

**BSEC set to amend Public Issue Rules 2015**

The Bangladesh Securities and Exchange Commission (BSEC) in a recent move published for public opinion the draft of an amendment to the Public Issue Rules 2015. In the draft rules, BSEC added several new provisions like enhancement of Initial Public Offering (IPO) quota for general investors including Non-Residential Bangladeshis (NRBs) to 70% in both the methods of IPO from the existing 60% and 50% IPO quota under the fixed price and book building methods respectively. Alongside, the securities regulator decided to set minimum size of public offer under both methods. The move was contemplated due to the series of criticisms BSEC had to face when Walton Hi-Tech Industries floated only 0.93% shares of its paid-up capital to raise Tk1b through IPO under the book-building method. If the amendments are finalized, the issuer companies must offer shares in the following manner:

Minimum Size of Public Offer	
Post-IPO Paid-Up Size	Minimum % of Paid-up Capital**
Up to Tk0.75b	30%
Above Tk0.75b to Tk1.50b	20%
Above Tk1.50b	10%

\*\* Including intended offer

Source: BSEC

The issuer company will also be required to obtain post-facto consent from the Commission for its existing paid-up capital under Securities and Exchange Commission (Issue of Capital) Rules, 2001 before submitting the application for IPO. The company will not be eligible to apply for IPO if it has raised paid-up capital (except issuance of bonus shares) within the preceding two years from the date of application. The new amendment propose resumption of private placement although the previously the commission scrapped the option against allegation of widespread malpractice with placement shares by the issuer companies. An issuer company may be able to raise up to 15% of the size of its IPO through private placement at par value under the fixed price method or at cut-off price under the book-building method, if the amendment is finalized. However, all shares held by foreign investors and placement holders under private placement shall be subject to lock-in for a period of one-year and two-years respectively. For verifying the authentication of VAT returns and bank statements, the issuer company must submit certified copies of those documents from the concerned authority and bank(s) upon instruction from the commission.

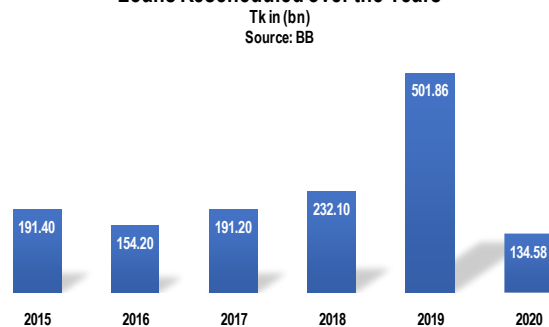
**Saving certificate sales ballooning**

Net borrowing target from National Savings Certificates (NSCs) was set at Tk200b in the current year national budget but just in the first half of the current fiscal year the net sales of NSCs surpassed the target set for the entire fiscal year. The net sales of savings certificates were Tk204.87b during the July-December period of FY2020-21 compared to Tk54.33b in the same period of the previous fiscal year, as per the Department of National Savings (DNS) figures. The trends continue as in the July-January period of FY2020-21 net sales of NSCs swelled by 235.10% (Y-o-Y) to Tk257.02b against that of Tk76.70b in the FY2019-21. Gross sales of savings schemes were Tk656.20b, whereas encashment was Tk399.18b. As per DNS reports, the payment of yield was Tk189.08b in the first seven months of FY20-21. Banks are offering historically low interest against their deposits products. Savers are diverting their money to the NSCs due to the higher yield rates. There are four types of savings certificates with yield rates up to 11.76%.

