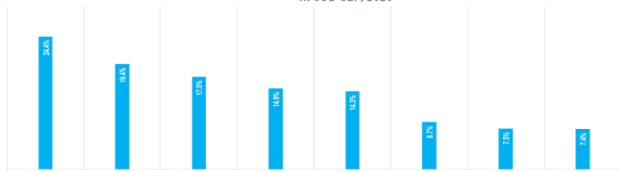


**Bangladesh capital market emerge best in Asia**

The capital market of Bangladesh was the best performer among Asian countries during July-September period of 2020 despite the economic downturn arising out of the ongoing Covid-19 pandemic. The local stock market also gained the highest in terms of growth in key indices. According to a research by Asia Frontier Capital, the benchmark index of the premier bourse of Bangladesh, Dhaka Stock Exchange (DSE), registered 24.4% growth during the period which was the highest gain in key index among the top performing stock exchanges of the world. The research findings attributed the gain in the index, DSEX, to attractive valuations, lower interest rates, smooth economic recovery after shutdown, growing remittance flow and recovery in export earnings. The report also noted that the surge in index was led by domestic investors, reflecting the positive sentiment among the local participants despite continued sale pressures from foreign portfolio investors. Among the other Asian countries, Pakistan stock market posted 19.4% growth in key index, followed by Sri Lanka 17.0% and Saudi Arabia 17.0%.

BANGLADESH OUTPERFORMED GLOBAL MARKETS IN JUL-SEP, 2020



**Government Debt to GDP rises in H1**

Overall borrowing of the government stood at 37.8% of the Gross Domestic Product (GDP), up by 3.5%-points (Y-o-Y) in the first half (H1) of 2020 arising from the waning revenue collection. Revenue mobilization witnessed a lower growth during the January-June period due mainly to the adverse impact of the ongoing pandemic situation. Besides, the government had to borrow from both the internal and external sources to finance the development projects. According to the Institute of International Finance, total household debt slightly increased by 0.50% points (Y-o-Y) to 11% of the GDP in the past six months. The US-based financial intelligence also reported that the debt in the financial sector rose to 2.30% of the GDP during the period against 2.10% in the same period of last year while the non-financial sector managed to reduce their debt marginally by 0.08%-points (Y-o-Y) to 35% of the total GDP.

**FOREX reserves set record at US\$40b**

Foreign exchange reserves rose to US\$40.1b for the first time, on October 10, 2020, riding on record inflow of remittance, as per disclosures from Bangladesh Bank (BB). According to BB, expatriates remitted US\$6.71b during July-September period this year. Additionally, accelerated disbursement of funds by multi-lateral development partners also contributed to the record amount of the reserves. The lower import payment obligations also aided the ongoing growth of reserves. Import fell by 13.85% (Y-o-Y) to US\$7.43b in July-August of FY2020-21 from US\$8.63b in the same period of previous fiscal year.

**Interest spread increases by 0.10% in August**

Interest spread of the banking sector widened to 2.87% in August 2020 as the banks raised the lending rates slightly while slashing the interest rate on deposits, aiming at reducing the cost of funds. According to the latest statistics of Bangladesh Bank (BB), the overall weighted average spread between the lending and deposit rates rose by 0.10% during the month from 2.77% in July 2020.

**BSEC approves Tk10.76b IPOs in three months**

The newly formed securities commission consented on nine companies to raise Tk10.76b through Initial Public Offerings (IPOs) in just three months while rejected IPO applications of eleven companies for non-compliance. As per records of the Dhaka Stock Exchange (DSE), the regulator allowed five companies to raise Tk6.01b under fixed price method and four companies to raise Tk4.75b under book building method. The current commission also approved the largest-ever IPO of Robi Axiata Limited to collect Tk5.24b through fixed price method. The swift approval of IPOs by the commission buoyed the primary market as previously approval of IPOs was halted against the backdrop of allegation of gross irregularities. In FY2019-20, the Bangladesh Securities and Exchange Commission (BSEC) approved IPOs of only two companies and one bond to raise Tk3.07b. However, some commentators opine that the faster approval of IPOs in a short interval made a section of investors deviate focus away from the secondary market.

