

Export rises in August as economy reopens

Exports registered 4.32% (Y-o-Y) growth in August 2020, extending its rising momentum for the second consecutive month in FY2020-21. During the month, export earnings stood at US\$2.97b against US\$2.84b in the same period last year. As per provisional figures from the Export Promotion Bureau (EPB), it also surpassed the target set for the first two months of the current fiscal year by US\$68m or 1%. In July-August, exporters fetched US\$6.87b in total which was 2.17% more than the earnings in the same period of FY2019-20. Following sharp decline in April-June receipt this year due to the Covid-19 pandemic, the gradual reopening of the global economy could be the reason behind the surge in the export front of Bangladesh, economists opined. Nevertheless, the sustainability of the growth remains uncertain as the major export destination- US and EU are yet to fully come out from Covid crisis. Ready-Made Garments (RMG) sector which contributes more than 80% to the exports, recorded 2.58% growth to US\$2.47b in August last, compared to US\$2.41b in the same month of the previous year. However, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) questioned the accuracy of EPB statistics as the association reported 44% growth in RMG exports during August based on the National Board of Revenue (NBR) figures which deviated by US\$901m from EPB. In July-August, RMG sector made US\$5.71b in total, lagging behind by 0.06% (Y-o-Y) while other sectors like Jute & Jute goods surged by 49.64%, followed by home textile 43.87%, agricultural products 32.64% and pharmaceutical sector 18.94%.

BSEC seeks business plans from 22 junk companies

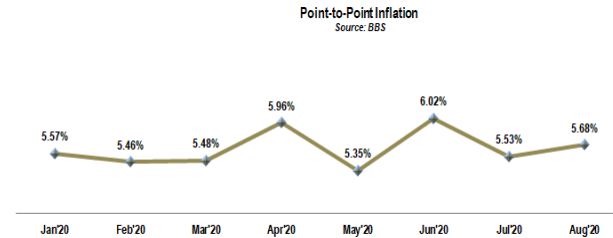
The Bangladesh Securities and Exchange Commission (BSEC) has asked 22 listed companies under Z-category, out of 42, to appear in hearing with detailed business plans for evaluation of their operational and financial performances and prospects. The 22 companies have been in the Z-category from two to five years. As per the notification of the BSEC, the board of a listed company under Z-category shall be reconstituted within 45 working days from the day of placement to that category and the Commission shall nominate one or more independent directors. Moreover, the directors of the companies which had stayed in the Z-category for two years or more shall not be allowed to be elected in the boards of any listed companies. The restructured board would be given four years to improve the performance of the company. However, the company would face forced delisting in case of failure of the restructured board.

Tax receipts from DSE soars by 30.85% in August

Revenue collection of the government from the Dhaka Stock Exchange (DSE) surged by 30.85% in August as against the previous month on the back of robust trading volume following the regulatory moves of the securities commission to restore discipline in the capital market. According to the statistics of the bourse, revenue worth Tk246m was collected in August against Tk188m in the previous month. Of the total tax revenue, the bourse collected Tk186m from brokerage commission and Tk60m from sale of shares by the sponsor-directors of listed companies and placement holders. In July, the bourse collected Tk60m from brokerage commission and Tk128m from the share sales by sponsor-directors. In August, the daily average turnover on the bourse swelled by 243.86% to Tk9.80b from Tk2.85b in July. Out of the nineteen trading sessions in August, daily turnover of nine sessions crossed Tk10b-mark. Simultaneously, DSEX added a cumulative 665 points or 15.77% in August.

August inflation rises to 5.68%

According to the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation grew by 15-basis points to 5.68% in August this year since the food prices increased in both urban and rural areas. Food inflation, under the Consumer Price Index (CPI), jumped by 38-basis points to 6.08% in August whereas the non-food inflation slipped by 23-basis points to 5.05% in the month from the past month. The urban and rural inflation increased to 5.81% and 5.60% respectively during the month. Meanwhile, the Wage Rate Index (WRI) also rose marginally to 5.91% from 5.82% in July, BBS unveiled.



