

**Junk stocks continue rally**

The recent initiatives by the Bangladesh Securities & Exchange Commission (BSEC) to reform Z-Category stocks in a bid to bring good governance and accountability in them turned into a bane for the regulator. The move lured investors to run after the junk stocks in hope that the reforms might bring positive change in the companies. BSEC took the decision on 13 August and finalized it through issuing notification on September 1, 2020. Within the aforesaid dates, the market capitalization of Z-Category stocks rose by 5.41% or Tk2.17b to Tk42.25b from Tk40.08b. Following the notification, twelve companies came out from Z-Category to their respective previous categories as these companies did not miss dividend distribution or fail to hold Annual General Meeting (AGM) for consecutive two years which are the new conditions for stocks to be pushed in Z-Category as per the new rule. On September 3, the commission issued letters to 22 out of the remaining 42 companies asking them to submit appropriate action plans of their business strategies to assess their operational & financial performances and prospects. The Board of Directors of the Z-Category companies shall be reconstituted within 45 working days from the day of placement to that category. All these measures extended the hype for junk stocks among investors further taking the total market-cap of Z-Category stocks to Tk51.97b as of 14 September last, a surge of 30% or Tk11.88b within 22 trading sessions since 13 August 2020. BSEC later investigated the trading activities of the junk stocks and decided to suspend trading of Zeal Bangla Sugar Mills on 14 September after finding suspicious trading activities and movements of the stock. The price of the share soared by 117.89% during the period and till the suspension. The action slowed down the continuous rise of the junk shares temporarily. However, the market capitalization of Z-Category stocks stood at Tk52.21b as of 17 September 2020.

**Number of new BO accounts on rise**

The stock market saw rise in number of new Beneficiary Owner (BO) accounts in recent times. According to Central Depository Bangladesh Ltd (CDBL), around 31,451 new BO accounts were opened since August last. The number of active BO accounts stood at 2,330,591 as of 14 September 2020, as per CDBL figures. Of the total, some 2,317,216 accounts belong to general public and the remaining 13,375 to companies. The incumbent commission took several tough actions against recalcitrant companies and securities rule violators that may have unfolded optimism among the investors, commentators assume. The new commission also started freeing up the pending Initial Public Offering (IPO) applications and accelerated IPO approvals, leading to an escalation in number of active BO accounts.

**BB injects Tk144.16b in money market**

Bangladesh Bank (BB) injected Tk144.16b in local currency into the banking system to tackle the appreciation of Taka against the greenback, through purchasing US Dollars following a heavy inflow of remittance in July and August of the current financial year. The central bank purchased around US\$1.7b from the commercial banks in the past two months, as per the BB statistics. The Forex reserve bounced back to US\$39b as of 01 September, 2020 on the back of the purchase made by BB. As a result of continued efforts from BB, the exchange rate of US Dollar depreciated to Tk84.80 on August 31, 2020 from Tk84.90 at the beginning of July 2020.

**Only 4 out of 61 directors comply with 2% shareholding**

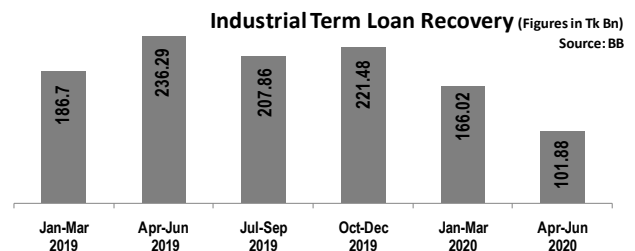
Despite repeated warnings from the Bangladesh Securities and Exchange Commission (BSEC), only four directors of three listed companies complied with minimum shareholding within the set deadline. Earlier, the capital market regulator asked sixty-one directors of twenty-two listed companies to comply with the notification on holding of minimum 2% shares by each director, other than the independent ones, in their respective companies within 45 days. Of the twenty-two companies, fourteen companies are insurance companies with forty-nine non-compliant directors. Six directors of two other companies announced buying shares or receiving shares as gift from relatives to ensure minimum shareholding, though they failed to comply with the rules within the stipulated time. However, the rest of the directors did not show any interest in buying shares to ensure the required amount of shareholding in their respective companies. Market experts have opined that lack of punitive action and accountability has encouraged the companies to continue the errant practices.

