	2.4%	19.6x	6.0x
IT	147.0	103.1	+42.5%	1.8%	20.1x	2.2x
Textiles	449.9	527.8	-14.8%	5.4%	NM	0.8x
Paper & Printing	27.6	24.0	+15.4%	0.3%	249.7x	1.0x
Tannery	48.9	22.1	+120.8%	0.6%	NM	1.7x
Jute	40.0	14.6	+174.1%	0.5%	NM	8.0x
Ceramics	48.8	55.0	-11.3%	0.6%	61.5x	1.5x
Miscellaneous	362.2	303.9	+19.2%	4.4%	24.9x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ECABLES	142.8	-28.3%	3,427	NM	5.0x
BRACBANK	41.3	-22.2%	54,759	15.2x	1.2x
RUNNERAUTO	47.0	-21.0%	5,336	10.0x	0.7x
GHAL	16.8	-14.3%	3,626	16.0x	1.1x
IFADAUTOS	40.6	-12.1%	10,068	17.3x	1.0x
HEIDELBCEM	145.5	-11.7%	8,221	NM	2.1x
SHASHADNIM	21.9	-11.3%	2,942	42.0x	0.5x
UNIQUEHRL	39.5	-10.0%	11,629	26.6x	0.5x
SHAHJABANK	20.5	-8.0%	20,092	12.0x	1.1x
DBH	92.6	-6.8%	14,274	17.8x	2.5x

Important News: Business & Economy

Bangladesh overtaking India in per capita GDP: Worth savouring, not a fluke

• Bangladesh surpassing India in per capita GDP in 2020 as forecast by the International Monetary Fund is not a fluke and is rather a reflection of the country's steady economic growth and a solid foundation, said economists yesterday. According to the IMF's latest World Economic Outlook report, Bangladesh's per capita growth of gross domestic product (GDP) would rise to USD 1,887.97 in dollar terms and at current prices at the end of this year, while India's per capita GDP would fall to USD 1,877.

• The progress is an achievement thanks to Bangladesh's steadily growing economy, said a distinguished fellow of the Centre for Policy Dialogue. Bangladesh's economic foothold is not a fluke. We also beat India in many social sectors a long ago, said the research director of the Bangladesh Institute of Development Studies. India's GDP per capita growth has been consistently slowing since 2016 and is likely to have slipped below Bangladesh this year due to a 10.3% contraction in the size of the economy. Bangladesh has maintained steady growth, as officially reported, and is estimated to have a 3.8% growth in the last fiscal year, a former lead economist of the World Bank's Dhaka office said. India has taken a more severe hit due to the Covid-19 and is also expected to take longer to recover from the pandemic. Both countries are projected to remain remarkably close, however.

• Bangladesh has to boost revenue collection and raise investment to GDP ratio to sustain the growth, said an economist. The research director of the Bangladesh Institute of Development Studies said Bangladesh's long-term investment in the social sectors such as health and education has created a sound base for economic growth. Going forward, the sectors, including the cottage, micro, small and medium enterprises that have been hard-hit by the pandemic should be given stimulus support so that they can get back on their feet again, he said. According to him, implementation of the mega projects has to be accelerated. Export sectors have to be made more vibrant and competitive and diversified.

<https://www.thedailystar.net/business/news/worth-savouring-not-fluke-1978933>

Yields on 91-day T-bills lowest in 10 years

• The yields on 91-Day Treasury Bills (T-bills) fell below 1.0% on Sunday after more than one decade as banks preferred to invest their excess funds in the government securities. The cut off yields, generally known as interest rate, on 91-day T-bills came down to 0.94% on the day from 1.39% of the previous auction, held on October 11. On the other hand, the cut off yields on 364-day T-bills also dropped to 2.49% on the day from 3.99% of the previous auction, according to the auction results.

• A senior official of the Bangladesh Bank (BB) said the yield on T-bills have been fixed in line with the market requirements. The overall excess liquidity with the commercial banks hit all time high at around BDT 1.60 trillion in August 2020 from BDT 1.41 trillion a month before. Lower private sector credit growth along with injecting fresh funds in the market by the central bank through buying the USD from the banks continuously have helped push up the excess liquidity in the banking system, according to the bankers.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-91-day-t-bills-lowest-in-10-yrs-1603043870>

Annual Development Programme (ADP) spending rebounds after pandemic pause

• Development spending rose 16% year-on-year to BDT 89.50 billion in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic. This is the first growth since March this year as the expenditure from the ADP dipped every month since then compared to a year ago because of the crisis, data from the Implementation Monitoring and Evaluation Division (IMED) showed. ADP outlay in September last year was BDT 77.17 billion.

• Between July and September, the ministries and divisions spent BDT 173.01 billion, which was 0.25% down in the same period a year ago. The spending in the first quarter was 8.06% of the BDT 2.14 trillion set aside for the current ADP. The expenditure in July and August was 3.89% of the total development budget and it was 1.52% in July. The use of foreign aid rose more than 62% to BDT 32.05 billion in September from BDT 19.76 billion in the same month a year ago. Spending from the government's coffer edged up slightly to BDT 55.00 billion from BDT 54.59 billion in September last year.

<https://www.thedailystar.net/business/news/adp-spending-rebounds-after-pandemic-pause-1981105>

Higher imports put revenue on positive track

• The government's revenue collection witnessed positive growth after seven months of coping with the blows dealt by the Covid-19 pandemic. In addition to 1.55% growth in September, the National Board of Revenue (NBR) reported growth in the first quarter of the current financial year. NBR officials said that tariff collection had exceeded expectations as imports had increased in July and September. On the other hand, there was an increase in income tax revenues as the time for filing tax returns is approaching. However, the NBR still lags behind the revenue collection target.

• According to NBR sources, in the first quarter of the current fiscal year, BDT 480.17 billion came from customs, VAT, and income tax, and growth was 0.67%. During the same period in 2019, when the economy was in a normal state, BDT 473.88 billion was collected. On the other hand, revenue collection grew by 1.55% in September alone, though the NBR slipped into negative growth in March when the pandemic hit the country. Experts believe that this increase in revenue collection based on imports is temporary.

• The executive director of the Policy Research Institute said that many essential products had not been imported since the beginning of the year. He said that global trade was pretty much stagnant for a few months and that is why imports increased in the last two months. Revenue collection has also increased based on that. However, it cannot yet be said whether this growth is sustainable or not.

<https://tbsnews.net/economy/higher-imports-put-revenue-positive-track-146764>

US, EU buyers cancel USD 16 billion apparel orders globally

• United States (US) and European Union (EU) buyers cancelled apparel orders worldwide amounting to at least USD 16.2 billion during April-June when the pandemic was at its peak, painting a deeply disturbing picture of irresponsibility at a moment of global crisis, according to an analysis of trade data. The clothing retailers even refused to pay for goods they asked suppliers to manufacture, according to the research by the Centre for Global Workers' Rights and the Worker Rights Consortium. In the initial weeks of the coronavirus crisis, the buyers reneged on their financial commitments on roughly USD 40 billion in

orders, the two global organizations estimate.

