

BEXIMCO share manipulators fined record amount

The Bangladesh Securities and Exchange Commission (BSEC) imposed an aggregate penalty of Tk4.29b on five companies and four individuals for manipulating the share price of Bangladesh Export Import Company (BEXIMCO) Limited. This is the largest penalty ever levied by the regulator in the history of local the capital market. Previously, the highest fine for manipulation of share prices was imposed in 2008, when AB Bank’s merchant banking wing was fined Tk100m. The companies and individuals which were fined are connected with the BEXIMCO group. More than two years ago, the BSEC received two reports on BEXIMCO share manipulations from the Dhaka Stock Exchange (DSE) Investigation Department. Nonetheless, the regulator took no enforcement action while being led by the then chairman Professor Shibli Rubayat Ul Islam. Of the individuals fined, Mosfiqur Rahman received the highest penalty, totaling Tk1.25b. He was fined Tk250m for manipulating BEXIMCO share price between 28 July and 06 September 2021 and an additional Tk1b for similar activities between 02 January and 10 March 2022. The second-highest penalty, amounting to Tk730m was imposed on Crescent Limited. Other penalties included-ART International Limited Tk700m, Momtazur Rahman Tk580m, Abdur Rouf Tk310m, Marjana Rahman Tk300m, Jupiter Business Limited Tk225m, Apollo Trading Limited Tk150.1m and TradeNext International Limited Tk40.1m.

BSEC to scrutinize IPO fund utilization of nine companies

The Bangladesh Securities and Exchange Commission (BSEC) has launched an inquiry on utilization of the funds raised through Initial Public Offerings (IPOs) and Repeat Public Offerings (RPOs) by nine companies. Eight of the companies raised an aggregate amount of Tk8.96b through IPOs while Bangladesh Shipping Corporation raised Tk3.14b through RPO. However, according to reports they utilized around Tk6.79b in total so far. Some of these companies had extended the timeframe for using the funds allocated to their projects but failed to use their proceeds in time. Previous two politically appointed chairmen of BSEC did not take any effective action against companies that failed to use the funds on time.

Fund utilization upto June 2024			
	Fund Raising		Unutilization
	Year	Raised Funds (Tk bn)	
Bangladesh Shipping Corporation	2011	3130	70.22%
Bset Holdings	2023	3500	38.14%
Index Agro Industries	2021	500	5.88%
JMI Hospital Requisite Manufacturing	2022	750	10.86%
Lub-ref (Bangladesh)	2021	1500	33.72%
Navana Pharmaceuticals	2022	750	16.02%
Ring Shine Textiles	2019	1500	64.31%
Sikder Insurance	2024	160	60.70%
Silva Pharmaceuticals	2018	300	8.57%

Export earnings rise by 5.08%

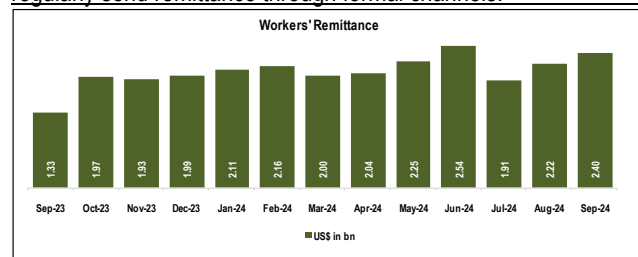
Export earnings saw a rise of 5.08% (Y-o-Y) in the first three months of FY2024-25, driven by Readymade Garments (RMG) sector. Exporters generated US\$11.37b in July-September of FY2024-25, compared to US\$10.82b in the same period of FY2023-24. The RMG sector alone contributed US\$9.28b, marking a 5.33% increase from US\$8.81b earlier. The woven garment exports rose by 4.89% to US\$4.07b, up from US\$3.88b, while knitwear exports grew by 5.67% to US\$5.22b compared to US\$4.94b in July-September of FY2023-24.