**Bank loan rescheduling drop in 2020**

Loan rescheduling dropped during the last year as a result of the moratorium facility extended on loan instalments when the banks rescheduled only about Tk134.58b of defaulted loans. By contrast, a record amount of Tk501.86b in classified loans was rescheduled earlier in 2019. Bangladesh Bank (BB) unveiled a moratorium scheme on March 19, 2020 that asked lenders not to consider borrowers as defaulters if they fail to repay instalments until June 30 of last year. The facility was extended twice up to last December 31, 2020. Consequently, default loans in the banking sector slipped by 5.93% (Y-o-Y) to stand at Tk887.34b at the end of December last year against that of Tk943.31b a year earlier, as per BB reports. Experts have warned that bad loans might escalate at a faster pace in year 2021 as the moratorium for all types of borrowers to tackle the adverse impact of the COVID-19 has already been lifted. BB directed the scheduled banks to resume the classification process of loans from January 01, 2021. However, the scheduled banks would be allowed to relax loan repayments further against term loans on the basis of relationship with clients. According to BB, the repayment tenure of the term loans can now be extended by 50% of the remaining repayment period but the extension will not exceed two years.

**Loans Rescheduled over the Years**



**Companies asked to hold hybrid meetings**

The Bangladesh Securities and Exchange Commission (BSEC) on March 10, 2021 issued a directive making the hybrid system mandatory for conducting Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) for the listed firms. Hybrid system would combine the physical presence of a percentage of shareholders at the meeting venue and joining by the remaining shareholders over a digital platform. Under the directive, the companies must notify the shareholders about the venue as well as the web-link for joining the meeting through online platform under intimation to the Commission and the stock exchanges. The newly introduced facility will include the agenda wise option of casting vote online either for or against each of the resolutions. The voting system will have a pre-registration facility for attendance of shareholders casting votes and should have a log platform. The stock exchanges may nominate any of their senior officials as an observer to oversee the voting process adopted at the general meetings. The election process and detailed information of the voting results must be authenticated by the stock exchanges. Additionally, the certified report must be submitted to the Commission within two days of the event.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,943.34	3,841.94	2.64
FTSE 100	6,761.47	6,630.52	1.97
Nikkei 225	29,717.83	28,864.32	2.96
SENSEX	15,207.80	50,405.32	-69.83
KSE 100	43,788.08	45,837.35	-4.47

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,568.86	5,515.78	0.96
Total Turnover, Tk	43,308,908,400	35,959,779,246	20.44
Market Capital, Tk	4,237,574,756,678	4,138,660,165,539	2.39
No of Issue Gain	113	199	
No of Issue Loss	166	100	
No of Unchanged Issues	89	68	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Berger Paints	1557.00	1805.50	15.96	579,496,000
Rahima Food	192.90	222.90	15.55	334,178,000
Shahjibazar Power .	72.30	83.40	15.35	441,574,000
LafargeHolcim BD	52.60	59.30	12.74	2,933,990,000
Summit Power	45.00	50.00	11.11	2,849,659,000
Anlima Yarn Dyeing	38.70	42.90	10.85	104,163,000
Salvo Chemical Ind.	12.50	13.80	10.40	25,349,000
S. S. Steel	18.70	20.60	10.16	427,697,000
BD Finance	30.00	33.00	10.00	719,179,000
Beacon Pharma	118.50	129.10	8.95	595,298,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
VAMLRBBF	9.70	7.40	-23.71	18,471,000
Prime Insurance	35.90	31.40	-12.53	19,245,000
Green Delta Insurance	63.70	55.80	-12.40	47,816,000
Nitol Insurance	49.20	44.80	-8.94	78,105,000
Paramount Insurance	120.00	109.60	-8.67	136,592,000
Express Insurance	28.20	25.90	-8.16	56,841,000
Sonar Bangla Insurance	50.50	46.40	-8.12	55,707,000
Peoples Insurance	39.60	36.40	-8.08	49,883,000
Purabi Gen. Insurance	26.30	24.20	-7.98	39,212,000
Agrani Insurance Co	38.60	35.60	-7.77	122,924,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	374.59	373.21	0.37	2,222.94	1,833.07	21.27
Cement	314.05	290.93	7.95	3,280.52	1,221.06	168.66
Ceramic	580.78	571.25	1.67	268.63	173.58	54.76
Engineering	7,160.22	6,746.85	6.13	2,842.58	2,343.26	21.31
Food & Al.	5,177.45	5,029.29	2.95	3,833.88	3,419.73	12.11
Fuel & Pow.	3,976.94	3,800.62	4.64	7,480.26	3,951.95	89.28
Insurance	1,978.99	2,040.94	-3.04	2,087.55	2,156.02	-3.18
IT	382.39	389.25	-1.76	647.90	498.61	29.94
Jute	1,171.55	1,126.47	4.00	53.98	41.53	29.98
Misc.	1,998.53	1,855.75	7.69	4,870.84	6,357.49	-23.38
Mutual Fund	467.10	482.57	-3.21	460.69	504.56	-8.69
NBFI	1,139.96	1,135.92	0.36	3,359.89	2,415.08	39.12
Paper	6,873.93	6,612.90	3.95	105.96	96.12	10.24
Pharma	1,388.70	1,382.36	0.46	4,390.01	4,851.27	-9.51
Service	1,203.43	1,147.06	4.91	874.68	574.63	52.22
Tannery	601.27	596.69	0.77	157.22	99.39	58.18
Telecom	4,940.90	4,864.78	1.56	3,905.20	3,222.20	21.20
Textile	1,128.92	1,131.69	-0.24	968.31	918.59	5.41
Travel & Leis	555.82	555.00	0.15	59.44	41.55	43.07