- According to the Bangladesh Garments Manufacturers and Exporters Association (BGMEA), the apparel industry has faced about USD 3.18 billion worth of cancellations and withdrawals by international brands and buyers due to the global pandemic. BGMEA officials said as of September, about 90% of held-up and cancelled orders have been reinstated. But, the prices of these work orders have shrunk by up to 15% upon the buyers' demand. The buyers are also deferring payments up to 180 days. Most of the buyers are concerned about the second wave of the pandemic. That is why they are not placing orders as they did in the pre-pandemic period, chairman of Envoy Textiles Ltd said. The research analysts also noted the drop cannot be blamed on government-imposed lockdowns rather than cancelled orders, since figures show substantial losses in export value in countries with strict lockdowns and those without strict lockdowns.

<https://tbsnews.net/economy/rmg/us-eu-buyers-cancel-16bn-apparel-orders-globally-146005>

108.19 million internet users in country

- The total number of internet subscribers in Bangladesh reached 108.188 million as of August, 2020 thanks to the government's commitment and push to digitize the country. Bangladesh Telecommunication Regulatory Commission's (BTRC) statistics revealed that, of the total subscribers, there were 99.618 million mobile internet users and 8.571 million broadband internet users in the country until August 2020. Prior to this, total internet subscribers in the country were 99.428 million until December 2019, according to the BTRC data.

<https://today.thefinancialexpress.com.bd/trade-market/108188m-internet-users-in-country-1602861383>

Apparel exports to promising Asian markets take a tumble

- The fallouts from the coronavirus pandemic caused a dip in apparel shipments from Bangladesh to three promising Asian markets -- India, Japan and China -- in the last fiscal year, official figures showed. In the years before the pandemic, garment exports to India had registered steady growth because of increased demands for the semi-high-end and basic apparel items from the neighboring country's burgeoning middle class. However, apparel exports to India declined 15.70% to USD 420.73 million in the fiscal year 2019-20 from USD 499.09 million the year before, according to data from the Export Promotion Bureau (EPB).

- In FY18, Bangladesh had shipped USD 278.68 million in garment items to India, indicating that exports to the neighboring nation were on the rise despite various non-tariff and para-tariff barriers. Of the three Asian nations, Japan is the most promising market thanks to its duty benefits. Apparel exports to Japan fell 11.86% to USD 961.94 million in fiscal 2019-20 from USD 1.09 billion a year ago. In 2017-18, Bangladesh exported garment items worth USD 846.74 million, EPB data showed.

- Although China itself is the largest supplier of garments worldwide, apparels shipments to the world's second-largest economy from Bangladesh have been rising because of the high demand for the semi-high-end and basic garment items. Garment shipments to China slumped 34.86% to USD 329.96 million in FY20 from USD 506.51 million in FY19. In FY18, Bangladesh exported apparel items worth USD 391.64 million to China, according to the EPB.

<https://www.thedailystar.net/business/news/apparel-exports-promising-asian-markets-take-tumble-1979821>

Experts for single-digit cash-out charge

- Experts have suggested mobile financial service (MFS) providers to cut cash-out charge down to a single-digit as high transaction cost is keeping marginal people as well as more micro and small enterprises (MSEs) away from availing this services. They also urged the regulator –Bangladesh Bank (BB) to intervene in MFS charge by imposing ceiling to materialize the government's ongoing digital Bangladesh campaign. A former BB deputy governor said that in this present circumstance BB has no alternative of intervention for reducing the cash-out charge as the MFS operator would not do it willingly.

- Besides, e-Commerce Association of Bangladesh (e-CAB) director said that cash-out charge in Bangladesh as much as high compared to other countries in the world and it should be single-digit to boost country's financial inclusion and digitalization process. At this moment, cash-out charge is Taka 18.50 for per Taka 1,000 although the agents of MFS providers have been charging Taka 20. Meanwhile, Nagad, a MFS arm of Bangladesh Post office (BPO), has reduced cash-out charge to Taka 9.99 for every BDT 1,000 cash-out to make transaction process of customers easier and comfortable.

- Welcoming Nagad's move of trimming down cash-out charge. The e-CAB director said that it might help their customers, but he feared how long Nagad can continue this offer defying the pressure of other MFS operators. He also said other carriers should follow Nagad's move as low cash-out charge might boost transaction tremendously and expand industry size by many folds. Nagad said that even after bringing down the cash-out charge to single digit, its income from this segment is still prevailing.

<https://tbsnews.net/economy/experts-single-digit-cash-out-charge-146317>

<https://today.thefinancialexpress.com.bd/trade-market/experts-push-for-single-digit-mfs-cash-out-charge-1602946993>

<https://www.dhakatribune.com/business/banks/2020/10/17/experts-for-single-digit-cash-out-charge>

The never-ending debate over GDP growth

- The debate over Bangladesh's GDP growth forecasts is back again. Last week, the International Monetary Fund (IMF) lowered its economic growth forecast for Bangladesh to 4.4% for FY21 from 5.7% earlier. The World Bank said the economy would grow by 1.6%. The Asian Development Bank (ADB) painted a more optimistic scenario among the three as it predicted 6.8% GDP growth.

- The government is, however, bullish about pulling off 8.2% GDP growth and has said the World Bank forecast is not reflective of the ongoing economic recovery. The IMF's growth estimate seems more reasonable. The growth might even be higher if the current pace of economic activities continues and there is no further disruption, said the research director of the Bangladesh Institute of Development Studies

<https://www.thedailystar.net/business/news/the-never-ending-debate-over-gdp-growth-1980577>

Foreign spending in Annual Development Programme (ADP) runs on slow lane in Q1

- Not a single penny has been spent on the Science and Technology Ministry's Rooppur Nuclear Power Plant project from its foreign allocation of BDT 129.60 billion under the Annual Development Programme (ADP). Besides, no money from foreign assistance was released in the first three months for the projects of several ministries, such as the Civil Aviation and Tourism Ministry, the Post and Telecommunications ministry, the Shipping Ministry and the Land Ministry.

- According to the Implementation Monitoring Evaluation Division (IMED), all government ministries and divisions spent only BDT 54.58 billion from foreign aid in July-September for the implementation of development projects, which was only 7.78% of the total foreign allocation of BDT 705.02 billion. Under these circumstances, the Economic Relations Division (ERD) has taken an initiative to trim foreign funding from the ADP as there have been delays in implementing the projects from the beginning. In this regard, the ERD has already sent letters to all ministries and divisions, asking them to send proposals for revised allocations for their projects for the rest of the financial year.

