

BSEC slaps hefty fines for market manipulation

In its ongoing crackdown, the Bangladesh Securities and Exchange Commission (BSEC) has levied fines exceeding Tk1.35b on ten individuals, including government official Abul Khayer *aka* Hiru, his family members and two institutions owned by them for manipulating shares of Fortune Shoes, Delta Life Insurance, NRB Commercial Bank and Sonali Paper & Board Mills. The fines include Tk772.1m for Fortune Shoes, Tk498.5m for Delta Life Insurance, Tk67.3m for NRB Commercial Bank and Tk7.5m for Sonali Paper. Khayer, known for market manipulation during the tenure of former BSEC chairman Shibli Rubayat Ul Islam, had previously faced penalties but maintained significant influence among investors. Despite prior fines of Tk140m in 2022 for similar violations across eleven companies, Khayer and his associates have only paid Tk50m, while their realized and unrealized gains reportedly total over Tk1.5b. Meanwhile, on 10 December 2024, the BSEC fined twenty-one individuals and firms Tk1.34b for manipulating the share prices of Bangladesh Finance, Orion Infusion and Orion Pharma. These recurring violations expose gaps in enforcement and recovery mechanisms, further highlighted by cases filed in October 2024 to recover unpaid fines. The systemic impact of such manipulations, alongside weak compliance, continues to undermine market confidence. Earlier in October 2024, for manipulating the share price of Bangladesh Export Import Company (BEXIMCO) Limited, an aggregate record penalty of Tk4.29b was imposed on five companies and four individuals. This is the largest penalty ever levied by the regulator in the history of local the capital market.

Export earnings rise by 11.73%

Export earnings saw a rise of 11.73% (Y-o-Y) in the first five months of FY2024-25, riding on the Readymade Garments (RMG) sector despite labor unrest. As per figures from Export Promotion Bureau (EPB), exporters fetched US\$19.90b in July-November period of FY2024-25 against US\$17.81b in the same period of last year. RMG sector alone contributed US\$16.11b, marking a 12.34% increase from US\$14.34b earlier, driven by a pre-holiday rush for Christmas and Thanksgiving, as well as the clearing of the backlog of orders. Woven garment exports rose by 12.57% to US\$7.17b while knitwear exports by 12.29% to US\$8.95b in July-November of FY2024.25. Export earnings in November 2024 increased by 15.73% (Y-o-Y) to US\$4.12b compared with those of US\$3.56b in the same month of 2023. Earnings from RMG sector increased by 16.55% to US\$3.31b compared with US\$2.84b in the same period of 2023. Export data was manipulated during the tenure of the previous government, it is alleged. The EPB clarified US\$10b discrepancies in FY2023-24. In FY2022-23, actual exports were US\$46.43b, while miscalculated data reported US\$55.55b. In FY2023-24, actual exports totaled US\$44.46b, while the erroneous data reported US\$55.28b.



Food inflation soars to 13.80%

The point-to-point inflation jumped to 11.38% in November 2024 due to the surge in staple food item prices. According to the Bangladesh Bureau of Statistics (BBS), food inflation surged 13.8% in November, increasing from 12.66% in October. Earlier in July, food inflation was recorded at 14.10% which was the highest in recent past. General inflation also jumped to a 13-year high of 11.66% in July 2024. Besides, non-food inflation increased to 9.39% in November, up from 9.34% in the previous month. In the rural areas November inflation was 11.53% which was 11.26% in October. On the other hand, in the urban areas it was 11.37%, which was 10.44% in October.

Inflation							
Month	Inflation	Food	Non-Food	Month	Inflation	Food	Non-Food
Jan'23	8.57%	7.76%	6.39%	Jan'24	9.86%	9.56%	9.42%
Feb'23	8.78%	8.13%	8.85%	Feb'24	9.67%	9.44%	9.33%
Mar'23	9.33%	9.09%	6.04%	Mar'24	9.81%	9.87%	9.64%
Apr'23	9.24%	8.84%	6.39%	Apr'24	9.74%	10.22%	9.34%
May'23	9.94%	9.24%	6.08%	May'24	9.89%	10.76%	9.19%
June'23	9.74%	9.73%	6.33%	June'24	9.72%	10.42%	9.15%
July'23	9.69%	9.76%	9.47%	July'24	11.66%	14.10%	9.68%
Aug'23	9.92%	12.54%	7.95%	Aug'24	10.49%	11.36%	9.74%
Sep'23	9.63%	12.37%	7.82%	Sep'24	9.92%	10.40%	9.50%
Oct'23	9.93%	12.56%	8.30%	Oct'24	10.87%	12.66%	9.34%
Nov'23	9.49%	10.76%	8.16%	Nov'24	11.38%	13.80%	9.39%
Dec'23	9.41%	9.58%	8.52%				

