

**BSEC launches high-profile market manipulation probe**

The Bangladesh Securities and Exchange Commission (BSEC) has formed a five-member committee to launch an extensive probe into the past irregularities, market manipulation, and corruption, with a particular focus on high-profile cases linked to Beximco Sukuk, Sreepur Township bonds and the involvement of Salman F Rahman. The committee will also delve into the selection process of ABG Limited-a concern of Bashundhara Group-as a strategic investor in the Chittagong Stock Exchange (CSE) as well as Best Holdings Limited’s Tk4.5b capital raise via the book building method and related Initial Public Offering (IPO) issues. Led by Zia Uddin Ahmed, chairman of Terra Resources International and VIPB Asset Management, the committee is tasked with investigating 12 key issues in its first phase. The involvement of seasoned professionals such as Yawer Sayeed, former Managing Director and CEO of AIMS of Bangladesh Limited as well as Barrister Md Zeeshan Hyder, deputy attorney general as the legal expert in the investigation further adds credibility to the process. Notably, AIMS emerged as the first private Asset Management Company (AMC) in Bangladesh that pioneered private mutual funds in the country. The committee’s scope extends to allegations against several companies, including Sonali Paper and Board Mills, Fortune Shoes and Coppertech Industries, among others. The committee is expected to submit its findings within 60 days, with the possibility of expanding its membership to deepen the inquiry. The investigation will critically assess the actions taken during the tenures of former BSEC chairmen, M Khairul Hossain and Shibli Rubayat Ul Islam post-2010 share market debacle. The success of this committee, however, will depend on the timely and transparent disclosure of the findings and subsequent actions taken by the BSEC. Notably, this probe is not just about addressing past grievances but also about reinforcing market discipline.

**Issues in Question**

	Issues	Listing Platform
1	Beximco Green Sukuk Al Istisna'a	DSE Main board
2	IFIC Guaranteed Sreepur Township Green Zero Coupon Bond -Tranche 01, 02	ATB
3	ABG Limited of Bashundhara Group	-
4	Best Holdings Limited	DSE Main board
5	Al-Amin Chemical Industries Limited	OTC Market
6	Sonali Paper & Board Mills Limited	DSE Main board
7	Fortune Shoes Limited	DSE Main board
8	Ring Shine Textiles Limited	DSE Main board
9	ACME Pesticides Limited	DSE Main board
10	Quest BDC Limited	OTC Market
11	Coppertech Industries Limited	DSE Main board
12	Emerald Oil Industries Limited	DSE Main board

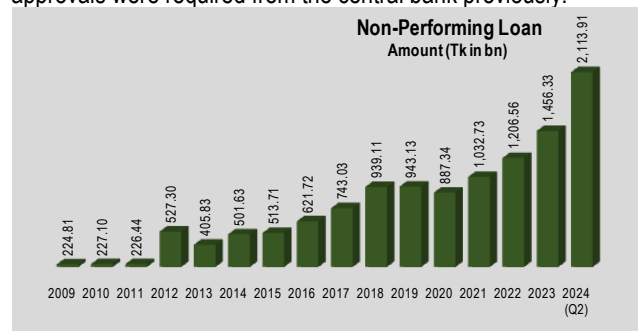
Source: BSEC

**Remittances hit US\$2.22b in August**

Bangladeshis working abroad sent home a total of US\$2.22b in August 2024, up by 39.62% from the US\$1.59b in the same month of 2023 as expatriates sent more money through formal channels following the changes in the political landscape on 05 August this year. However, the remittance inflow declined by 3.20% (Y-o-Y) to US\$1.91b in July 2024 amid political uncertainty. A five-day internet blackout and a three-day bank closure in July have significant negative impact on the remittance inflow. As the situation gradually stabilized in the second week of August, the flow of remittances increased.