- A former lead economist of the World Bank's Dhaka office, said the pandemic has changed government priorities and the ADP implementation progress should be evaluated according to the new parameters. He said priority projects may face a funding crisis if the revised ADP is based just on implementation. Additional allocations should be made for health, social security, rural infrastructure, education and economic recovery projects, considering the pandemic-led crises.

<https://tbsnews.net/bangladesh/foreign-spending-adp-runs-slow-lane-q1-146761>

Facility partially accommodative

- Bangladesh is not being able to reap the duty-free benefit in the Chinese market to the fullest extent as more than one-third of its total readymade garment (RMG) exports to that country is still subjected to payment of duty, industry people said. In June last, the Tariff Commission of the Chinese State Council issued a notice on granting zero treatment to 97% of tariff products of Bangladesh to its market effective from July 1, officials said. In June last, the Tariff Commission of the Chinese State Council issued a notice on granting zero treatment to 97% of tariff products of Bangladesh to its market effective from July 1, officials said.

- With the announcement, China had included additional 5,161 Bangladeshi products to enjoy zero-tariff treatment in its market. Prior to that announcement, 3,095 Bangladeshi products were eligible for duty-free access to the market under Asia-Pacific Trade Agreement, they added. Bangladesh's total RMG export to China in the financial year 2018-19 was USD 507 million and USD 308.4 million of it was under duty-free facility, said Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president. "Almost USD 178 million RMG exports are still excluded from the duty-free access, which is 33 to 38% of our total RMG export to China," she said adding that these exportable Bangladeshi RMG faced 6.0 to 12% duty there.

<https://today.thefinancialexpress.com.bd/first-page/facility-partially-accommodative-1603043291>

Covid-19 incentive: Banks get more time to apply for subsidies

- Banks will get a 4.5% subsidy on the loan that they are giving to the Covid-19 affected businesses at 9% interest from the BDT 300.00 billion incentive package. The Bangladesh Bank, in a circular issued on Sunday, informed about this decision to give banks more time to apply for the subsidy. Banks will have to apply at the end of every quarter to get the subsidy within 12 working days after that. Earlier banks had to apply within 10 days. Association of Bankers Bangladesh Chairman said that they will get around 15 days from now.

- The incentive package policy states that industry and service sector organisations affected by the Covid-19 will get a loan from the package. However, defaulters and those who have rescheduled loans three times will not get this facility. And, the loan can be used as working capital but not for repayment. Also, this loan cannot be used for starting a new business or expanding an ongoing one either.

<https://tbsnews.net/economy/banking/covid-19-incentive-banks-get-more-time-apply-subsidies-146749>

Bangladesh's persistent 'fighting spirit'

- The recently-released "World Economic Outlook" by the International Monetary Fund (IMF) – predicting Bangladesh to be the fastest growing economy in South Asia with a likely GDP growth rate of 4% against a nearly 10.5% contraction of India's economy – has been the talk of the town in recent days. Moreover, Bangladesh has been projected to be fourth in all of Asia and sixth in the global growth race in 2020 defying all odds of the ongoing economic recession induced by the Covid-19 crisis – which is thought to be the steepest in living memory. So far so good.

- What has, however, startled the keen economic observers of the sub-region is that the per capita GDP of Bangladesh may overtake that of India which was at least 40% higher just five years ago. Given the size of the economy, which is now over three hundred billion US dollars – and mind it was only eight billion US dollars in 1972 – unlike smaller economies like the Maldives and Sri Lanka, this may have created some ripples in the policy landscapes in South Asia.

- The divergent growth projections – from 1.6% by the World Bank and over 6% of the Asian Development Bank with the IMF staying in between – show the challenge of forecasting. Surely, one lesson is clear: despite these divergences, Bangladesh stands tall on a comparative cross-country basis. Let this be a source of inspiration, not of complacency. In addition, our lower money supply-GDP ratio – thanks to the prudent and cautious pursuit of innovative monetary policy for more than a decade or so – has provided space for monetisation and courage to policymakers to go for a number of robust stimulus packages as early as the first week of April this year.

<https://tbsnews.net/analysis/bangladeshs-persistent-fighting-spirit-147220>

Big borrowers gain, SMEs still in pain

- The implementation of the stimulus packages the government unveiled for small and medium enterprises (SMEs), farmers and low-income groups more than six months ago has been slow because of the reluctance of banks. In contrast, disbursement from the stimulus package meant for large industries and the service sector was faster. The government and the central bank rolled out 19 stimulus packages worth BDT 1.06 trillion to

tackle the economic fallout brought on by the pandemic. Banks have been given the responsibility to distribute more than BDT 800.00 billion from the stimulus packages in the form of soft loans.

- The packages dedicated to corporate groups have a higher success rate as such entities operate in an organised manner. For instance, 81.87% of the BDT 330.00-billion package for large industries and the service sector was approved by lenders as of October 6. But the stimulus packages for the SME and farm sectors have seen sluggish implementation as lenders are reluctant to promote the packages, a central bank official said. Banks disbursed about BDT 58.82 billion among 26,664 borrowers since September under the stimulus package worth BDT 200.00 billion dedicated for the SME sector, which is considered the backbone of the economy.

<https://www.thedailystar.net/business/news/big-borrowers-gain-smes-still-pain-1981121>

Annual Development Programme (ADP) spending rebounds after pandemic pause

- Development spending rose 16% year-on-year to BDT 89.50 billion in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic. This is the first positive growth since March this year as the expenditure from the ADP dipped every month since then compared to a year ago because of the crisis, data from the Implementation Monitoring and Evaluation Division (IMED) showed. ADP outlay in September last year was BDT 77.17 billion.

- Between July and September, the ministries and divisions spent BDT 173.01 billion, which was 0.25% down in the same period a year ago. The spending in the first quarter was 8.06% of the BDT 2.14 trillion set aside for the current ADP. The expenditure in July and August was 3.89% of the total development budget and it was 1.52% in July. The use of foreign aid rose more than 62% to BDT 32.05 billion in September from BDT 19.76 billion in the same month a year ago. Spending from the government's coffer edged up slightly to BDT 55.00 billion from BDT 54.59 billion in September last year.

<https://www.thedailystar.net/business/news/adp-spending-rebounds-after-pandemic-pause-1981105>

Wage disbursement: RMG owners turn their backs on digital payment

- Amid the pandemic, about three million apparel workers opened accounts with the country's mobile financial service (MFS) providers. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), 2.5 million workers opened accounts in April. This has been possible due to the government's directive on implementation of a stimulus package to absorb the economic fallout of the pandemic. The government announced a package of BDT 50.00 billion to pay workers' wages for the export-oriented industries.

- But in July, salary disbursed through MFS stood at BDT 45.87 billion, which drastically fell to BDT 10.64 billion in August. MFS providers and apparel makers said the drop from July to August was due to owners' return to traditional payments.