CMSF’s ineffectiveness prompts official review

The formation of a committee to reassess the Capital Market Stabilization Fund (CMSF) comes at a critical time amid growing concerns over its efficacy and governance. Launched in 2021 with the goal of stabilizing capital markets during periods of volatility, the CMSF has faced significant criticism for its lackluster performance. Despite managing Tk15.45b, the fund’s limited achievements—a Tk2.25b loan to the Investment Corporation of Bangladesh (ICB) and a Tk500m mutual fund have failed to meaningfully stabilize the market. A major point of contention is the fund’s governance and spending practices. Over the past three years, the CMSF held 323 meetings, incurring Tk33.2m in payouts to attendees. Despite this flurry of activity, the tangible results have been minimal and the CMSF is currently without a board following the expiration of its three-year term on 22 August 2024. The Bangladesh Securities and Exchange Commission (BSEC) has yet to appoint new leadership, raising concerns about oversight. Legal challenges compound the issue. Questions about formation of the fund remain unresolved, with critics casting doubt on the legal framework. This uncertainty puts the CMSF’s existence at risk. Despite this, listed companies have deposited unclaimed dividends and other funds into the CMSF, further complicating the situation. With the committee tasked to submit its report within 10 days, the fund’s future hangs in a balance. The outcome could determine whether the CMSF becomes a meaningful tool for market stabilization or a failed experiment.

Remittance rebound in September

Bangladeshis working abroad sent home a total US\$2.40b in September 2024, up by 80.45% from the US\$1.33b in the same month of 2023 as the diasporas have apparently significantly reduced the use of illegal ‘hundi’ conduit after the formation of the interim government on 08 August 2024. This September receipt is the second highest monthly remittance inflow in the last 39 months after June 2024 figure of US\$2.54b. Compared with August 2024 earnings of US\$2.22b, September figure is US\$180m higher. In a move to encourage Non-Resident Bangladeshis (NRBs) to continue using formal remittance channels, the Bangladesh Bank has introduced new provisions for banks to provide loans of up to Tk1m to those NRBs who regularly send remittance through formal channels.



Inflation slightly drops in September

Point-to-Point inflation eased down for the second consecutive month in September due to decline in both food and non-food prices. According to the Bangladesh Bureau of Statistics (BBS), inflation made a downswing by 57 basis points to 9.92% in September 2024. Last month, food and non-food inflation stood at 10.40% and 9.50%, decreasing from 11.36% and 9.74% respectively from the earlier month. In September, rural inflation stood at 10.15% compared to 10.95% in August. On the other hand, in urban areas it was 9.83%, down from 10.01% in the previous month.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,751.07	5,738.17	0.22
FTSE 100	↓	8,280.63	8,320.76	-0.48
Nikkei 225	↓	38,635.62	39,829.56	-3.00
SENSEX	↓	81,688.45	85,571.85	-4.54
KSE 100	↑	83,589.81	81,299.05	2.82

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,462.58	5,639.13	-3.13
Total Turnover, Tk	↓	21,310.93	33,965.40	-37.26
Market Capital, Tk	↓	3,731,114,801,284	3,863,083,918,659	-3.42
No of Issue Gain		57	40	
No of Issue Loss		331	349	
No of Unchanged Issues		8	7	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
BIFC	7.10	9.40	32.39	6.83
Aftab Automobiles	29.90	34.90	16.72	216.50
ADN Telecom	91.40	103.90	13.68	354.81
Paramount Textile	45.80	51.40	12.23	42.47
Shyampur Sugar Mill	114.70	124.90	8.89	4.16
Libra Infusions	803.80	870.80	8.34	147.06
Rupali Life Insurance	92.40	99.90	8.12	82.64
Anlimayam Dyeing	27.00	29.10	7.78	10.36
Desh Garments	78.40	84.30	7.53	10.35
ICBSONALI1	5.60	6.00	7.14	14.94

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Linde Bangladesh	1333.2	1009.30	-24.29	396.90
Kattali Textile	13.90	10.80	-22.30	108.33
Miracle Industries	25.80	21.00	-18.60	26.19
Bay Leasing & Inv.	9.20	7.50	-18.48	11.43
Western Marine Shipyard	7.80	6.40	-17.95	18.45
Indo-Bangla Pharma	10.60	8.70	-17.92	9.04
Associated Oxygen	16.90	13.90	-17.75	30.35
GSP Finance	9.20	7.60	-17.39	34.66
National Tea	311.40	258.10	-17.12	15.17
Fortune Shoes	21.60	18.00	-16.67	111.00