**Toxic loans at historic high**

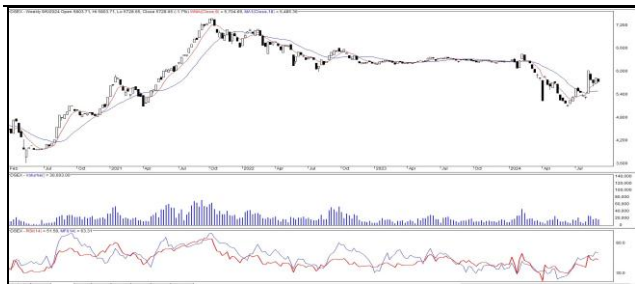
The volume of Non-Performing Loans (NPLs) hit an all-time high at the end of the second quarter of this year. According to Bangladesh Bank (BB) reports, overall NPLs rose to Tk2,113.91b at the end of June 2024 from Tk1,822.95b at the end of March 2024 and from Tk1,456.33b in December 2023. The bad loans increased by Tk290.96b in just three months from March 2024. At the end of June 2024, the total disbursed loans stood at Tk16,833.96b, with 12.56% classified as non-performing. This is the highest ratio of NPLs to total disbursed loans in the past 15 years. The NPLs in June 2023 recorded at Tk1,560.39b. The amount of classified loans is feared to balloon further if the volume of write-offs and rescheduled loans and loans with court injunctions is included in the figure. Additionally, a large volume of loans will rapidly sour after the downfall of the autocratic Awami League government as those loans were taken by influential crony business groups through fake documents and irregularities using their political clout. Most of the defaulted loans are in state-owned banks which held Tk1,024.83b in NPLs until June this year, that is 32.77% of their total disbursement. In December 2023 state owned banks had Tk657.81b default loans. The volume of such loans in private commercial banks rose to Tk999.21b at the end of June 2024 from Tk709.81b in December 2023. The stale amounts in foreign commercial banks and specialized banks were Tk32.29b and 57.56b respectively. The central bank implemented a liberal framework to control the NPLs for the last couple of years such as the extension of grace periods, special concessions on relaxing loan write-offs and loan restructurings, regularizing NPLs by depositing between 2.5% to 6.5% of the due amount from previously required deposit of 10% to 30%, increasing the repayment period of the NPLs ranging from 5 to 8 years while the maximum repayment period was only 2 years before. Additionally, the central bank also delegated the authority to the board of directors of the respective banks to provide concessions and reschedule default loans where approvals were required from the central bank previously.



**Money whitening facility revoked**

The scope for legalizing undisclosed money with an amnesty was approved in the FY2024-25 budget speech after interval of three fiscal years. The facility expired on 30 June 2022 while the interim government has decided to stop the practice of whitening black money. In the FY2024-25 budget the government permitted the legalization of black money with a 15% tax. On the other hand, high-net-worth honest tax paying individuals will face a 25% tax rate at the highest slab. According to that new provision, no authority can raise any question if a taxpayer pays tax at fixed rates for immovable properties such as flats and land and 15% tax on other assets, including cash, securities, bank deposits and savings schemes.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	5,408.42	5,648.40	-4.25
FTSE 100	8,181.47	8,376.63	-2.33
Nikkei 225	36,391.47	38,647.75	-5.84
SENSEX	81,183.93	82,365.77	-1.43
KSE 100	79,002.32	78,543.98	0.58

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,728.65	5,804.42	-1.31
Total Turnover, Tk	39,940.61	31,701.84	25.99
Market Capital, Tk	4,000,806,324,482	4,059,164,512,594	-1.44
No of Issue Gain	76	293	
No of Issue Loss	311	86	
No of Unchanged Issues	8	18	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Linde Bangladesh	1156.90	1547.30	33.75	1,223.70
Libra Infusions	703.10	877.60	24.82	184.00
KBPPWBIL	104.20	126.60	21.50	163.23
National Tea	271.80	320.30	17.84	9.24
Fareast Islami Life Ins.	42.00	48.80	16.19	122.09
Central Insurance.	42.30	48.70	15.13	109.65
Taufika Foods	76.70	87.90	14.60	503.88
GPH Ispat	28.40	32.10	13.03	442.64
Usmania Glass Sheet	38.20	42.70	11.78	4.87
Tamijuddin Textile Mills	128.40	142.60	11.06	25.06

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
New Line Clothings	45.40	33.00	-27.31	1.47
Khulna Power	24.00	19.40	-19.17	208.53
Shinepukur Ceramics	21.40	17.90	-16.36	518.44
Coppertech Industries	26.20	22.00	-16.03	90.50
Yeakin Polymer	16.00	13.60	-15.00	29.42
Orion Infusion	362.60	310.80	-14.29	202.92
Beximco Green Sukuk	50.00	43.00	-14.00	8.01
DBH First Mutual Fund	6.00	5.20	-13.33	3.93
EBL First Mutual Fund	4.80	4.20	-12.50	1.99
Jute Spinners	235.50	207.40	-11.93	1.80