<https://www.dhakatribune.com/business/2020/10/19/wage-disbursement-rmg-owners-turn-their-backs-on-digital-payment>

Bangladesh Bank (BB) relaxes unclassified consumer loans provisioning

- The central bank has significantly cut provisioning against unclassified loans of all categories under consumer financing, excluding house finance aiming to expedite the flow of consumer loans in the banking system. Now the scheduled banks will have to maintain 2.0% general provision instead of 5.0% earlier against such unclassified loans under consumer financing, according to a notification issued by the Bangladesh Bank (BB) on Tuesday. In case of house finance, the required rate of general provision will remain the same at 1.0%, it added.

- Such relaxation will help banks reduce their cost of funds for loans under consumer financing, an executive director of the BB said. The central bank expects that the banks would encourage such financing with taking advantage of policy relaxation in near future. The growth in credit flow to the private sector stood at 9.36% in August 2020 on a year-on-year basis against 9.20% a month ago, according to the central bank's latest statistics. This growth was 2.14% points lower than the BB's target of 11.50% for the first half (H1) of fiscal year (FY) 2020-21.

- The growth in credit flow to the private sector stood at 9.36% in August 2020 on a year-on-year basis against 9.20% a month ago, according to the central bank's latest statistics. This growth was 2.14% points lower than the BB's target of 11.50% for the first half (H1) of fiscal year (FY) 2020-21. A former chairman of the Association of Bankers, Bangladesh (ABB), welcomed the BB's latest move, saying that it will help boost retail loans in near future.

<https://today.thefinancialexpress.com.bd/last-page/bb-relaxes-unclassified-consumer-loans-provisioning-1603217453>

<https://www.dhakatribune.com/business/2020/10/20/central-bank-lowers-provisioning-against-unclassified-loans-to-boost-consumer-spending>

<https://tbsnews.net/economy/banking/central-bank-decreases-provisioning-rate-unclassified-consumer-financing-147625>

<https://www.thedailystar.net/business/news/bb-relaxes-provisioning-consumer-loans-1981641>

Tax revenue collection gradually getting pace

- Tax revenue collection started gaining momentum gradually after the Covid-19 pandemic fallout, posting 4.11% growth in the first quarter (Q1) of the current fiscal year (FY), 2020-21, compared to that of the corresponding period last year. In the month of September, the National Board of Revenue (NBR) achieved 10.76% growth in revenue collection, compared to that of the matching period last year.

- Revenue collection growth was 7.85 per in the month of August. However, the National Board of Revenue (NBR) posted a negative growth of 6.77% in revenue collection in the month of July. Of its three wings, VAT Wing posted 1.19% growth, Customs Wing 6.78%, and Income Tax Wing 4.92% in July-September period. The NBR collected an aggregate amount of revenue worth BDT 499.89 billion in Q1 against BDT 480.17 billion in the same period last year, according to its provisional data.

<https://today.thefinancialexpress.com.bd/first-page/tax-revenue-collection-gradually-getting-pace-1603216940>

<https://www.thedailystar.net/business/news/tax-collection-jumps-september-1981645>

Deadline extended to apply for cash assistance against exports

- The Bangladesh Bank has extended the deadline to apply for cash assistance by 45 days as many exporters have failed to submit their applications due to the Covid-19 pandemic. The newly circular also said all other directives of the department regarding cash assistance against exports would remain unchanged. In this regard, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President said that it will help the manufacturers affected by the novel coronavirus pandemic.
- For the 2019-20 fiscal year, the government has allocated BDT 66.25 billion cash assistance against 37 export sectors. In the 2018-19 fiscal year, BDT 40.00 billion was spent in this sector. From the beginning of the last fiscal year (2019-20), export income was on the decline. The outbreak of the pandemic in Europe and the US earlier this year had a negative impact on export earnings. In the 2019-20 fiscal year, the export earnings stood at USD 33.67 billion, decreasing by about 17% as compared to the previous fiscal year.

<https://tbsnews.net/economy/trade/deadline-extended-apply-cash-assistance-against-exports-147601>

NBFIs lose deposits worth BDT 3.80 billion amid pandemic

- The non-bank financial institution (NBFI) industry, which had been going through de-growth in deposits since December last year – following the liquidation of People's Leasing and Finance Limited – continued to suffer from deposit losses amid the novel coronavirus pandemic. The sector lost BDT 3.80 billion in deposits in the April-June quarter of this year as depositors went on a withdrawal spree in the wake of the pandemic as well as the lowering of the interest rate on deposits.
- Total deposits in the NBFI industry were worth BDT 432.64 billion at the end of June, down from BDT 436.44 billion in March. The size of total loan book also declined slightly by BDT 610 million in the period, as lending activities were almost suspended due to Covid-19. The total loan portfolio of the NBFI industry stood at BDT 695.11 billion at the end of the first half of this year. The sector had been witnessing a declining trend in deposits since December last year as both banking and NBFI industries experienced huge withdrawal pressure – following the central bank's announcement People's Leasing would be liquidated.

<https://tbsnews.net/economy/stock/nbfis-lose-deposits-worth- BDT 380cr-amid-pandemic-147307>

Money is cheaper than ever

- Now is the time as money has become cheaper than ever with the banks bursting at the seams with more money than they can use and they have no idea what to do with it as there are few takers. Just a year ago, the banking sector was in a chaotic state over the implementation of a single-digit interest rate amid liquidity pressure. The situation is now completely the reverse as all kinds of interest rates in the money market have tumbled to the lowest level, making money cheaper than ever before.
- A huge push of reserve money in the banking system by the Bangladesh Bank to handle liquidity crunch during the pandemic situation coupled with a large inflow of foreign currency and lack of demand for loans helped excess liquidity jump to a historic high of BDT 1.70 trillion in August this year. The banking sector saw its surplus funds increase by BDT

300.00 billion in a month from BDT 1.40 trillion in July. Against such a backdrop, banks which had been nervously indecisive to bring down the interest rate until 1 April, are now experiencing automatic corrections in all interest rates including lending, deposit, call money, inter-bank repo, and yields of government securities.

- All of the above interest rates, except for the lending rate, in the money market have come down to below 2% -- in some cases, below 1% -- now, which were above 8-9% a year ago. The lending rate is now below 9%, down from above 10% before April. Some banks are even offering loans at below 6% interest rates to large borrowers, according to Bangladesh Bank data.