Source: BBS

Z-category on target over dividend compliance

In taking a firm stance on dividend distribution compliance, the Bangladesh Securities and Exchange Commission (BSEC) reiterated its commitment to enforcing compliance and warning of strict penalties for companies and their directors who fail to meet dividend obligations. This comes on the heels of temporary downgrade of Confidence Cement to the "Z" category on 04 December for failing to distribute its FY2023-24 dividend within the 30-day regulatory window. Prompted by a regulatory summons, Confidence Cement has since rectified the lapse by paying its declared 10% cash dividend and regained its A-category status on 08 December. While this resolution highlights effective intervention from the BSEC, it also underscores ongoing governance issues among some listed firms. Currently, there are 85 listed companies in the Z-category of Dhaka Stock Exchange (DSE). Under listing regulations, companies must distribute dividends within 30 days of Annual General Meeting (AGM) approval or risk daily penalties of Tk5,000 per director.

Bank deposits bounce back in October

Bangladesh Bank (BB) reported that the volume of bank deposits increased by more than Tk142.08b at the end of last October compared to the preceding month, reflecting a gradual recovery of depositor confidence and a reduction in financial irregularities under the interim government. Stronger banks liquidity support to struggling ones was a key factor in stabilizing the sector. In addition, the central bank directly provided liquidity support to six weak banks. BB data revealed that total deposits, excluding interbank and government deposits, rose to Tk17,552.17b in October, up from Tk17,410.09b in September. This was a significant improvement from Tk17,312.6b in August and Tk17,340.26b in July this year. In October, bank deposits grew by 7.28% (Y-o-Y), the growth rate being 7.26% in September, 7.02% in August and 6.86% in July.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	6,051.09	6,090.27	-0.64
FTSE 100	8,300.33	8,308.61	-0.10
Nikkei 225	39,470.44	39,091.17	0.97
SENSEX	82,133.12	81,709.12	0.52
KSE 100	114,659.1	109,005.6	5.19

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,105.43	5,196.82	-1.76
Total Turnover, Tk	16,109.26	22,217.47	-27.49
Market Capital, Tk	3,493,392,510,237	3,558,510,991,021	-1.83
No of Issue Gain	76	166	
No of Issue Loss	293	178	
No of Unchanged Issues	23	40	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Miracle Industries	22.60	28.90	27.88	117.48
H.R.Textile	29.60	34.70	17.23	57.03
Associated Oxygen	12.90	15.10	17.05	16.58
Saiham Cotton Mills	14.40	16.60	15.28	351.53
Metro Spinning	10.00	11.50	15.00	12.16
Sonargaon Textiles	22.90	26.00	13.54	90.66
Hami Industries	75.90	85.40	12.52	12.97
Lub-rref (Bangladesh)	11.90	13.30	11.76	33.01
Saiham Textile Mills	15.30	16.70	9.15	102.59
Aamra technologies	17.40	18.90	8.62	13.60

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Prime Finance First M.F.	44.50	33.90	-23.82	218.69
KBPPWBIL	144.80	125.80	-13.12	166.20
Eastern Lubricants	1476.1	1303.3	-11.71	19.55
Islami Bank Bangladesh	51.50	45.60	-11.46	199.73
Alltex Industries	10.00	8.90	-11.00	14.04
Gemini Sea Food	171.70	153.90	-10.37	35.09
Fine Foods Limited	221.10	198.40	-10.27	192.20
Midland Bank	33.30	30.10	-9.61	115.82
Genex Infosys	31.70	28.70	-9.46	250.14
BD Monospool Paper	125.40	114.10	-9.01	46.27

