

### BB oppose transferring unclaimed dividends

The Bangladesh Securities and Exchange Commission (BSEC) published a gazette notification on June 27, 2021, forming the Capital Market Stabilization Fund (CMSF) with undistributed dividends of listed companies and mutual funds, aiming to provide liquidity support to the capital market. The CMSF would be a perpetual fund and function as a custodian of undistributed or unclaimed or unsettled cash and stock dividends or un-allotted rights shares or un-refunded public subscription money in favor of the share or stockholders or investors of listed companies and mutual funds. The BSEC asked all listed companies, brokerage houses, merchant banks and asset management companies to transfer such funds, including accrued interest thereon, for a period of three years from the date of declaration or approval or record date to the CMSF. The corpus worth Tk210b will come from the undistributed or unsettled dividends in cash, stock and rights, according to the BSEC estimation. However, the central bank ruled out the transfer of unclaimed or undisclosed dividends by listed banks and Non-Bank Financial Institutions (NBFIs) as the relevant BSECs rules and regulations are in contradiction with the Bank Companies Act 1991. Therefore, BB requested BSEC to amend the market stabilization fund rules in order to exempt banks and NBFIs from the obligation. The BB also opposed BSEC stance on disbursement of cash dividend by the banks and NBFIs, despite having cumulative losses. Earlier on October 02, 2019, BSEC had issued a notification allowing all listed companies to declare and distribute cash dividend from the profit of the current year while having cumulative losses on the book. These provisions are not consistent with the Bank Company Act 1991, the Financial Institutions Act 1993 and international accounting principles. The BB has, therefore, bared the banks and NBFIs from acting under these notifications..

### Export receipt register 0.44% fall in Jul-Aug

Export receipts went marginally down by 0.44% (Y-o-Y) in the July-August period of the FY2021-22 as factories were closed in July due to Eid-ul-Azha holidays and Covid related movement restrictions. In July and August combined, exporters fetched US\$6.85b against US\$6.88b a year earlier, as per the figures released from the Export Promotion Bureau (EPB). Total export receipts from knitwear and woven items during the first two months of FY2021-22 fell by 1.23% to US\$5.64b than that of US\$5.71b during the corresponding period of the last fiscal year. The EPB figures show that all major sectors such as agriculture products, leather and leather products, home textiles, frozen and fresh fish, engineering products and pharmaceuticals have recorded positive growth, except jute and jute goods. Export receipt rebounded in the FY2020-21, registering 15.10% (Y-o-Y) growth on the back of buoyancy in apparel shipments. In addition, agriculture and home textile products have also made a promising contribution in earning foreign currency. As per the statistics from EPB, exporters fetched US\$38.75b in FY2020-21 against US\$33.67b in the corresponding period of the previous fiscal year. However, overseas sales fell 5.47% short of the US\$41b target set by the government for FY2020-21.

Export Earnings					
			Source: EPB		
Year	US\$ in bn	Growth (Y-o-Y)	Year	US\$ in bn	Growth (Y-o-Y)
FY11	22.93	41.49%	FY17	34.66	1.16%
FY12	24.30	5.99%	FY18	36.67	5.81%
FY13	27.03	11.22%	FY19	40.54	10.55%
FY14	30.19	11.69%	FY20	33.67	-16.93%
FY15	31.21	3.39%	FY21	38.75	15.07%
FY16	34.26	9.77%			

### BSEC brings changes in IPO application process again

The Bangladesh Securities and Exchange Commission (BSEC) abolished the lottery system for allocation to general investors from Initial Public Offering (IPO) effective from 1st April 2021, when the pro-rata basis allotment for IPO shares was introduced in lieu of the age old lottery system. The regulator has now again brought changes in the allotment process. From now on, the subscription for IPO application has been fixed at Tk10,000. Earlier investors could apply with minimum Tk10,000 and maximum of Tk50,000 for an IPO. However, the condition of having minimum existing investment of Tk20,000 at market price in secondary market, for IPO applicants to be eligible to apply for IPO shares, that was introduced last April remains unchanged.

### NBFIs can reschedule loans three times

Bangladesh Bank (BB) has tightened the loan rescheduling policy for Non-Bank Financial Institutions (NBFIs), limiting their loan or lease rescheduling to only three times in the backdrop of soaring non-performing loans while at the same time it looks to restore corporate governance in the financial sector, which has been tainted by multiple scams and defaults recently. The borrowers, who would fail to repay debt even after rescheduling loans for three times, would be considered as habitual loan defaulters, BB said in a circular issued on September 14, 2021.