<https://tbsnews.net/economy/banking/money-cheaper-ever-148189>

Europe's Covid second wave not to hurt RMG export soon

- Bangladesh's readymade garment business in the European Union, the largest export destination, is likely to remain unhurt at least till December this year even if the Covid-19 second wave has already taken a serious turn there, say experts. The pouring in of work orders for the next spring and summer, and enquiries for next winter are evidence that Bangladesh now knows how to deal with the pandemic, they say.
- The apparel makers have already made shipments of Christmas and winter orders to major buyers. The buyers are expected to begin their sales from mid-November, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Now both the government and entrepreneurs need to adopt strategies, given the new normal, to continue positive growth in the apparel export, which, of late, has made a turnaround from pandemic shocks, the research director at South Asian Network on Economic Modelling (Sanem) said.
- Apparel businesses need to enhance their efficiency in manufacturing goods and shipping those quickly with lead time now having been curtailed to 30-45 days from 60-90 days for a good number of items, she added. The government also has to ensure a quick release of imported raw materials, meant for the readymade garment industries, from ports, she pointed out. They have to open discussions with apparel buyers and retailers so that they do not cancel work orders or stop new placements all of a sudden. They need an assurance from them that they will continue it till next January at least, she added.

<https://tbsnews.net/economy/rmg/europes-covid-second-wave-not-hurt-rmg-export-soon-148195>

Bangladesh Bank (BB) asks for faster disbursement of SME loans

- The Bangladesh Bank has ordered financial institutions not to delay in providing collateral-free loans to small enterprises affected by Covid-19. It has also clarified the ownership complexity over setting up agro-product processing factories in peri-urban areas. To this end, the central bank's SME and Special Programmes Department issued a circular on Wednesday. In April this year, the central bank formed a BDT 100.00 billion refinancing scheme to provide assistance to the cottage, micro, small and medium enterprise (CMSME) sector hit by the pandemic.
- The government announced BDT 20,000 as stimulus loans for the SME sector, with half the amount coming from the central bank's refinancing scheme. But banks have been slow in disbursing the small loans, prompting the central bank to repeat its call for a faster disbursement. Small businesses so far received about BDT 58.82 billion from the stimulus

package announced in April. However, referring to 80% small and medium enterprises in rural areas, the chief coordinator of Dhaka School of Economics said that loan assistance under the scheme should be released more in those areas.

<https://tbsnews.net/economy/bb-asks-faster-disbursal-sme-loans-148150>

Covid hits non-life insurers' earnings

- The overall gross earnings of the non-life insurance industry plunged by more than 20% in April-June period from that in the January-March period, 2020. The overall gross earnings of the non-life insurance industry plunged by more than 20% in April-June period from that in the January-March period, 2020. The premium of 46 non-life firms amounted to BDT 8.0 billion in the second quarter or Q2, down by 20.18% from Q1, according to official statistics.
- The miscellaneous and marine (cargo) risk coverage was the most impacted by the pandemic. The miscellaneous premium earnings dropped by 39%, marine (cargo) by 29%, marine (hull) by 14%, motor by 20% and fire by 8.0%. The worst-hit non-life firms, whose gross earnings fell by more than 50%, are: Standard Insurance, Bangladesh National Insurance, Paramount Insurance, Meghna Insurance and Prime Insurance. However, five non-life insurers posted positive growth in the period. They are: the Bangladesh General Insurance, Sikder Insurance, Eastland Insurance, Karnaphuli Insurance and Global Insurance.

<https://today.thefinancialexpress.com.bd/first-page/covid-hits-non-life-insurers-earnings-1603303970>

Important News: Capital Market

Regulator slaps two-year lock-in on employees' shares

- The securities regulator has imposed a two-year lock-in on Robi Axiata's shares which will be allotted to its employees. Bangladesh Securities and Exchange Commission (BSEC) approved the country's largest ever IPO proposal on September 23 last considering the company's condition of allotting a significant number of shares to the employees. As per the approval, Robi will allot 136.1 million shares to its employees under the Employee Share Purchase Plan (ESPP) at an offer price BDT 10 each.
- As per the existing rules, the three-year lock-in period on the shares of sponsors will remain unchanged. As per the BSEC approval, Robi will raise a capital worth BDT 5.23 billion by offloading over 523.8 million shares at an offer price of BDT 10 each under the fixed price method. Of 523.8 million shares, 387.7 million shares will be issued through IPO, while remaining 136.1 million shares will be allotted to employees under ESPP at an offer price BDT 10 each.

<https://today.thefinancialexpress.com.bd/first-page/regulator-slaps-two-yr-lock-in-on-employees-shares-1602954291>

Mercantile Bank to issue Tk 7.0 billion Perpetual Bond

- The board of directors of Mercantile Bank Limited (MBL) has decided to issue Perpetual Bond up to Tk 7.0 billion, said an official disclosure on Thursday. The bank will issue the bond for raising funds as part of the additional Tier-I (AT-1) capital to support Bank's Basel III compliance in line with Bangladesh Bank guidelines on risk based capital adequacy

dated December 2014, according to the disclosure. The bond issue, however, subject to approval from concerned regulatory authorities – Bangladesh Bank and Bangladesh Securities and Exchange Commission and complying with regular requirements, said the disclosure.

<https://thefinancialexpress.com.bd/home/mercantile-bank-to-issue-tk-70b-perpetual-bond-1602742401?amp=true>

Grameenphone's profit shoots up by 25% in Q3

- Grameenphone Limited, the largest market-cap company of the country's prime bourse, has posted a 25% rise in net profit after taxes in the third quarter (Jul-Sep) of 2020 compared to the same period of previous year. The mobile operator reported total revenues of BDT 35.6 billion for the third quarter of 2020, registering a 2.8% de-growth from the same period last year. However, net profit after taxes for the third quarter was BDT 8.9 billion, with 25% margin. GP's earnings per share (EPS) for the period stood at BDT 6.59, as against BDT 5.38 for the same period of 2019.
- GP's network rollout significantly increased in the third quarter allowing us to expand our 4G footprint. Through strong operational execution, they focused on driving subscriber net ads and 4G conversion, leading to a 4.1% increase in our total customers from the previous quarter, Grameenphone CEO said in an official statement

<https://www.dhakatribune.com/business/2020/10/19/grameenphone-s-profit-shoots-up-by-25-in-q3>

<https://today.thefinancialexpress.com.bd/stock-corporate/gp-recovering-topline-as-economic-activity-resumes-1603124711>

<https://www.thedailystar.net/business/news/gps-net-profit-makes-strong-recovery-1981097>

GP pays 96.3 million in arrears to Dhaka South City Corporation

- Grameenphone (GP), the country's largest telecom operator, has paid arrears of the last seven fiscal years, worth BDT 96.3 million to Dhaka South City Corporation (DSCC). Dhaka South City Corporation Chief Revenue Officer said, "Although the corporation receives money from the mobile phone operator as per the law and schedule, the corporation has never been able to collect money from this sector due to lack of initiative."
- Grameenphone authority provided the necessary details of their towers, which they use in city corporation area, at several meetings, he said, adding they paid more than BDT 96.3 million for the entire arrears of the last seven years (FY 2013-14 to FY 2019-20).