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	452.47	464.98	-2.69	1,612.80	2,973.63	-45.76
Cement	271.36	277.14	-2.09	136.01	200.26	-32.08
Ceramic	410.54	425.95	-3.62	123.95	270.78	-54.22
Engineering	3,491.00	3,528.07	-1.05	1,411.11	2,002.42	-29.53
Food & Al.	3,818.66	3,938.08	-3.03	1,133.42	1,566.28	-27.64
Fuel & Pow.	2,582.65	2,616.04	-1.28	820.05	1,248.90	-34.34
Insurance	1,843.57	1,893.62	-2.64	892.27	1,213.21	-26.45
IT	414.81	433.32	-4.27	694.15	1,446.83	-52.02
Jute	1,749.88	1,814.63	-3.57	169.10	220.95	-23.47
Misc.	2,464.84	2,492.29	-1.10	681.90	812.72	-16.10
Mutual Fund	328.10	342.34	-4.16	628.49	901.61	-30.29
NBFI	765.83	800.75	-4.36	539.81	1,001.60	-46.11
Paper	6,423.87	6,845.97	-6.17	171.23	305.42	-43.94
Pharma	1,246.72	1,260.10	-1.06	2,592.84	2,946.49	-12.00
Service	1,105.28	1,128.58	-2.07	248.08	391.70	-36.67
Tannery	733.54	744.05	-1.41	64.74	126.34	-48.75
Telecom	3,820.86	3,862.65	-1.08	289.75	583.37	-50.33
Textile	1,210.43	1,203.72	0.56	2,425.07	2,466.77	-1.69
Travel & Leis.	874.32	914.81	-4.43	244.35	531.39	-54.02

Technical Talk

Dhaka stocks dropped sharply after increasing slightly in the previous week as jittery investors continued to offload shares to protect their funds. Among the major sectors, NBFI decreased by 4.36% followed by IT 4.27%, Mutual Fund 4.16% and Food & Allied 3.03%.

DSE Broad Index (DSEX) stood at 5,105.43 points after decreasing by 91.39 points or 1.76% from the previous week. Total turnover reached at Tk16109.26m, which was 27.49% lower than the previous week. Market capitalization decreased by 1.83% and stood at Tk3493.39b (US\$29.11b) at the weekend against Tk3558.51b. DSE 30 decreased by 30.02 points or 1.57% and closed at 1,881.90 points against 1,911.92 points. Last week's weighted average Market PE was 9.28 which was 9.44 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 weekly RSI and MFI stood at 41.37 and 35.54 declining from 42.77 and 36.87 respectively, indicating a downtrend.

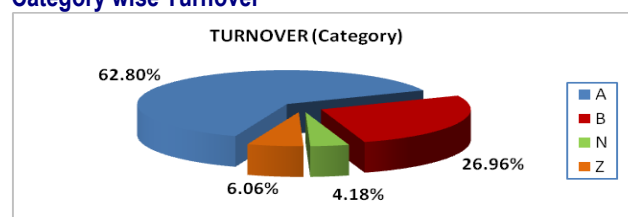
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Orion Infusion	1,448,755	441.66	2.74
Dragon Sweater	34,254,165	414.56	2.57
Asiatic Laboratories	10,767,034	381.88	2.37
Saiham Cotton Mills	22,154,195	351.53	2.18
NRB Bank	25,656,436	336.86	2.09
Taufika Foods	3,935,642	328.94	2.04

Top 10 Market Capital

Company	Market Cap (in million)
GP	424,804
Square Pharma	188,282
BATBC	184,248
Walton Hi-Tech	145,981
Robi	136,186
BEXIMCO	103,847
Brac Bank	85,477
Beraer Paint	82,131
Islami Bank	73,416
United Power	73,216

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	2,665.90	2,654.90	0.41
Silver (USD/t.oz.)	31.00	31.49	-1.54
Brent Crude Oil (USD/bbl.)	74.34	71.06	4.62

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	132.34	132.34	133.19	133.19	-0.64	-0.64
GBP	159.02	159.02	160.59	160.59	-0.98	-0.98
AUD	76.76	76.76	77.06	77.06	-0.39	-0.39
JPY	0.79	0.79	0.81	0.81	-2.47	-2.47
CAD	84.76	84.76	85.20	85.20	-0.52	-0.52
SAR	32.10	32.10	32.10	32.10	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)
-	-	-	-