

BSEC endeavor to recover unpaid debentures

The Bangladesh Securities and Exchange Commission (BSEC) initiated an attempt to recover a sum of Tk1.5b that was raised through debentures from the public around 30 years back. Dhaka Stock Exchange (DSE) has eight listed debentures issued in the 1990s. Although, the tenure of all ended between 2002 and 2008, the issuers did not repay to the holders. However, in response to the move by the newly constituted commission, two companies – Bangladesh Luggage Industries and Bangladesh Zipper Industries - decided to repay the debenture funds in phases. Both companies are concerns of Doel Group. The securities regulator made the move to bring order in the debenture market which had lost its appeal following the failure of the eight recalcitrant issuer companies to honor obligations where the state-owned Investment Corporation of Bangladesh was the Trustee and also heavily invested in the issues.

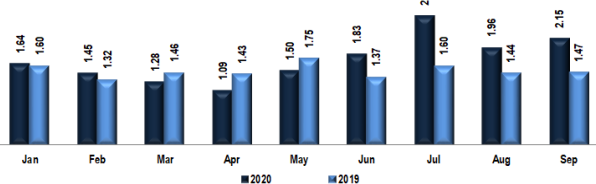
Listed Debentures in DSE

Bond Issuer	Listing Year	Coupon Rate
Bangladesh Luggage Industries	1996	14%
Bangladesh Zipper Industries	1995	14%
Beximco Knitting	1994	14%
Beximco Fisheries	1994	14%
Beximco Textile	1995	14%
Beximco Denim	1995	14%
Aramit Cement	1998	14%
BD Welding Electrodes	1999	15%

Remittance keeps rising despite odds

Inward remittance surged by 45.64% (Y-o-Y) in September continuing with uptrend momentum for the fourth consecutive month in 2020 – a development which puzzled many economists during a time of global economy in pandemic distress. According to latest reports from Bangladesh Bank (BB), the expatriates remitted US\$2.15b in September last, up from US\$1.47b in the same month of 2019. Inward remittance stood at US\$6.71b during July-September quarter of FY2020-21 against US\$4.52b in the same quarter of the last fiscal year. Although, the relaxed conditions of 2% cash incentives on remittance by the central bank might have contributed to the rise, it was unanticipated by many economists considering the lingering economic crisis worldwide arising from the Covid19 pandemic and the return of a significant number of migrant workers over the last few months. As per the central bank report, Bangladesh received US\$15.51b in remittance during January-September period of 2020 despite the global economic slowdown due to the outbreak of Covid-19 whereas the receipt was US\$13.44 during the same period last year. Both the World Bank and the Asian Development Bank projected that the inflow of remittance might drop by around 20% during the year. According to a forecast by Fitch Ratings Inc. - a US-based credit rating agency, Bangladesh, India, Pakistan, Sri Lanka and the Philippines might experience a 12% drop on average in annual remittance inflow during the current year.

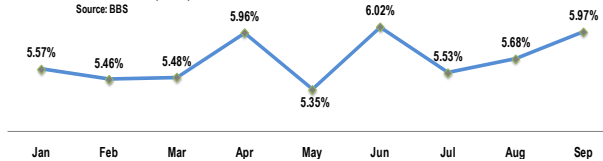
Inward Remittance
Figures in Tk (bn)
Source: BB



Inflation rises to 5.97% in September

Point-to-point inflation increased further to 5.97% in September 2020, rising by 29 basis points from a month earlier, on the back of a significant rise in price level of essential food items, according to the Bangladesh Bureau of Statistics (BBS). In September, food inflation rose by 0.52 basis points to 6.50% from that of 6.08% in August. The BBS attributed that price of fine rice increased by 13% in September compared to the same month of the previous year. On the other hand, price of medium quality and coarse rice increased by 17.65% and 18.75% respectively. In the month, non-food inflation increased to 5.12% from 5.05% in the previous month. Point-to-point inflation on food and non-food segment also increased in urban and rural areas in September from a month earlier. Economists opined that the overall inflation was not a concern for the people at the recovery stage of the economy though the rising food prices remained a concern for the poor.