<https://www.dhakatribune.com/business/2020/10/19/gp-pays-963m-in-arrears-to-dscc>

Index Agro share bidding begins November 1

- The bidding for eligible investors (EIs) to discover the cut-off price of shares of Index Agro Industries Limited will begin on November 1 and will continue until November 4. The agro sector company will use the BDT 500-million IPO fund to install new machinery at its plant and repay some of its bank loans. The agro sector company will use the BDT 500-million IPO fund to install new machinery at its plant and repay some of its bank loans.
- 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 45.03 while earnings per share (EPS) was BDT 7.07.

<https://www.dhakatribune.com/business/stock/2020/10/19/index-agro-share-bidding-begins-november-1>

<https://tbsnews.net/economy/stock/index-agro-bidding-begin-november-1-147208>

ACME launches Zolpidem tablet in US market

• The ACME Laboratories, the country's oldest pharmaceutical company, has launched Zolpidem tablet in the US market through contract manufacturing, according to an official disclosure published on Thursday. Exploring the US market has been one of the ACME's most ambitious and dream projects, which will generate annual earnings of USD50,000 approximately, the company noted. The ACME also entered the UK and other European markets last year after receiving certificate of GMP compliance from UK MHRA (Medicines and Healthcare Products Regulatory Agency of UK).

<https://today.thefinancialexpress.com.bd/stock-corporate/acme-launches-zolpidem-tablet-in-us-market-160277429>

<https://www.thedailystar.net/business/news/acme-set-enter-us-market-1978921>

Robi reaches 50 million subscriber base

• The country's second-largest telecom and digital service provider Robi has reached a milestone of 50-million subscriber base. Robi's subscriber base swelled up quickly as the corona situation has eased out in recent times proving the customers' overwhelming preference for the company's dual brands-Robi and Airtel. Robi is behind market leader Grameenphone, which had 76 million active subscribers as of July, data from the Bangladesh Telecommunication Regulatory Commission (BTRC) showed.

• The development coincided with Robi Axiata's initial public offering move to raise BDT 5.24 billion from the stock market in the country's biggest IPO, overtaking Grameenphone's flotation of BDT 4.86 billion in 2009.

• Robi started its journey in 1997 under the brand name of Aktel. In 2009, the company's name was changed to Axiata (Bangladesh) and in 2010, the company assumed its present name, Robi Axiata. It merged with Airtel Bangladesh in 2016 to become the country's second-largest telecom operator. Axiata holds a 68.69% stake in the company and Delhi-based Bharti Airtel owns the remaining 31.31% share.

<https://www.thedailystar.net/business/news/robi-hits-5cr-subscriber-milestone-1978937>

<https://today.thefinancialexpress.com.bd/trade-market/robi-reaches-50m-subscriber-base-1602775265>

<https://www.dhakatribune.com/business/2020/10/15/robi-reaches-5c-subscriber-base-milestone>

Lovello gets BSEC nod to raise BDT 300 million through IPO

• The securities regulator has approved the Initial Public Offering (IPO) proposal of Lovello Ice Cream, an ice cream brand of Taufika Foods and Agro Industries Ltd (TFAIL), to raise BDT 300 million by issuing 30 million shares in the capital market. Out of the IPO fund, Lovello will invest BDT 90.4 million for acquiring a plant and machineries, BDT 57.8 million for freezers, and BDT 20.6 million for vehicle purchase. Also, the company will invest BDT 13.2 million for capacity expansion of its depot and BDT 90 million to repay bank loans. The remaining BDT 28 million will be used to meet IPO costs.

• The company secretary of TFAIL said that the demand for Lovello products is increasing

every day because of its quality. The market share of the company is approximately 15% in the ice cream industry. Of its total sales, Dhaka division accounts for 50%. Taufika Foods and Agro Industries kicked-off its commercial operations on 2 January 2016. Its paid-up capital is BDT 550 million. The company's Lovello brand was launched on 14 February 2016.

• The ice cream market in Bangladesh is valued at BDT 12 billion. Igloo and Polar are two established names in the industry, holding 66% market share. Currently, Igloo, the market leader, holds 38% share.

<https://tbsnews.net/economy/stock/lovello-gets-bsec-nod-raise-BDT30cr-through-ipo-145600>

<https://www.dhakatribune.com/business/stock/2020/10/15/bsec-okays-lovello-ice-cream-ipo>

BSEC asks Robi to issue employee shares after IPO subscription

• The Bangladesh Securities and Exchange Commission has asked mobile telecom operator Robi Axiata Limited to allot employee shares, subject to two years of lock-in, after the company's IPO subscription. Earlier on September 23, the BSEC approved Robi's proposal to raise BDT 5.24 billion, the biggest public offering on the country's capital market. The company will offload 523.8 million shares at BDT 10 each where 387.8 million shares will be offered to the public and institutional investors and the remaining 136.1 million shares will be kept aside for its employees under the employee share purchase plan.

• In September, BSEC decided to exempt Robi from a provision of the public issue rules for its IPO in response to an application submitted by the company. According to the public issue rules, a company must offer at least an amount equivalent to 10% of its paid-up capital or BDT 300 million at par value, whichever is higher. Robi's pre IPO paid-up capital is worth BDT 47.14 billion, but its public offering amounts to BDT 3.88 billion, less than 10% of its paid up capital. As per the decision, the employee shares will be considered as part of the IPO. Of the total IPO proceeds, Robi would utilize BDT 5.16 billion on network expansion and spend BDT 80.2 million to meet IPO-related expenses.

• Robi commenced operations in 1997 as Telekom Malaysia International (Bangladesh) under the brand name of Aktel. In 2010, the company was rebranded as Robi and the company changed its name to Robi Axiata Limited. Following its merger with Airtel Bangladesh, Robi Axiata Limited (Robi) started commercial operations as a newly merged company on November 16, 2016.

<https://www.newagebd.net/article/119151/bsec-asks-robi-to-issue-employee-shares-after-ipo-subscription>

85% complaints settled

• The securities regulator has addressed 88.4% of the complaints submitted by investors since January through Customer Complaints Address Module (CCAM), an automated system launched on September 30, 2019. According to the latest information of the Bangladesh Securities and Exchange Commission (BSEC), investors submitted a total of 455 complaints since January 1 to October 15. Of the complaints, 399 have already been addressed while the settlement of remaining 56 complaints is under process.