IPOs Approved by New Commission (Figures in Mn Taka)

Fixed Price Method		Book Building Method	
Robi Axiata Limited	5,238	Lub-rref Bangladesh	1,500
Dominage Steel Building Systems	300	Energypac Power Generation	1,500
AFC Health Limited	170	Mir Akhter Hossain Limited	1,250
Crystal Insurance	160	Index Agro Industries	500
Associated Oxygen Limited	150		

Source: DSE

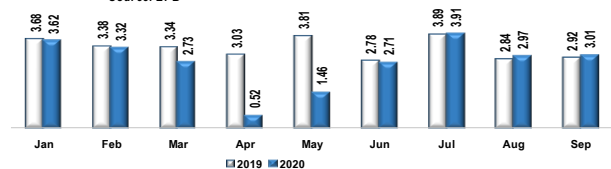
**Government issues guideline on Sukuk**

The Ministry of Finance (MoF) issued guidelines on issuance and management of Sukuk, a Sharia-compliant instrument, with a view to finance development projects. As per the guideline, any resident or non-resident individual or organization will be able to invest in Bangladeshi Taka or foreign currency on profit or loss basis. Non-residents will be able to repatriate profits and proceeds in foreign currency from any sales. Transactions of Sukuk will also take place in the secondary market. The guideline requires that Bangladesh Bank would form a Shariah advisory committee to supervise Sukuk. Finance Division officials opined that interest expenditure of the government would be reduced by financing through Sukuk instruments.

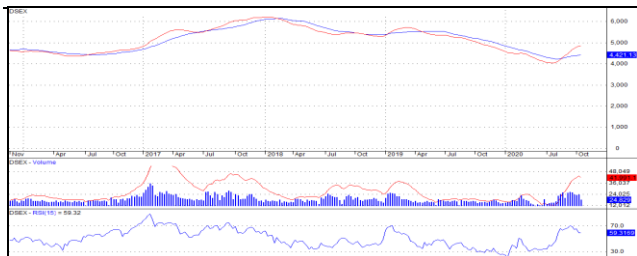
**Export receipts edge up by 2.58% in Q1**

Export receipts posted 2.58% (Y-o-Y) growth in the first quarter (July-September) of FY2020-2021, after registering a sharp decline in the last April-June quarter, thanks to gradual reopening of the global economy. During the period, exporters fetched US\$9.89b, which was US\$9.64b in the same period of the last fiscal year, according to the provisional figures of Export Promotion Bureau (EPB). Export earnings also surpassed the target by 2.45% set for the first quarter of the current fiscal year. RMG shipments, which contributes almost 84% of the total earnings, slightly increased by 0.85% (Y-o-Y) to US\$8.12b in the period after fresh orders from buyers targeting the winter. Jute and Jute sector recorded 39.26% (Y-o-Y) growth and stood at second position by earning US\$307.55m in the period. However, the leather and leather goods shipment dropped by 11.94% (Y-o-Y) to US\$225.15m in the period.

Export Receipts  
Figures in Tk (Bn)  
Source: EPB



## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,483.81	3,477.13	0.19
FTSE 100	↓	5,919.58	6,016.65	-1.61
Nikkei 225	↓	23,410.63	23,619.69	-0.89
SENSEX	↓	39,982.98	40,509.49	-1.30
KSE 100	↓	40,164.02	40,798.43	-1.55

