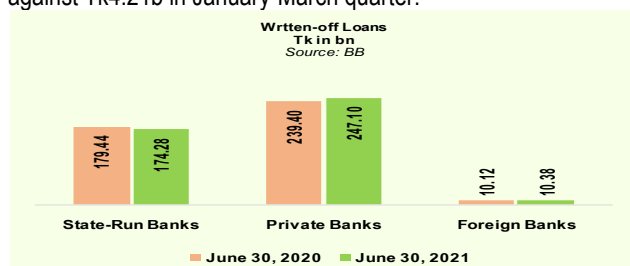


BSEC to abolish OTC Platform

The Bangladesh Securities and Exchange Commission (BSEC) decided to shut down the Over-The-Counter (OTC) market in accordance with the exit plan directive it issued on 28 December 2020. To this effect, the BSEC issued an order on 16 September 2021 asking both the exchanges, the companies in the OTC market and Central Depository Bangladesh Limited (CDBL) to complete dematerialization of the shares and effect transfer from one platform to the other within 30 days. The regulator made a list of 23 out of the 70 OTC companies to shift those to the Small and Medium Enterprises (SME) platform of the bourses while another 18 companies would be transferred to the Alternative Trading Board (ATB). The remaining 29 companies would be ousted from the market following the applicable rule. The ATB is likely to have better trading opportunities than the dormant OTC platform. Retail investors will be eligible to buy-sell shares in the ATB; however, they will only be able to sell in the small capital platform. On the other hand, the companies that would be transferred to the SME Platform might be allowed to raise capital through Qualified Investors Offer. Of those 23 companies, only 7 are apparently in production while the other 16 are out of operation. The Commission introduced the OTC platform in 2009 with an aim to facilitate trade of the companies that were delisted from the main trading board due to their non-performance in business or non-compliance in the market. BSEC, with the help of the exchanges, decided to transfer the list of companies from the OTC market to the different platforms based on the individual potential and merit they have found through investigating financial and non-financial information of those companies.

Q2 loan write-off up and recovery declined

As per latest Bangladesh Bank (BB) statistics, loan write-off grew by 23.53% (Q-o-Q) to Tk1.26b in the April-June quarter of 2021. The write-off of classified bad loans stood at Tk2.28b at the end of first six months of this year while the scheduled banks removed a total Tk9.70b from the balance at the end of December 2020. On the other side, loan recovery dropped by 5.72% (Q-o-Q) to Tk17.95b in the second quarter from Tk19.04b in the January-March quarter of 2021 against the backdrop of the sluggish business performance amidst the Covid-19 pandemic restrictions. Even though the overall recovery against the default loans declined in the banking sector, the recovery of the private commercial banks against such loans increased to Tk9.37b during the period against Tk7.06b in the preceding quarter. However, five private banks namely Community Bank, ICB Islami Bank, South Bangla Agriculture Bank, Mutual Trust Bank and Union Bank could not retrieve a single taka of their disbursed loans in the June quarter. Meanwhile, loan recovery by state-run commercial banks plunged to Tk2.79b in the April-June quarter against Tk4.21b in January-March quarter.



Interest on government Savings Certificates slashed

The government has lowered interest rates on all types of savings certificates with an aim to discourage wealthy people from pouring fresh investment in the risk-free savings tools. The Internal Resources Division (IRD) under the Ministry of Finance (MoF) made the new rate effective from September 21, 2021. Under the revised rates, the higher the investment amount, the lower the returns will be. This new rate of interest will be applicable for both individuals and institutional investors. However, the revised rate will only be applicable for fresh investments while the existing owners will continue receiving previous rates until the maturity of their instruments. However, investments below Tk1.5m in the savings schemes will continue to enjoy the previous interest rates. If the investment amount is higher than Tk1.5m, investors will get a lower interest rate, according to IRD circular. The slabs of investment have been rearranged on the basis of yield rates.