• The securities regulator introduced the CCAM on September 30, 2019 to ease the settlement of customers' complaints. After introduction of the CCAM, wastage of time for settlement of complaints declined significantly both at the regulator and customers end. The

BSEC officials said average settlement days of each complaint stood at 14.5. The BSEC officials further added that the complaints which are submitted through CCAM are about non-payment of cash dividend, non-disbursement of stock dividend, non-payment sale proceeds, un-authorized sales of shares, delay in settlement of share transactions, margin finance and interest, forced selling and financial losses due to non-transfer of shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/85-per-cent-complaints-settled-1602946506>

IPO subscription of Dominage Steel begins Monday

• The initial public offering (IPO) subscription of Dominage Steel Building Systems is set to begin at 10:00am on Monday, aiming to raise BDT 300 million from the capital market. The IPO subscription for shares of the company by the eligible investors through electronic subscription system (ESS) will be continued until 5:30pm on October 25, according to the company's IPO prospectus. As per the regulatory approval, the Dominage Steel Building will issue 30 million ordinary shares with an offer price of BDT 10 each using the fixed price method.

• The company will utilise the IPO proceeds for acquisition of new plant & machinery (55.77%), building and other construction (30.14%), electrical installation (7.56%) and bearing the IPO related expenses (6.53%). According to the audited financial statements for the year ended on June 30, 2019, the company's basic earnings per share (EPS) were BDT 1.83, and its net asset value per share was BDT 19.81.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-dominage-steel-begins-monday-1602946537>

Western Marine builds tugboat for Payra port

• Western Marine Shipyard, the country's leading shipbuilder, has made a tugboat for Payra Sea Port. The tugboat, Tiakhali-1, was launched at the Karnaphuli river in Chattogram yesterday. After a sea trial, the port authorities will receive the vessel, said Shahidul Bashar, assistant general manager for commercial of the shipbuilder. The tugboat, which was built at a cost of BDT 350 million, has a capacity of 60-tonne bollard pull power. The tugboat will speed up port activities and help increase port surveillance, Western Marine Shipyard said in a press release.

• Western Marine has so far exported 32 ocean-going vessels to clients in countries such as Germany, Denmark, Finland, Tanzania, New Zealand, Kenya, the UAE, India, Ecuador, Pakistan, the Gambia and Uganda. It exported two 5,200 dead-weight tonnage capacity cargo ships to India at the beginning of 2000, the press release said.

<https://www.thedailystar.net/business/news/western-marine-builds-tugboat-payra-port-1979753>

BSRM's big push

• BSRM Steels Ltd is set to invest BDT 7.00 billion in a new plant to produce an additional 0.5 million tonnes of re-rolling products per year, aiming to catch up with growing market demand. The new manufacturing unit of the company is expected to go into operation by the middle of 2023. The Deputy Managing Director of BSRM Group said that they have decided to arrange the investment fund from bank loans and the company's own resources. Their business almost ceased amid the pandemic. During the countrywide shutdown in

April and May this year, our production came down to a minimal level.

• However, the situation is improving. Their factories have resumed full operation by now and their business also is getting better. They feel it's necessary to increase our production capacity to meet the growing demand for steel products in the country. According to industry insiders, the implementation of mega development projects across the country has given a boost to the steel industry, prompting investors to expand their businesses.

<https://tbsnews.net/economy/industry/bsrms-big-push-146359>

CSE 30 Index revised

• The Chittagong Stock Exchange (CSE) has revised its blue-chip index CSE 30 on the basis of performance of the listed companies. The biannual revision will be effective from 1 November 2020. Aamra Networks limited, Bd Finance & Investment Company, Esquire Knit Composite, Khulna Power Company, Singer Bangladesh and The City Bank Limited have been included in the index this time.

• On the other hand, Eastern Bank Limited, Envoy Textiles, Export Import Bank of Bangladesh, GSP Finance Company (Bangladesh), Heidelberg Cement Bangladesh and Unique Hotel & Resorts Limited have been excluded from the prestigious list of selective 30 companies. CSE 30 companies contribute to 18.41% of the total market capitalisation of all stocks listed with the bourse. The contribution is 27% in terms of free-float market capitalization.

<https://tbsnews.net/economy/stock/cse-30-index-revised-146734>

Covid-19 hits earnings of BSRM, BSRM Steels

• Earnings of both Bangladesh Steel Re-Rolling Mills (BSRM) and BSRM Steels declined significantly for the year ended on June 30, 2020 compared to previous year. Of the companies, the consolidated earnings per share (EPS) of BSRM declined 50.50% or BDT 3.98 to close at BDT 3.90 for the year ended on June 30, 2020. The board of directors of BSRM has recommended 15% cash dividend for the year ended on June 30, 2020.

• In separate disclosures, the companies have said their earnings declined following less productions and sales amid COVID-19 pandemics and tax burden faced by subsidiaries. The company shall have to pay minimum tax as per Section 82 C of the Income Tax Ordinance 1984 which is higher than the tax the company would have paid on actual profit, according to the disclosure.

<https://today.thefinancialexpress.com.bd/stock-corporate/covid-19-hits-earnings-of-bsrm-bsrm-steels-1603035975>

Lub-rref cut- off price set at BDT 30

• The cut-off price of shares in Lub-rref (Bangladesh) Limited has been set at BDT 30 each after bidding by eligible institutional investors. At the end of the bidding process, with a proposed rate between BDT 13 and BDT 60, the cut-off price was set at BDT 30, according to the Dhaka Stock Exchange (DSE). Institutional investors will be offered 50% of the shares at the cut-off price. The remaining 50% will be offered to other investors, including general investors and non-resident Bangladeshis.

- 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. Lub-rref (Bangladesh) supplies "BNO Lubricants" brand lubricants across the country. 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/2020/10/19/lub-rref-cut-off-price-set-at-BDT-30>

Regent Textile to buy own entity with IPO fund

- Regent Textile Mills, a listed company, will acquire 99% shares of Legacy Fashion at a value of BDT 830.115 million based on net asset value reported in the financial statement for the year ended on 30th June, 2020. Legacy Fashion, a 100% export oriented and fully compliant RMG company, was established in 2006. Regent Textile Mills has also informed that they will invest BDT 800.00 million in RMG business that was approved by the shareholders of the company in the EGM held on 27th August, 2020 and rest of the amount from other sources. Regent Textile Mills, presently a 'B' category company, was listed on the stock exchanges in 2015.

<https://today.thefinancialexpress.com.bd/stock-corporate/regent-textile-to-acquire-99pc-shares-of-legacy-fashion-1603211351>

<https://tbsnews.net/economy/stock/regent-textile-buy-own-entity-ipo-fund-147622>

[https://www.thedailystar.net/business/news/regent-textile-acquire-legacy-fashion-BDT - 83cr-1981637](https://www.thedailystar.net/business/news/regent-textile-acquire-legacy-fashion-BDT-83cr-1981637)

Bangladesh Lamps reports higher loss per share

- Bangladesh Lamps Limited is a manufacturer and supplies "Transtec" electric light bulb across the country Bangladesh Lamps Limited, a sister concern of Transcom Group, has reported a loss per share at BDT 9.88 for the year ended June 30, 2020, resulting in a BDT 13 loss compared to BDT 3.12 in earnings per share in the previous year. Amid declining profitability, the company's board of directors on Monday declared a 10% cash dividend for the last fiscal year, which was their lowest in the last five years.