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	4,872.30	4,916.97	-0.91
Total Turnover, Tk	↓	33,582,455,827.00	46,049,690,529.00	-27.07
Market Capital, Tk	↓	3,392,950,419,984	3,401,146,528,182	-0.24
No of Issue Gain		68	111	
No of Issue Loss		262	216	
No of Unchanged Issues		29	32	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
National Feed Mill	10.20	13.20	29.41	296,562,000
Asia Pacific General	52.70	67.80	28.65	1,075,954,000
Khan Brothers PP	8.10	9.30	14.81	63,471,000
GPH Ispat Ltd.	26.10	29.70	13.79	62,616,000
GQ Ball Pen	183.90	208.20	13.21	74,021,000
Bangladesh Subma.	125.40	136.80	9.09	432,196,000
National tubes Ltd.	107.00	115.70	8.13	196,690,000
BGIC	36.40	39.20	7.69	491,426,000
Olympic Industries	167.80	180.40	7.51	64,164,000
Marico Bangladesh	2097.30	2254.00	7.47	46,127,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Bangladesh Finance	28.60	23.80	-16.78	609,111,000
Islami Insurance BD.	41.30	34.90	-15.50	301,172,000
EBL NRB Mutual Fund	6.90	5.90	-14.49	50,725,000
Trust Bank First MF	7.00	6.00	-14.29	265,895,000
PHP First Mutual Fund	6.90	6.00	-13.04	108,330,000
Express Insurance	38.00	33.10	-12.89	512,697,000
Nitol Insurance Co. Ltd.	60.80	53.00	-12.83	279,346,000
SEML IBBL Shariah F.	8.70	7.60	-12.64	90,251,000
EBL First Mutual Fund	8.00	7.00	-12.50	72,279,000
Northern Islami Ins	39.40	34.50	-12.44	512,592,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	372.10	377.25	-1.37	1,896.17	2,615.87	-27.51
Cement	237.25	238.23	-0.41	285.66	380.35	-24.90
Ceramic	559.68	566.27	-1.16	274.93	288.28	-4.63
Engineering	5,145.00	5,287.87	-2.70	2,762.44	3,365.67	-17.92
Food & Al.	3,658.56	3,551.37	3.02	691.41	821.46	-15.83
Fuel & Pow.	3,891.57	3,882.63	0.23	955.60	969.97	-1.48
Insurance	1,935.59	2,022.59	-4.30	12,186.43	16,409.54	-25.74
IT	365.90	375.50	-2.56	515.74	804.96	-35.93
Jute	1,219.53	1,224.10	-0.37	72.96	86.57	-15.73
Misc.	1,193.31	1,193.72	-0.03	1,519.55	1,771.58	-14.23
Mutual Fund	488.21	525.65	-7.12	3,450.51	3,752.31	-8.04
NBFI	1,075.01	1,121.30	-4.13	1,933.70	3,559.16	-45.67
Paper	6,799.37	6,914.77	-1.67	119.83	157.34	-23.84
Pharma	1,241.10	1,233.83	0.59	2,433.68	3,703.75	-34.29
Service	947.37	987.82	-4.09	90.75	161.83	-43.92
Tannery	588.63	592.08	-0.58	110.69	195.42	-43.36
Telecom	3,182.88	3,056.64	4.13	756.48	425.67	77.71
Textile	1,242.77	1,297.37	-4.21	2,638.92	5,565.68	-52.59
Travel & Leis	582.65	584.55	-0.32	84.63	116.87	-27.59

## Technical Talk

Dhaka bourse continued the losing streak for the second straight weeks as shaky investors booked profit from stocks of the major sectors. In the week, the retail investors opted profit booking while many institutional investors remained on the sidelines. Among the major sectors, Mutual Fund decreased by 7.12% over the week followed by Insurance 4.30%, Textile 4.21%, NBFI 4.13%, Engineering 2.70%, Bank 1.37% and Cement 0.41%.

DSE Broad Index (DSEX) stood at 4,872.30 points decreased by 44.67 points or 0.91% from the previous week. Total turnover reached at Tk33,582.46m which was 27.07% lower than the previous week. Market capitalization decreased by 0.24% and stood at Tk3,392.95b (\$39.96b) at the weekend against Tk3,401.15b. DSE 30 increased by 1.08 points or 0.06% and closed at 1,670.45 points against 1,669.37 points. Last week's weighted average Market PE was 13.51 which was 13.52 previous week.

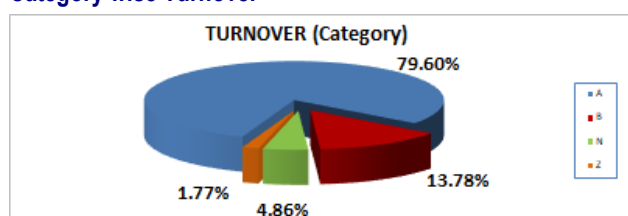
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Asia Pacific Gen Ins	18,188,929	1,075,954,000	3.20
Continental Insurance	17,635,340	955,431,000	2.85
Beximco Pharma	6,897,332	766,642,000	2.28
Walton Hi-Tech	929,207	761,025,000	2.27
Beximco	31,239,986	746,464,000	2.22
BRAC Bank Ltd.	19,625,812	732,332,000	2.18

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	460,587	RENATA	102,285
Walton Hi-Tech	252,642	ICB	73,061
BATBC	198,936	Marico	71,001
Square Pharma	185,094	Berger Paint	63,287
United Power	158,731	Brac Bank	50,914

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,903.20	1,888.60	0.77
Silver (USD/t oz.)	24.19	23.84	1.49
Brent Crude Oil (USD/bbl.)	43.16	43.34	-0.42

### 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	101.77	101.83	102.43	102.49	-0.64	-0.64
GBP	113.24	113.31	113.02	113.09	0.20	0.20
AUD	60.88	60.91	61.78	61.82	-1.46	-1.46
JPY	0.81	0.81	0.81	0.81	0.31	0.25
CAD	64.89	64.93	65.05	65.09	-0.24	-0.24
SAR	22.75	22.76	22.75	22.76	0.00	0.00

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
Robi Axiata Limited	Nov 17-23, 2020	10	5,237