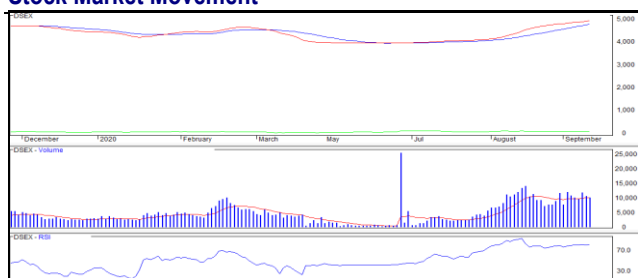
ADP implementation sets a slow start in FY21

The government spent Tk32.54b in the first month of FY2020-21 - which was 1.52% of the total Annual Development Program (ADP) allocation, according to the Implementation Monitoring and Evaluation Division (IMED) under the Planning Ministry. In the last fiscal year, the development expenditure in July stood at Tk39.51b which was 1.84% of the total allocation. IMED reported that some 163 projects are assigned to thirteen ministries and divisions for the current fiscal year; however, the minimum implementation could not be achieved by the ministries that led to Tk6.97b lower spending in the first month of 2020 compared to the same month of 2019.

BSEC requires more disclosures for MFs

The Bangladesh Securities and Exchange Commission (BSEC) issued a directive on financial reporting of Mutual Funds (MFs) requiring more disclosures to increase transparency as the Commission detected many anomalies in the sector. The BSEC directed that a MF, Asset Management Company (AMC), Trustee, Custodian and Sponsor of any MF must disclose or submit documents as asked by the Commission. As per the directive, a MF must send a complete statement of portfolios of a scheme in the given format to all unit-holders before expiry of 30 days from the end of each quarter and must also upload the same on website. The prescribed portfolio statements require more disclosures including deposits in banks and NBFIs with profit or interest rates. Moreover, a quarterly comparative statement of portfolios must also be sent to the BSEC within 30 days. A copy of audited annual financial statements must be sent to the Commission within three months from the end of financial year, and half yearly financial statements within 45 days from the end of the period. At the same time, the MFs must publish the reports on their websites. After the appointment of the new Commission, the BSEC has taken many measures to boost the confidence of general investors and consequently the stock market has stated to make turnaround. In the last three months (June 04 to September 03), Net Asset value (NAV) at market of the closed-end MFs rose 14.01% in line with the stock market. In the period, DSEX of the Dhaka bourse rose by 24.65% or 974.43 points to close at 4,927.82 points. However, only 5 out of 37 closed-end MFs were traded over face value as on September 03, 2020.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,340.97	3,426.96	-2.51
FTSE 100	6,032.09	5,799.08	4.02
Nikkei 225	23,406.49	23,205.43	0.87
SENSEX	38,854.55	38,357.18	1.30
KSE 100	42,530.67	42,023.00	1.21

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,011.30	4,927.82	1.69
Total Turnover, Tk	52,947,989,591.00	42,394,378,633.00	24.89
Market Capital, Tk	3,202,969,701,060	3,138,480,851,730	2.05
No of Issue Gain	217	178	
No of Issue Loss	119	154	
No of Unchanged Issues	24	28	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
International Leasing	5.30	7.70	45.28	163,688,000
Fine Foods Limited	76.60	98.50	28.59	482,306,000
FAS Finance	6.40	8.20	28.13	271,798,000
Information Services	51.40	65.40	27.24	217,561,000
Fu-Wang Ceramic	10.80	13.70	26.85	192,640,000
Provat Insurance	29.60	36.80	24.32	157,508,000
Hakkani Pulp	91.80	113.40	23.53	481,111,000
Far East Knitting	9.90	12.20	23.23	99,149,000
Bangladesh Finance	16.20	19.90	22.84	729,140,000
GPH Ispat Ltd.	24.60	30.00	21.95	186,200,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Pragati Life Insurance	131.00	92.20	-29.62	46,705,000
Savar Refractories	313.50	258.50	-17.54	12,224,000
Zeal Bangla Sugar Mills	209.10	180.20	-13.82	24,932,000
Renwick Jaineswar	1593.2	1421.50	-10.78	21,382,000
Imam Button Industries	34.00	30.40	-10.59	13,205,000
Meghna Pet Industries	16.70	15.00	-10.18	6,140,000
CAPM IBBL Islamic MF	11.10	10.00	-9.91	56,186,000
Jute Spinners Ltd.	134.20	121.00	-9.84	9,280,000
Emerald Oil Industries	13.50	12.20	-9.63	8,771,000
Samata Leather	136.70	124.00	-9.29	169,188,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	379.92	376.40	0.93	4,428.96	3,407.19	29.99
Cement	256.83	256.78	0.02	1,016.62	874.96	16.19
Ceramic	578.47	566.55	2.10	666.15	394.67	68.79
Engineering	2,088.52	1,993.21	4.78	6,023.62	3,509.38	71.64
Food & Al.	3,626.88	3,604.84	0.61	2,364.88	1,726.88	36.95
Fuel & Pow.	3,945.50	3,902.39	1.10	2,941.52	2,420.96	21.50
Insurance	1,722.87	1,719.70	0.18	3,526.35	3,425.14	2.95
IT	414.70	377.91	9.74	2,152.21	1,171.83	83.66
Jute	1,294.37	1,243.35	4.10	303.14	186.97	62.14
Misc.	1,260.40	1,289.11	-2.23	3,882.83	3,712.86	4.58
Mutual Fund	412.79	424.96	-2.86	810.64	761.14	6.50
NBFI	1,089.12	1,068.93	1.89	4,746.40	2,607.12	82.06
Paper	7,871.89	7,540.61	4.39	869.44	362.07	140.13
Pharma	1,286.76	1,282.15	0.36	10,091.46	9,182.64	9.90
Service	1,073.69	1,017.29	5.54	667.79	216.51	208.43
Tannery	624.66	630.25	-0.89	614.07	394.94	55.49
Telecom	3,232.12	3,016.10	7.16	1,121.49	1,107.90	1.23
Textile	1,239.62	1,190.70	4.11	4,452.02	2,411.58	84.61
Travel & Leis	595.46	573.56	3.82	160.75	76.38	110.47