## Technical Talk

The Dhaka stocks closed the week in green trajectory for the second straight week as a section of investors showed buying appetite for sector-specific scripts. However, the investors were active on both sides of the trading fence as many companies declared dividend for the year ended in December 2020. Among the major sectors, Cement increased by 7.95% over the week followed by Engineering 6.13%, Fuel & Power 4.64%, Telecom 1.56%, Pharma 0.46% and Bank 0.37%.

DSE Broad Index (DSEX) stood at 5,568.86 points after increasing by 53.08 points or 0.96% from the previous week. Total turnover reached at Tk43308.91m, which was 20.44% higher than the previous week. Market capitalization increased by 2.39% and stood at Tk4237.57b (\$49.91b) at the weekend against Tk4138.66b. DSE 30 increased by 41.99 points or 1.99% and closed at 2,154.67 points against 2,112.68 points. Last week's weighted average Market PE was 17.23 which was 16.83 previous week.

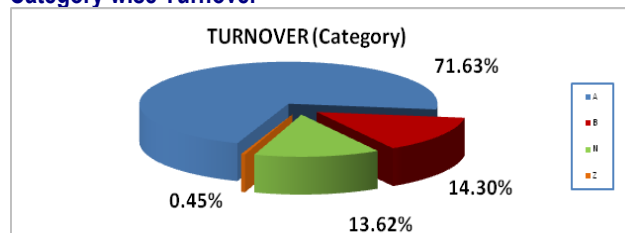
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	42,515,726	3,553,455,000	8.20
Robi Axiata	61,524,972	3,132,410,000	7.23
LafargeHolcim BD	50,273,726	2,933,990,000	6.77
Summit Power	57,501,800	2,849,659,000	6.58
BATBC	4,461,379	2,630,477,000	6.07
LankaBangla Finance	59,534,191	2,146,708,000	4.97

### Top 10 Market Capital

Company	Market Capital (In million)
GP	145,820
Walton Hi-Tech	105,058
BATBC	83,735
ROBI	76,934
Square Pharma	75,977
United Power	68,014
RENATA	393,171
Berger Paint	308,016
Beximco Pharma	254,040
ICB	182,356

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,725.80	1,698.20	1.63
Silver (USD/t oz.)	26.01	25.30	2.83
Brent Crude Oil (USD/bbl.)	69.20	69.56	-0.52

### 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	103.32	103.38	104.35	104.41	-0.99	-0.99
GBP	121.26	121.33	121.30	121.37	-0.03	-0.03
AUD	66.08	66.12	66.41	66.44	-0.50	-0.48
JPY	0.79	0.79	0.80	0.80	-1.25	-1.25
CAD	67.67	67.71	67.37	67.40	0.45	0.46
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)
NRB Commercial Bank	Feb 03-Feb 09,2021	10	1,200
Desh General Insurance	Feb 14-Feb 18,2021	10	160
Index Agro Ind. Ltd.	Feb 22-Feb 28, 2021	50	500