**Deposits in banks grew by 10.49% in FY2019-20**

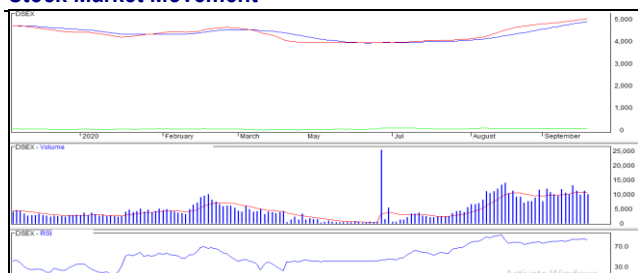
Deposits in the banking sector rose to Tk13.05-trillion, up by 10.49% (Y-o-Y) at the end of FY2019-20 thanks to the imposed regulations on investing in the National Savings Certificates (NSCs). As per the statistics of Bangladesh Bank (BB), deposits in State-owned Banks (SoBs) rose by 8.22% (Y-o-Y) to Tk3.25-trillion in the last fiscal year. Similarly, deposits in the Private Commercial Banks (PCBs) grew by 11.25% (Y-o-Y) to Tk8.85-trillion. Nine foreign banks also posted 13.55% (Y-o-Y) growth in deposits to Tk614.82b in the fiscal year. Bank Alfalah reported the highest growth of 44.33% (Y-o-Y) in deposits totaling Tk11.72b followed by Union Bank (29.51%), NRB Commercial Bank (29.38%), Rupali Bank (25.05%) and Commercial Bank of Ceylon (22.28%). However, six banks witnessed negative growth in deposits where deposit of Dhaka Bank dropped by 4.92% followed by Bangladesh Commerce Bank (4.68%), Basic Bank (3.5%), ICB Islami (2.36%), One Bank (2.45%) and Standard Bank (0.51%).

**Industrial loan recovery plunges by 56.88% in Apr-Jun**

Industrial term loans recovery dived by 56.88% or Tk134.41b in the last quarter (Apr-Jun) compared to the corresponding quarter in the previous year. As per the statistics of Bangladesh Bank (BB), industrial term loans recovery plunged to Tk101.88b from Tk236.29b in the same quarter of 2019 due to the devastating impact of the Covid19 pandemic on businesses and economic activities. Earlier, BB barred banks from treating borrowers as defaulters due to non-payment of loan installments till September this year, providing a breathing space to the borrowers who have been undergoing economic hardship. According to BB, the disbursement of loans to the sector dropped by 45.43% to Tk121.32b in the April-June period compared to Tk222.34b disbursed in the corresponding period of last year.



## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,319.47	3,340.97	-0.64
FTSE 100	6,007.05	6,032.09	-0.42
Nikkei 225	23,360.30	23,406.49	-0.20
SENSEX	38,845.82	38,854.55	-0.02
KSE 100	42,504.76	42,530.67	-0.06

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,104.65	5,011.30	1.86
Total Turnover, Tk	56,353,321,636.00	52,947,989,591.00	6.43
Market Capital, Tk	3,269,614,309,131	3,202,969,701,060	2.08
No of Issue Gain	212	217	
No of Issue Loss	119	119	
No of Unchanged Issues	28	24	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Provati Insurance	36.80	52.00	41.30	568,929,000
Nitol Insurance Co.	38.30	50.40	31.59	662,778,000
Asia Pacific Gen. Ins	34.20	42.90	25.44	500,089,000
Asia Insurance Co.	32.40	40.60	25.31	468,266,000
Janata Insurance	23.00	28.30	23.04	218,959,000
Peoples Insurance	30.80	37.80	22.73	394,471,000
Global Insurance Co.	21.20	26.00	22.64	297,153,000
Monno Ceramic	130.40	159.30	22.16	827,285,000
City Bank Ltd.	22.00	26.00	18.18	920,138,000
Republic Insurance	33.00	39.00	18.18	538,109,000