Point-to-Point Inflation (2020)
Source: BBS



BB resumes buying greenback

Bangladesh Bank (BB) commenced aggressive buying of greenback from the scheduled banks in the first quarter (July-September) of FY2020-21 aiming to keep the inter-bank foreign exchange market stable. As per statistics from BB, the central bank purchased US\$2.63b in the first quarter, nearly three times higher than the purchase in the entire FY2019-20. The massive buy in the quarter consequently injected Tk222.77b in the money market. On the other hand, the central bank sold only US\$200m to the banks during the period to meet their demand for the greenback. BB resumed purchasing the US dollar from March 09, 2020 mainly for the appreciating mode of Bangladesh Taka (BDT) against the US dollar. The central bank officials opined that BB intensified buying the US dollar to offset higher inflow of the foreign currency in the recent months thanks to the robust remittance from overseas. In the quarter, the inflows of remittance swelled by more than 48% to US\$6.71b from US\$4.52b in the same period of the previous fiscal year. Moreover, lower import payments and steady growth of export earnings also helped boost the supply side of foreign exchange. At the end of the quarter, the forex reserves moved up to US\$39.60b. The exchange rate of US dollar remained almost stable at Tk84.80 on the inter-bank forex market in the period.

Net NSCs sale swell by 100.82% (Y-o-Y) in Jul-Aug

In the July-August period of FY2020-21, net sales of National Savings Certificates (NSCs) surged by 100.82% (Y-o-Y) to Tk74.55b, according to the statistics of Bangladesh Bank (BB). The volume of net sale in the period accounted 37.27% of the total target of Tk200b set by the government for the entire fiscal year. BB officials attributed the massive growth in the period to the lower interest rate on bank deposits due to the imposition of single-digit interest rate that had come into effect on April 01, 2020. Thus, the weighted average deposit rate in the banking system went below the 6%-cap and stood at 4.95% in August and 5.02% in July this year, BB reported. On the other hand, as the government savings instruments are offering 11%-risk free rate, this prompted the savers to invest in NSCs although the central bank tightened regulations on purchasing the certificates.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,477.13	3,348.44	3.84
FTSE 100	6,016.65	5,902.12	1.94
Nikkei 225	23,619.69	23,029.90	2.56
SENSEX	40,509.49	38,697.05	4.68
KSE 100	40,798.43	40,070.83	1.82

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,916.97	4,995.32	-1.57
Total Turnover, Tk	46,049,690,529.00	45,547,881,425.00	1.10
Market Capital, Tk	3,401,146,528,182	3,439,138,566,499	-1.10
No of Issue Gain	111	148	
No of Issue Loss	216	192	
No of Unchanged Issues	32	19	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Continental Ins	37.20	52.50	41.13	949,467,000
Northern Islami	28.30	39.40	39.22	725,076,000
Islami Insurance BD.	30.40	41.30	35.86	582,980,000
Asia Insurance Co.	38.90	48.00	23.39	584,141,000
Express Insurance	31.00	38.00	22.58	944,674,000
Prime Insurance	26.20	31.90	21.76	97,446,000
BGIC	30.10	36.40	20.93	279,982,000
Bangladesh Nat. Ins	29.50	35.30	19.66	381,416,000
Anwar Galvanizing	122.60	145.80	18.92	268,121,000
Evince Textiles	9.00	10.60	17.78	237,205,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Nitol Insurance Co. Ltd.	72.40	60.80	-16.02	444,182,000
Golden Son Limited	9.80	8.40	-14.29	17,889,000
International Leasing	8.60	7.50	-12.79	112,434,000
FAS Finance	9.00	8.00	-11.11	127,586,000
Eastern Insurance Co.	102.70	91.30	-11.10	175,621,000
Miracle Industries	29.20	26.20	-10.27	94,430,000
Progressive Life	138.30	124.30	-10.12	54,298,000
Prime Finance & .	12.20	11.00	-9.84	86,416,000
Fareast Islami Life	54.00	48.80	-9.63	55,003,000
Information Services	54.10	48.90	-9.61	78,713,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	377.61	383.73	-1.59	2,615.87	2,999.58	-12.79
Cement	238.23	243.11	-2.01	380.35	521.10	-27.01
Ceramic	566.27	577.71	-1.98	288.28	334.02	-13.69
Engineering	5,295.60	5,136.43	3.10	3,365.67	2,596.84	29.61
Food & Al.	3,624.36	3,693.08	-1.86	821.46	1,048.06	-21.62
Fuel & Pow.	3,882.63	3,979.06	-2.42	969.97	1,395.13	-30.47
Insurance	2,022.59	1,984.59	1.91	15,504.48	13,973.38	10.96
IT	375.50	388.89	-3.44	804.96	693.96	15.99
Jute	1,224.10	1,234.35	-0.83	86.57	102.40	-15.46
Misc.	1,193.72	1,226.04	-2.64	1,771.58	2,207.66	-19.75
Mutual Fund	525.65	515.84	1.90	3,752.31	2,920.61	28.48
NBFI	1,120.30	1,147.25	-2.35	3,559.16	4,512.00	-21.12
Paper	9,940.75	7,308.02	36.03	157.34	196.27	-19.83
Pharma	1,233.83	1,253.81	-1.59	3,703.75	4,624.76	-19.91
Service	987.82	1,020.95	-3.25	1,066.89	716.45	48.91
Tannery	592.08	598.56	-1.08	195.42	188.90	3.45
Telecom	3,056.64	3,085.87	-0.95	425.67	420.53	1.22
Textile	1,297.28	1,273.13	1.90	5,565.68	4,086.51	36.20
Travel & Leis	584.55	589.97	-0.92	116.87	177.43	-34.13