### Eleven banks in provision shortfall

Although the central bank has put a moratorium on downgrading loans considering the pandemic induced economic distress, eleven scheduled banks failed to maintain required provision against their loans as of December last year. According to the latest reports from Bangladesh Bank (BB), four state-owned, six private and one specialized bank reported a combined provisioning shortfall of Tk148.58b as of June this year. Among the banks, such shortfall in the four state-owned banks stood at Tk114.91b, out of which Janata Bank alone had a deficit of Tk53.51b. Janata, which was not in the list till December 2020, became the worst defaulter in terms of maintaining provisions against classified loans. Following it, provision deficit at Basic Bank, Agrani Bank and Rupali Bank amounted to Tk36.71b, Tk15.26b and Tk9.43b respectively in June last. Among the private commercial banks, National Bank recorded the highest level of shortfall at Tk23.94b, followed by Bangladesh Commerce Bank, Dhaka Bank, Mutual Trust Bank, Standard Bank, and Social Islami Bank.

### Only 3.82% of ADP implemented in Jul-Aug

Implementation rate of the Annual Development Program (ADP) remained under sluggish trend during the first two months of the current fiscal year. From July to August of FY2021-22, the ministries and agencies spent Tk90.53b from the total outlay of Tk2253.24b, as per records of the Implementation Monitoring and Evaluation Division (IMED). Although economic activities restarted during the last few months, most of the implementing ministries and agencies failed to show efficiency. The health services division has been one of the low performing divisions that could spend only Tk1.7b, which is 1.31% of its total allocation of Tk130b. Performance of the health sector was also poor in the last fiscal year. Despite giving special focus amid the Covid-19 pandemic, the health services division could implement only 58% of its total ADP allocation in the last fiscal year. Apart from the health services division, other low performing entities, including the science and technology ministry, achieved 1.92% of its spending target while secondary and higher education division achieved 1.14%.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 4,432.99	4,458.58	-0.57
FTSE 100	↓ 6,963.64	7,029.20	-0.93
Nikkei 225	↑ 30,500.05	30,381.84	0.39
SENSEX	↑ 59,015.89	58,305.07	1.22
KSE 100	↓ 46,636.08	47,198.29	-1.19

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↓ 7,228.31	7,258.75	-0.42
Total Turnover, Tk	↓ 111,223,945,806	138,881,824,686	-19.91
Market Capital, Tk	↓ 5,142,882,387,397	5,260,592,280,730	-2.24
No of Issue Gain	84	210	
No of Issue Loss	282	155	
No of Unchanged Issues	12	13	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
NationalHousing Fin.	68.40	87.40	27.78	1,835,570,000
Alif Industries	49.20	62.30	26.63	907,718,000
Fortune Shoes	64.20	76.30	18.85	907,718,000
Delta Life Insurance	145.60	169.80	16.62	1,603,593,000
Desh Garments	242.00	281.90	16.49	206,348,000
BEXIMCO	116.90	135.20	15.65	5,898,508,000
Eastern Lubricants	2316.20	2674.60	15.47	271,510,000
IPDC Finance	40.30	46.00	14.14	1,607,352,000
Samorita Hospital	91.10	103.00	13.06	251,696,000
Pharma Aids	620.00	690.30	11.34	599,462,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Walton Hi-Tech Ind.	1447.4	1206.4	-16.65	945,057,000
Safko Spinnings Mills	31.30	26.30	-15.97	194,964,000
Kattali Textile	31.00	26.20	-15.48	371,884,000
BD National Insurance	150.90	130.40	-13.59	178,315,000
Keya Cosmetics	9.70	8.40	-13.40	498,509,000
Shurwid Industries	25.80	22.90	-11.24	146,856,000
Savar Refractories	299.90	266.90	-11.00	13,909,000
Dulamia Cotton	71.90	64.00	-10.99	7,197,000
Eastern Insurance	129.70	116.80	-9.95	89,994,000
Central Pharma	19.50	17.60	-9.74	128,792,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	504.25	507.90	-0.72	8,537.11	8,953.67	-4.65
Cement	449.15	465.48	-3.51	3,040.99	4,476.75	-32.07
Ceramic	905.55	950.83	-4.76	1,598.09	2,875.45	-44.42
Engineering	7,638.27	8,686.52	-12.07	11,317.51	17,230.41	-34.32
Food & Al.	6,004.10	6,040.03	-0.59	4,928.66	7,488.90	-34.19
Fuel & Pow.	4,543.07	4,645.56	-2.21	8,400.26	14,671.48	-42.74
Insurance	3,244.56	3,261.66	-0.52	12,495.33	12,366.55	1.04
IT	594.08	596.77	-0.45	2,292.38	3,817.85	-39.96
Jute	1,401.76	1,431.16	-2.05	267.88	343.57	-22.03
Misc.	2,660.61	2,514.47	5.81	8,445.82	10,328.18	-18.23
Mutual Fund	601.18	609.90	-1.43	2,095.75	2,346.62	-10.69
NBFI	1,601.13	1,606.32	-0.32	14,116.36	10,137.65	39.25
Paper	7,914.67	8,150.49	-2.89	1,363.57	1,465.57	-6.96
Pharma	1,688.66	1,700.31	-0.69	12,314.82	14,824.78	-16.93
Service	1,648.36	1,643.50	0.30	2,635.37	4,330.76	-39.15
Tannery	1,028.15	1,001.88	2.62	847.81	1,035.66	-18.14
Telecom	5,099.41	5,158.62	-1.15	2,014.73	3,234.33	-37.71
Textile	1,863.78	1,918.24	-2.84	10,900.22	15,675.14	-30.46
Travel & Leis	549.97	520.52	5.66	676.38	961.60	-29.66