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	505.20	520.79	-2.99	5,816.89	8,831.19	-34.13
Cement	312.15	321.13	-2.80	173.24	332.56	-47.91
Ceramic	421.16	450.92	-6.60	160.08	238.85	-32.98
Engineering	3,878.52	4,086.88	-5.10	922.38	1,444.07	-36.13
Food & Al.	4,171.99	4,355.52	-4.21	1,170.86	2,129.88	-45.03
Fuel & Pow.	2,639.20	2,753.28	-4.14	1,649.91	1,832.68	-9.97
Insurance	1,950.05	1,998.09	-2.40	967.95	1,495.47	-35.27
IT	486.84	488.76	-0.39	949.80	1,211.80	-21.62
Jute	2,204.32	2,252.95	-2.16	691.24	1,085.44	-36.32
Misc.	2,463.14	2,485.66	-0.91	571.35	817.08	-30.07
Mutual Fund	328.33	343.26	-4.35	346.47	616.11	-43.77
NBFI	741.29	776.78	-4.57	374.26	803.51	-53.42
Paper	5,589.63	6,004.06	-6.90	266.41	428.22	-37.79
Pharma	1,298.54	1,336.30	-2.83	3,021.13	4,847.97	-37.68
Service	1,144.00	1,155.73	-1.01	192.82	252.97	-23.78
Tannery	781.39	800.26	-2.36	202.83	192.62	5.30
Telecom	4,062.38	4,222.87	-3.80	1,341.59	2,542.20	-47.23
Textile	1,302.69	1,337.32	-2.59	1,318.65	2,545.48	-48.20
Travel & Leis.	1,024.15	1,085.97	-5.69	565.02	900.49	-37.25

Technical Talk

Stocks continued correction in the last week. Most stocks experienced the price erosion. A section of investors protested at a continued decline in share prices. Among the major sectors, Engineering decreased by 5.10% followed by NBFI 4.57%, Mutual Fund 4.35% and Food & Allied 4.21%.

DSE Broad Index (DSEX) stood at 5,462.58 points after decreasing by 176.55 points or 3.13% from the previous week. Total turnover reached at Tk21310.93m, which was 37.26% lower than the previous week. Market capitalization decreased by 3.42% and stood at Tk3731.11b (US\$31.09b) at the weekend against Tk3863.08b. DSE 30 decreased by 74.08 points or 3.59% and closed at 1,990.85 points against 2,064.93 points. Last week's weighted average Market PE was 10.33 which was 10.7 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 48.11 and 58.25 respectively, indicating an upward trend.

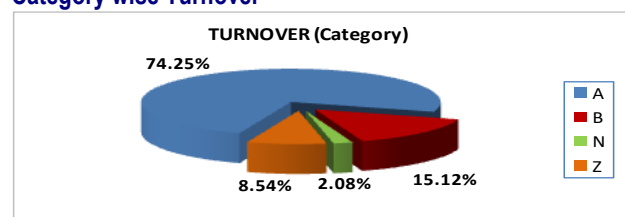
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Grameenphone	3,188,552	1,102.42	4.29
BRAC Bank	16,007,843	870.27	3.99
Islami Bank	13,374,010	862.69	2.94
Social Islami Bank	62,992,642	793.67	2.59
MJL Bangladesh	7,536,447	735.26	2.36
Sonali Aansh	2,215,062	688.81	2.33

Top 10 Market Capital

Company	Market Capital (BDT mn)
GP	456,266
BATBC	205,848
Square Pharma	202,997
Walton Hi-Tech	168,792
Robi	137,758
BEXIMCO	103,842
Islami Bank	99,014
Brac Bank	96,626
Berger Paint	81,945
Reneta	80,895

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	2,673.20	2,680.80	-0.28
Silver (USD/ton)	32.45	31.92	1.66
Brent Crude Oil (USD/bbl)	78.09	71.98	8.49

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	138.32	138.32	140.67	140.67	-1.67	-1.67
GBP	165.35	165.35	168.54	168.54	-1.89	-1.89
AUD	81.99	81.99	83.25	83.25	-1.51	-1.51
JPY	0.82	0.82	0.85	0.85	-3.53	-3.53
CAD	88.87	88.87	89.25	89.25	-0.43	-0.43
SAR	32.11	32.11	32.15	32.15	-0.12	-0.12

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)
-	-	-	-