Technical Talk

Dhaka stocks continued the gaining streak for the twelfth straight week ended on Thursday as investors maintained their buying appetite thanks to the regulatory moves to restore discipline in the capital market. Moreover, lower returns in the money market and gradual recovery of the economy encouraged the investors to pour fresh funds into the market. Among the major sectors, IT Sector increased by 9.74% over the week followed by Telecom 7.16%, Engineering 4.78%, Textile 4.11%, NBFI 1.89%, Fuel & Power 1.10%, Bank 0.93% and Pharma 0.36%.

DSE Broad Index (DSEX) stood at 5,011.30 points increased by 83.48 points or 1.69% from the previous week. Total turnover reached at Tk52947.99m which was 24.89% higher than the previous week. Market capitalization increased by 2.05% and stood at Tk3202.97b (\$37.73b) at the weekend against Tk3138.48b. DSE 30 increased by 24.82 points or 1.45% and closed at 1,740.23 points against 1,715.41 points. Last week's weighted average Market PE was 13.46 which was 13.18 previous week.

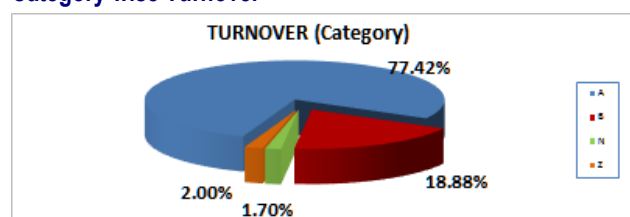
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	28,079,174	3,441,398,000	6.50
Beximco	91,653,943	2,508,557,000	4.74
BRAC Bank Ltd.	47,701,118	2,060,172,000	3.89
Orion Pharma Ltd.	31,575,563	1,952,241,000	3.69
Delta Brac Housing	17,411,254	1,659,519,000	3.13
Square Pharma	3,936,567	835,968,000	1.58

Top 10 Market Capital

Company	Market Capital (In million)
GP	469,364
BATBC	194,382
Square Pharma	192,230
United Power	149,772
RENATA	95,870
ICB	76,591
Berger Paint	66,102
Marico	63,000
Brac Bank	58,339
LafargeHolcim	50,752

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,954.20	1,927.60	1.38
Silver (USD/t.oz)	27.16	26.74	1.60
Brent Crude Oil (USD/bbl.)	40.06	44.07	-9.10

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	102.60	102.66	102.55	102.61	0.05	0.05
GBP	111.37	111.44	115.67	115.74	-3.72	-3.72
AUD	62.16	62.20	62.13	62.17	0.04	0.04
JPY	0.81	0.81	0.81	0.81	0.09	0.09
CAD	64.79	64.83	65.33	65.37	-0.83	-0.83
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
Walton Hi-Tech indus.	Aug 09-16, 2020	252	1,000