## Technical Talk

Dhaka stocks went on correction in the last week snapping a twelve-week winning streak as investors became nervous following a dispute between the Bangladesh Bank and securities regulator over the transfer of unclaimed dividends by banks and non-bank financial institutions. Among the major sectors, Engineering decreased by 12.07%, followed by Cement 3.51%, Textile 2.84%, Fuel & Power 2.21% and Telecom 1.15%.

DSE Broad Index (DSEX) stood at 7,228.31 points after decreasing by 30.44 points or 0.42% from the previous week. Total turnover reached at Tk111223.95m, which was 19.91% lower than the previous week. Market capitalization decreased by 2.24% and stood at Tk5142.88b (\$60.33b) at the weekend against Tk5260.59b. DSE 30 increased by 27.41 points or 1.04% and closed at 2,674.55 points against 2,647.14 points. Last week's weighted average Market PE was 20.60 which was 21.16 previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI)

The RSI indicator reached to overbought territory indicating susceptibility to price correction. Last week, RSI was 85.15.

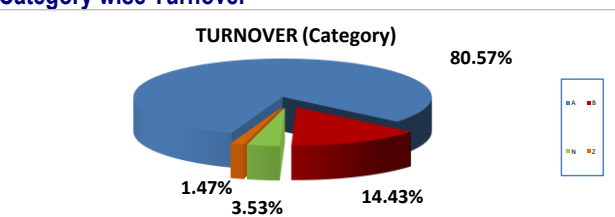
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	48,159,808	5,898,508,000	5.30
LankaBangla Finance	87,364,996	3,753,523,000	3.37
Beximco Pharma	14,836,922	3,362,751,000	3.02
SAIF Powertec	58,965,201	2,038,326,000	1.83
BATBC	3,050,594	2,003,788,000	1.80
LafargeHolcim BD	24,675,311	1,890,328,000	1.70

### Top 10 Market Capital

			In million
GP	519,190	United Power	157,097
Walton Hi-Tech	365,453	RENATA	128,011
BATBC	354,348	Beximco Ltd.	118,478
ROBI	219,469	ICB	100,919
Square Pharma	206,332	Beximco Pharma	95,752

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,753.90	1,788.20	-1.92
Silver (USD/t.oz.)	22.36	23.76	-5.89
Brent Crude Oil (USD/bbl.)	75.30	72.92	3.26

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.25	85.30	85.20	85.25	0.06	0.06
EUR	101.99	102.05	102.69	102.75	-0.68	-0.68
GBP	119.50	119.57	120.30	120.37	-0.67	-0.66
AUD	62.26	62.29	62.99	63.03	-1.16	-1.17
JPY	0.78	0.78	0.78	0.78	0.00	0.00
CAD	67.11	67.15	67.48	67.52	-0.55	-0.55
SAR	22.85	22.86	22.83	22.84	0.09	0.09

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)
Beximco Green Sukuk	16 Aug - 06 Sep, 2021	100	7,500
Sena Kalyan Ins. Co. Ltd.	03 Oct - 07 Oct, 2021	10	160
ACME Pesticides Ltd.	12 Oct - 18 Oct, 2021	10	300