New Interest Rates of National Savings Certificates (NSCs)				
Savings Tools Category	Previous	New		
		Up to Tk1.5m	More than Tk1.5m to Tk3m	Above Tk3m
5-year Bangladesh Savings Certificate	11.28%	11.28%	10.30%	9.30%
3-month Profit-bearing Savings Certificate	11.04%	11.04%	10.00%	9.00%
Family Savings Certificate	11.52%	11.52%	10.50%	9.50%
Pensioner Savings Certificate	11.76%	11.76%	10.75%	9.75%
Post-office Savings Bank Fixed Deposit	11.28%	11.28%	10.30%	9.30%
Wage Earner Development Bond	12.00%	12.00%	11.00%	10.00%

The government had lowered the rates on different schemes last time in 2015. Apart from the savings certificates, interest rate of the wage earner development bond has also been lowered. Meanwhile, statistics of the Department of National Savings (DNS) showed that in the FY2020-21 net sales of National Saving Certificates (NSCs) were Tk419.59b which was Tk144.28b in FY2019-20. A heavy buying spree of NSCs to get high-yield in the FY2020-21 has prompted the government to set upward its borrowing target through the high cost savings instruments in FY2021-22. Net borrowing target through NSCs was revised upward to Tk303.22b in the revised budget for FY2020-21 from the original target of Tk200b. In the 2021-22 fiscal year budget the government has fixed the borrowing target through the national saving certificates at Tk320b to meet the budget deficit.

ADB downgrades GDP growth forecast

The Manila-based Asian Development Bank (ADB) in its Asian Development Outlook (ADO) 2021 has revised down the Gross Domestic Product (GDP) growth projection for Bangladesh to 6.8% for FY2021-22, amid continued Covid-19 concerns, which was earlier projected to be 7.2% in the April outlook. The Bangladesh government has set a growth target of 7.2% for the current fiscal year. As per the provisional report of Bangladesh Bureau of Statistics (BBS), GDP registered 5.47% growth in FY2020-21, which was far away from the target of 8.2%. The GDP growth rate was 8.15% in FY2018-19, which tumbled to 3.51% in FY2019-20 as the economy then came to a standstill for more than three months due to Covid-19 crisis. The ADB's forecast is substantially higher than that of the World Bank (WB). In June last WB projected 5.1% economic growth for FY2022. ADB also said that inflation is expected to slightly edge up to 5.8% mainly due to the expansionary monetary policy announced by the central bank to support economic recovery.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,455.48	4,432.99	0.51
FTSE 100	7,051.48	6,963.64	1.26
Nikkei 225	30,248.81	30,500.05	-0.82
SENSEX	60,048.47	59,015.89	1.75
KSE 100	45,073.52	46,636.08	-3.35

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	7,250.60	7,228.31	0.31
Total Turnover, Tk	97,094,928,811	111,223,945,806	-12.70
Market Capital, Tk	5,170,295,218,528	5,142,882,387,397	0.53
No of Issue Gain	162	84	
No of Issue Loss	198	282	
No of Unchanged Issues	18	12	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Pacific Denims	14.60	18.20	24.66	1,020,900,000
Eastern Insurance	116.80	141.10	20.80	276,106,000
AlifManufacturing Co	18.00	21.50	19.44	2,231,989,000
BD National Ins.	130.40	153.70	17.87	115,058,000
KDS Accessories	65.50	76.80	17.25	781,895,000
Maksons Spinning	28.00	32.60	16.43	1,759,581,000
Evince Textiles	11.60	13.50	16.38	223,615,000
Kattali Textile	26.20	30.40	16.03	360,254,000
Aamra technologies	32.70	37.20	13.76	813,798,000
Rupali Insurance	44.90	50.80	13.14	1,215,428,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BD Monospool Paper	229.50	187.30	-18.39	65,144,000
Paper Processing	225.30	184.40	-18.15	115,498,000
1st Janata Bank M. F.	9.70	8.20	-15.46	57,285,000
EBL First Mutual Fund	9.90	8.60	-13.13	14,469,000
Popular Life First M. F.	7.00	6.20	-11.43	43,195,000
PHP First Mutual Fund	7.20	6.40	-11.11	33,874,000
Trust Bank First M. F.	7.40	6.60	-10.81	60,629,000
First Security Bank	13.00	11.70	-10.00	468,012,000
Dominage Steel	41.60	37.70	-9.38	908,091,000
IBN SINA Pharma	295.10	269.10	-8.81	426,621,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	499.07	504.25	-1.03	5,227.36	8,537.11	-38.77
Cement	452.88	449.15	0.83	2,989.80	3,040.99	-1.68
Ceramic	891.05	905.55	-1.60	1,014.38	1,598.09	-36.53
Engineering	8,080.34	7,638.27	5.79	9,316.47	11,317.51	-17.68
Food & Al.	5,927.20	6,004.10	-1.28	2,804.18	4,928.66	-43.10
Fuel & Pow.	4,525.82	4,543.07	-0.38	6,351.10	8,400.26	-24.39
Insurance	3,292.10	3,244.56	1.47	12,537.56	12,495.33	0.34
IT	588.54	594.08	-0.93	2,441.88	2,292.38	6.52
Jute	1,322.56	1,401.76	-5.65	118.04	267.88	-55.94
Misc.	2,654.12	2,660.61	-0.24	7,502.54	8,445.82	-11.17
Mutual Fund	579.08	601.18	-3.68	1,105.05	2,095.75	-47.27
NBFI	1,599.99	1,601.13	-0.07	9,554.18	14,116.36	-32.32
Paper	7,690.90	7,914.67	-2.83	1,123.97	1,363.57	-17.57
Pharma	1,696.71	1,688.66	0.48	12,343.70	12,314.82	0.23
Service	1,711.67	1,648.36	3.84	2,663.84	2,635.37	1.08
Tannery	1,021.06	1,028.15	-0.69	658.78	847.81	-22.30
Telecom	5,066.53	5,099.41	-0.64	1,185.40	2,014.73	-41.16
Textile	1,932.80	1,863.78	3.70	13,219.13	10,900.22	21.27
Travel & Leis	580.99	549.97	5.64	1,117.79	676.38	65.26