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	504.46	509.57	-1.00	6,702.77	6,332.15	5.85
Cement	342.01	353.13	-3.15	828.74	433.44	91.20
Ceramic	529.34	554.86	-4.60	350.51	213.42	64.24
Engineering	4,664.31	4,785.22	-2.53	2,465.24	1,345.28	83.25
Food & Al.	4,592.69	4,640.89	-1.04	5,259.13	3,509.58	49.85
Fuel & Pow.	3,027.20	3,026.07	0.04	4,200.45	1,776.69	136.42
Insurance	2,195.20	2,220.33	-1.13	2,401.65	1,504.12	59.67
IT	524.41	540.03	-2.89	1,176.70	587.90	100.15
Jute	1,857.21	1,942.91	-4.41	177.90	88.62	100.75
Misc.	2,518.54	2,487.53	1.25	722.14	432.69	66.90
Mutual Fund	375.56	394.40	-4.78	587.45	474.20	23.88
NBFI	867.21	869.39	-0.25	1,147.96	649.50	76.74
Paper	6,326.12	6,763.77	-6.47	515.55	227.32	126.79
Pharma	1,374.63	1,383.83	-0.66	5,291.68	4,981.79	6.22
Service	1,332.30	1,376.71	-3.23	303.83	142.26	113.57
Tannery	854.24	865.16	-1.26	460.21	191.77	139.98
Telecom	4,149.99	4,271.89	-2.85	1,657.18	1,853.62	-10.60
Textile	1,478.90	1,519.08	-2.65	2,895.24	1,925.40	50.37
Travel & Leis.	1,144.62	1,206.06	-5.09	1,289.47	719.46	79.23

## Technical Talk

Dhaka stocks witnessed a fall in the previous week after a single-week break as risk-averse investors' maintained sell-off to book some profits. Among the major sectors, Mutual Fund decreased by 4.78% followed by IT 2.89%, Textile 2.65%, and Engineering 2.53%.

DSE Broad Index (DSEX) stood at 5,728.65 points after decreasing by 75.77 points or 1.31% from the previous week. Total turnover reached at Tk39940.61m, which was 25.99% higher than the previous week. Market capitalization decreased by 1.44% and stood at Tk4000.81b (US\$33.34b) at the weekend against Tk4059.16b. DSE 30 decreased by 10.35 points or 0.49% and closed at 2,114.36 points against 2,124.71 points. Last week's weighted average Market PE was 11.01 which was 11.28 in previous week.

Based on the weekly chart of index movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI) & Money Flow Index (MFI)

The RSI illustrates if the change of price movements is in overbought or oversold territory. MFI also depicts the same however; it incorporates trade volume along with the price change. Both RSI and MFI stood at 51.58 and 63.31 respectively, indicating an upward trend.

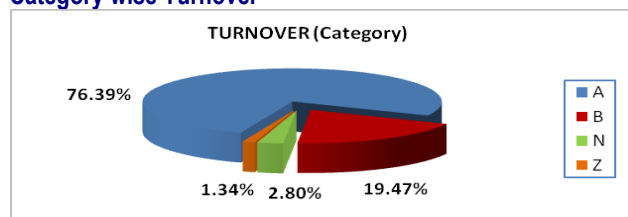
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
BRAC Bank	36,013,022	2,018.81	5.05
BRAC Bank	4,098,925	1,723.31	4.31
Olympic Industries	8,135,661	1,673.99	4.19
MJL Bangladesh	12,925,794	1,322.37	3.31
Linde Bangladesh	804,227	1,223.70	3.06
Grameenphone	2,991,740	1,026.82	2.57

### Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	456,942	103,842
BATBC	222,372	99,458
Walton Hi-Tech	204,507	90,094
Square Pharma	204,327	86,664
Robi	149,805	83,030

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,536.00	2,548.70	-0.50
Silver (USD/t oz.)	29.25	29.46	-0.71
Brent Crude Oil (USD/bbl.)	77.04	79.07	-2.57

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	120.00	120.00	120.00	120.00	0.00	0.00
EUR	139.20	139.20	141.03	141.03	-1.30	-1.30
GBP	165.49	165.49	166.52	166.52	-0.62	-0.62
AUD	81.59	81.59	81.95	81.95	-0.44	-0.44
JPY	0.83	0.83	0.84	0.84	-1.19	-1.19
CAD	89.38	89.38	89.29	89.29	0.10	0.10
SAR	32.14	32.14	32.14	32.14	0.00	0.00

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)
-	-	-	-