Technical Talk

Dhaka bourse closed in red zone in the last week, after a single-week break, as shaky investors booked profit from stocks of the major sectors. Moreover, lower GDP growth projection by the World Bank (WB) and gloomy corporate declarations of some companies during the week also prompted investors to dump shares. Among the major sectors, Fuel & Power decreased by 2.42% over the week followed by NBFI 2.35%, Bank 1.59% and Pharma 1.59%.

DSE Broad Index (DSEX) stood at 4,916.97 points decreased by 78.35 points or 1.57% from the previous week. Total turnover reached at Tk46,049.69m which was 1.10% higher than the previous week. Market capitalization decreased by 1.10% and stood at Tk3,401.15b (\$40.06b) at the weekend against Tk3,439.14b. DSE 30 decreased by 41.34 points or 2.42% and closed at 1,669.37points against 1,710.72 points. Last week's weighted average Market PE was 13.52 which was 13.66 previous week.

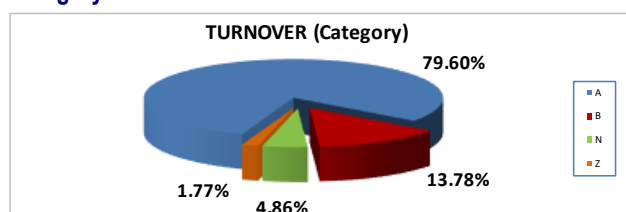
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	12,355,005	1,451,679,000	3.15
Beximco	49,228,738	1,248,155,000	2.71
Walton Hi-Tech	1,245,327	1,160,101,000	2.52
Continental Insurance	19,585,880	949,467,000	2.06
Express Insurance	26,240,093	944,674,000	2.05
Sandhani Life	25,348,474	877,911,000	1.91

Top 10 Market Capital

	In million		
GP	445,734	RENATA	101,931
Walton Hi-Tech	265,002	ICB	75,209
BATBC	198,396	Marico	68,072
Square Pharma	182,925	Berger Paint	64,011
United Power	160,628	Brac Bank	56,482

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,888.60	1,908.40	-1.04
Silver (USD/t.oz.)	23.84	24.19	-1.47
Brent Crude Oil (USD/bbl.)	43.34	40.93	5.89

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	102.43	102.49	101.48	101.54	0.94	0.94
GBP	113.02	113.09	112.02	112.09	0.89	0.89
AUD	61.78	61.82	61.13	61.16	1.07	1.07
JPY	0.81	0.81	0.81	0.81	-0.25	-0.25
CAD	65.05	65.09	64.15	64.19	1.40	1.40
SAR	22.75	22.76	22.75	22.76	-0.01	-0.01

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY-Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Associated Oxygen Ltd.	Sep 10-16, 2020	10	150
Dominage Steel	Oct 19-25, 2020	10	300