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Shyampur Sugar Mills	76.60	62.10	-18.93	12,227,000
Hakkani Pulp & Paper	113.40	93.50	-17.55	427,796,000
Information Services	65.40	56.20	-14.07	218,866,000
Dulamia Cotton	99.20	85.80	-13.51	11,249,000
Miracle Industries	32.10	28.60	-10.90	171,122,000
Fine Foods Limited	98.50	87.80	-10.86	397,946,000
Fu Wang Food Ltd.	19.20	17.40	-9.38	455,260,000
Aziz Pipes Ltd.	135.30	123.00	-9.09	77,464,000
ADN Telecom Limited	43.60	39.90	-8.49	303,035,000
Sinobangla Industries	64.50	59.70	-7.44	209,367,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	393.58	379.92	3.60	6,087.15	4,428.96	37.44
Cement	258.42	256.83	0.62	1,037.94	1,016.62	2.10
Ceramic	625.70	578.47	8.16	1,423.54	666.15	113.70
Engineering	2,123.08	2,088.52	1.65	6,196.19	6,023.62	2.86
Food & Al.	3,958.99	3,626.88	9.16	2,324.27	2,364.88	-1.72
Fuel & Pow.	4,068.19	3,945.50	3.11	3,851.78	2,941.52	30.95
Insurance	1,819.63	1,722.87	5.62	9,206.89	3,526.35	161.09
IT	400.72	414.70	-3.37	1,839.41	2,152.21	-14.53
Jute	1,340.82	1,294.37	3.59	246.48	303.14	-18.69
Misc.	1,260.55	1,260.40	0.01	2,600.47	3,882.83	-33.03
Mutual Fund	416.28	412.79	0.84	775.75	810.64	-4.30
NBFI	1,138.29	1,089.12	4.51	3,930.11	4,746.40	-17.20
Paper	7,768.67	7,871.89	-1.31	864.91	869.44	-0.52
Pharma	1,282.74	1,286.76	-0.31	7,654.90	10,091.46	-24.14
Service	1,054.26	1,073.69	-1.81	475.96	667.79	-28.73
Tannery	630.05	624.66	0.86	444.60	614.07	-27.60
Telecom	3,177.50	3,232.12	-1.69	1,038.55	1,121.49	-7.40
Textile	1,266.41	1,239.62	2.16	4,713.48	4,452.02	5.87
Travel & Leis	600.91	595.46	0.91	272.05	160.75	69.23

## Technical Talk

Dhaka bourse continued the gaining streak for the thirteenth 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 funds into the market. Among the major sectors, Insurance increased by 5.62% over the week followed by NBFI 4.51%, Bank 3.60%, Fuel & Power 3.11%, Textile 2.16%, Engineering 1.65% and Mutual Fund 0.84%.

DSE Broad Index (DSEX) stood at 5,104.65 points increased by 93.36 points or 1.86% from the previous week. Total turnover reached at Tk56353.32m which was 6.43% higher than the previous week. Market capitalization increased by 2.08% and stood at Tk3269.61b (\$38.51b) at the weekend against Tk3202.97b. DSE 30 increased by 21.37 points or 1.23% and closed at 1,761.60 points against 1,740.23 points. Last week's weighted average Market PE was 13.72 which was 13.46 previous week.

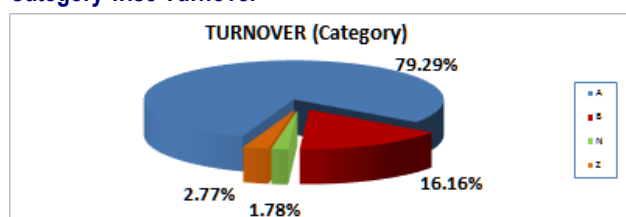
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	16,879,909	1,989,301,000	3.53
Beximco	58,094,763	1,497,479,000	2.66
BRAC Bank Ltd.	31,679,166	1,399,108,000	2.48
United Power	3,417,219	1,080,494,000	1.92
Orion Infusion Ltd.	10,594,589	997,079,000	1.77
Delta Brac Housing	10,545,161	997,055,000	1.77

### Top 10 Market Capital

	In million		
GP	460,182	ICB	80,044
BATBC	215,028	Berger Paint	67,011
Square Pharma	194,488	Marico	63,599
United Power	162,894	Brac Bank	58,471
RENATA	95,604	LafargeHolcim	50,752

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,940.00	1,954.20	-0.73
Silver (USD/t.oz)	26.99	27.16	-0.66
Brent Crude Oil (USD/bbl)	43.30	40.06	8.09

### 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	101.78	101.84	102.60	102.66	-0.80	-0.80
GBP	111.89	111.96	111.37	111.44	0.47	0.47
AUD	62.00	62.03	62.16	62.20	-0.26	-0.26
JPY	0.82	0.82	0.81	0.81	1.05	1.05
CAD	64.49	64.53	64.79	64.83	-0.45	-0.45
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