Technical Talk

Dhaka stocks returned to the positive zone and rise moderately in the last week after a fall in the previous week. Out of its five trading sessions, market gained in three sessions as a section of investors went for buying shares amid optimism. Among the major sectors, Mutual Fund decreased by 3.68%, followed by Bank 1.03%, Telecom 0.64%, Fuel & Power 0.38% and NBFI 0.07%.

DSE Broad Index (DSEX) stood at 7,250.60 points after increasing by 22.29 points or 0.31% from the previous week. Total turnover reached at Tk97094.93m, which was 12.70% lower than the previous week. Market capitalization increased by 0.53% and stood at Tk5170.30b (\$60.61b) at the weekend against Tk5142.88b. DSE 30 decreased by 0.99 points or 0.04% and closed at 2,673.56 points against 2,674.55 points. Last week's weighted average Market PE was 20.71 which was 20.60 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 84.94.

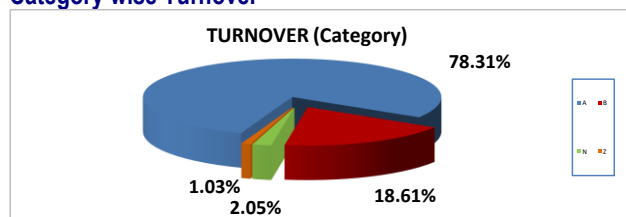
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	43,772,319	5,967,284,000	6.15
Beximco Pharma	13,005,368	3,155,536,000	3.25
Orion Pharma	33,153,516	2,469,575,000	2.54
LankaBangla Finance	52,991,330	2,310,181,000	2.38
LafargeHolcim BD	29,019,186	2,289,682,000	2.36
Alif Manufacturing Co.	111,611,543	2,231,989,000	2.30

Top 10 Market Capital

			In million
GP	515,004	United Power	157,256
Walton Hi-Tech	399,048	RENATA	127,542
BATBC	351,972	Beximco Ltd.	117,777
ROBI	218,946	ICB	102,147
Square Pharma	206,416	Beximco Pharma	99,605

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,750.60	1,753.90	-0.19
Silver (USD/t.oz.)	22.42	22.36	0.27
Brent Crude Oil (USD/bbl.)	78.03	75.30	3.63

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.30	85.35	85.25	85.30	0.06	0.06
EUR	101.88	101.94	101.99	102.05	-0.11	-0.11
GBP	118.68	118.75	119.50	119.57	-0.69	-0.69
AUD	62.03	62.07	62.26	62.29	-0.37	-0.35
JPY	0.78	0.79	0.78	0.78	0.00	1.28
CAD	67.19	67.23	67.11	67.15	0.12	0.12
SAR	22.85	22.87	22.85	22.86	0.00	0.04

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