- The final approval will come during the annual general meeting (AGM) scheduled to be held on December 15 virtually. The record date is November 12. Bangladesh Lamps has reported net asset value (NAV) per share of BDT 59.98 and net operating cash flow per share (NOCFPS) of BDT 14.70 for the year ended on June 30, 2020.

<https://www.dhakatribune.com/business/stock/2020/10/20/bangladesh-lamps-reports-higher-loss-per-share>

Genex Infosys to provide RPA services to Banglalink

- Genex Infosys Limited, the largest publicly listed IT company of the country was recently awarded by the leading Telecom Provider Banglalink Digital for providing Robotic Process Automation (RPA) Services. Genex will automate multiple business processes for Banglalink using world's top RPA platform UiPath to accelerate the digital transformation journey. Genex Infosys Limited has been one of the early players in Bangladesh to work with RPA, from having a top-notch dedicated team to working in partnership with Tech Giants such as UI Path, the company has invested a greater portion of its time and effort to the future of RPA in Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-rpa->

[services-to-banglalink-1603211426](https://www.dhakatribune.com/business/2020/10/19/lub-rref-cut-off-price-set-at-BDT-30)

Shariah-compliant bonds by December

- The government plans to issue Shariah-compliant bonds, commonly known as sukuk, from December as part of its effort to implement infrastructure projects smoothly. The Bangladesh Bank will act as a special purpose vehicle (SPV) for the issuance of the upcoming government securities to materialise the projects. The tenure of a single sukuk will be at least five years as the earnings from the tools will be dedicated to implementing the long-term projects. The central bank has formed a Shariah advisory committee led by its Executive Director to select the projects.

- The finance ministry issued guidelines on October 8 on the investment criteria of sukuk and the central bank yesterday informed banks and non-bank financial institutions about the development. A sukuk is an Islamic financial certificate, similar to a treasury bond, which complies with Shariah laws. Since the traditional interest-paying bond structure is not permissible under the Islamic law, the issuer of a sukuk essentially sells a certificate to a group of investors and then uses the proceeds to purchase an asset where the group has a direct partial ownership interest.

<https://www.thedailystar.net/business/news/shariah-compliant-bonds-dec-1982301>

Dhaka Stock Exchange managing director resigns

- Managing Director of Dhaka Stock Exchange (DSE) has resigned from the premier bourse on health grounds. He, also a former managing director of the Investment Corporation of Bangladesh (ICB), joined the premier bourse on February 9 last. DSE Chairman said that he resigned on health grounds. DSE is not interested to appoint any retired person as our managing director, it will give priority to those having skills in management, finance and IT while appointing a new managing director, said the shareholder director.

<https://today.thefinancialexpress.com.bd/first-page/dse-managing-director-resigns-1603304357>

<https://www.dhakatribune.com/business/stock/2020/10/21/dse-board-accepts-md-s-resignation>

<https://www.thedailystar.net/business/news/dhaka-bourse-md-steps-down-1982285>

Power Grid Company to offload nearly 70 million shares

- The Power Development Board has got permission to offload about 70 million shares of Power Grid Company of Bangladesh (PGCB) Limited, a state-owned company listed on the stock exchange. The offloading accounts for 9.64% of the total shares owned by PGCB. The finance ministry gave the nod to the proposal of the Power Development Board on Tuesday. PGCB got listed on the stock exchange in 2006 when the company offloaded 15.36% of its shares. Power Grid Company Secretary said that they have yet to get the approval letter from the finance ministry. After offloading 9.64% of its shares, PGCB will have a further 75% stake. The shares will be sold at the current market price.

- The issue of offloading more shares of the existing companies came to the fore at the beginning of the current year in order to cut the capital market recession and revive confidence among the investors. At a meeting with the managing directors of 14 companies in power and energy sectors in February, Finance Minister suggested listing some companies on the stock exchange and offloading some more shares of a few listed companies. A number of state-owned companies have been listed on the capital market.

The Ministry of Finance allowed only Power Grid Company to offload its shares.

<https://tbsnews.net/economy/stock/power-grid-company-offload-nearly-7-crore-shares-148186>

eGeneration IPO approved

- The securities regulator has approved the IPO (initial public offering) proposal of eGeneration which will raise a capital worth BDT 150 million from the capital market. eGeneration is one of the leading system integration and software solutions companies in Bangladesh with a vision to transform the country into an innovative high-tech nation, according to the company's official website. The securities regulator has also allowed EnergyPac Power Generation to float IPO for general investors
- As per the BSEC approval, eGeneration will offload 15 million shares of BDT 10 each under fixed price method to raise a capital worth BDT 150 million. The company will utilise the IPO proceeds to purchase commercial space, repay loan along with conducting development work for digital health care platform and catering IPO expenses. The company's earnings per share (EPS) was BDT 3.13, the net asset value per share was BDT 45.15 (with revaluation reserve), while the value was BDT 30.20 (without revaluation reserve), according to the consolidated financial statement for the year ended on June 30, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/egeneration-ipo-approved-1603299315>

<https://www.dhakatribune.com/business/stock/2020/10/21/bsec-approves-ipos-of-energy-pac-egeneration>

AFC Health's Indian affiliates request BSEC to cancel its IPO approval

- India's Fortis Healthcare Limited (FHL) and Escorts Heart Institute and Research Centre Limited (EHIRC) recently urged the Bangladesh Securities and Exchange Commission (BSEC) to cancel AFC Health's Initial Public Offering (IPO) approval as they provided false information and misreporting about the Indian brands in their IPO prospectus. On September 16, the BSEC had approved the prospectus for IPO of AFC Health Limited to raise BDT170 million. Under the fixed price method, AFC Health will offload three core ordinary shares for BDT10 each. Imperial Capital Limited and CAPM Advisory Limited will act as the issue manager for the IPO process.
- As per AFC Health's IPO prospectus, an operation and management agreement were signed at New Delhi on February 4, 2015 between Fortis Healthcare Limited and AFC Health Limited. As per the agreement, Fortis would provide efficient and effective operation and management services, outsourcing and/or licensing any part of the cardiac centre for other ancillary purposes. FHL and EHIRC said in the letter that the agreement was supposed to cover Khulna and Chittagong regions only. They claimed that AFC Health had no right to operate any healthcare facilities using the Fortis brand at any other location. The Indian companies also said that AFC knowingly made and gave false statements, in breach of applicable law, thus misleading the commission.

<https://www.dhakatribune.com/business/stock/2020/10/21/afc-health-s-indian-affiliates-request-bsec-to-cancel-its-ipo-approval>

<https://www.thedailystar.net/business/news/fortis-accuses-afc-health-using-its-trade-name-without-consent-1982269>