

Academic Activities of BICM May-June 2020

Investors Education Program

To fulfill government's commitment of increasing awareness of general investors, BICM has been conducting day-long free "Investors Education Program" to disseminate the basic knowledge of capital market investment. General investors have been encouraged to assess the financial health of the listed companies prior to making investment decisions. BICM conducts this program on weekly basis in Dhaka and in regional cities on certain interval. During May-June 2020, the institute has conducted 14 "Investors Education Program", where total 199 investors participated.

Certificate Courses on Capital Market

The Institute offers "Certificate Programs" of different duration for the sector professionals, market intermediaries, and related stakeholders. As we all know that the whole world is fighting against the global pandemic of COVID-19 as we do in Bangladesh. The outbreak of coronavirus disease (COVID-19) has been declared a Public Health Emergency of International Concern (PHEIC). While a lot is still unknown about the virus that causes COVID-19, we do know that it is transmitted through direct contact with respiratory droplets of an infected person. While COVID-19 continues to spread it is important that BICM take action to prevent further transmission, reduce the impacts of the outbreak and support control measures. Because of this emergency issues, there was no certificate courses held at BICM During May-June 2020.

Postgraduate Diploma in Capital Market (PGDCM)

BICM is offering PGDCM for the market intermediaries, full spectrum of market professionals and graduates who aspire to pursue career in the capital market. The Diploma provides a blend of theoretical and practical knowledge on market mechanism, legal framework, new instruments and techniques. The yearlong PGDCM program consists of 13 courses of 36 credit hours including internship. The program is divided into three trimesters. Till 30th June 2020, BICM has enrolled 14 'Evening' and three 'Day' batches in the PGDCM program.

Regulatory News
May-June 2020

BSEC excluded general holidays while counting deadlines in capital market

Before the lockdown due to Covid-19 pandemic, BSEC declared a temporary waiver for the regulated entities to conduct meetings and submit mandatory reports during the emergency days of pandemic. After finishing upon the general holidays, BSEC has decided to discard the days of general closure- March 26 to May 30 while counting deadlines for conducting meetings, adopting financial statements, submission of any report or statement to the securities regulator or any other capital market entities other than publishing price sensitive information. All the issuers, stock exchanges, facilitating entities like electronic depository service providers, and market intermediaries, along with the concerned individuals will avail and obey the extension.

BSEC cancels Delta Hospital's IPO

BSEC cancels the application of Initial Public Offering (IPO) of Delta Hospital after the company had pursued cancellation. The company asked for cancellation as they did not get the anticipated response to their shares in the book building method. The regulator also directed Dhaka Stock Exchange and Chittagong Stock Exchange to return the bidding money of institutional and qualified investors within five working days.

BSEC approved Sadharan Bima Corporation to lead an open-ended mutual fund

BSEC approves Sadharan Bima Corporation to be the sponsor of a new open-ended mutual fund, CWT Sadharan Bima Growth Fund, with a proposed size of the fund of Tk 100 million. An amount of Tk 10 million will be contributed by its sponsor and rest of the amount will be collected from individual and institutional investors through sales of units. The offer price of the fund's units is Tk 10 each. CWT Asset Management Company Ltd will act as fund manager and Investment Corporation of Bangladesh will be the trustee of the Fund. Also, BRAC Bank Limited will act as a custodian here.

BSEC approves quarterly "shareholding report" submission of the listed companies and mutual funds until further directive

As per the latest directive of the commission all the listed companies and mutual funds need to submit their quarterly shareholding report to BSEC within 15 days of the end of each quarter of English calendar. Earlier they had to prepare monthly reports. However, the stock exchanges have to prepare and submit a summary of shareholding position/ unit holding position within 15 days of the end of each month to the regulator. Both stock exchanges have to keep hard and soft copies of the information of the companies due to recording purpose and have to inform if there is any non-complaintant information. The commission has taken decision to make the work of the

BSEC and stock exchanges online thus the two stock exchanges will collect data online. The report of digital submission and dissemination platform of the stock exchange has to be submitted to the commission within 15 working days.

BSEC encourages online platform to maintain social distancing due to Corona Pandemic

BSEC directs two stock exchanges to hold all the meetings using digital platform to maintain social distancing considering the geographical dispersal of the members and shareholders till December 31, 2020. However, as instructed earlier both softcopy and hard copy of the recording of the meetings (AGM, EGM, BOD and so on) must be kept for further reference and verification.

BSEC approves Wanton Hi-Tech Industries Limited to raise capital through book building method

BSEC approves the prospectus for the Initial Public Offering (IPO) of Walton Hi-Tech Industries Limited to raise Tk100 crore through the book building method. Among 29,28,343 shares, total 13,79,367 ordinary shares will be distributed at their own bidding price to the eligible investors. The cut-off price of the IPO of Walton Hi-Tech Industries was set at Tk315 per share for eligible investors while cut-off price was set Tk.252 for general investors and NRB. According to the rules of the book building method, the shares will be sold to general investors at a 20% discount (with extra 10%). AAA Finance and Investment Ltd is working as an issue manager of the company's IPO and the purpose of the IPO is to raise capital to expanding the business operation and to repay the bank loan.

BSEC approves the draft prospectus of RACE Special Opportunities Unit Fund

The commission approves the draft prospectus of RACE Special Opportunities Unit Fund. It will be an open-ended fund whose initial size is Tk35 crore. Premier Bank Limited will be the sponsor by contributing Tk25 crore and rest of the amount will be collected through sales of units with a unit value of Tk10 each. Bangladesh RACE management PCL will act as fund manager while Sentinel Trustee & Custodial Services Limited will act as a trustee and custodian of this Fund.

BSEC approves “The City Bank Limited” and “Jamuna Bank Limited” to issue Perpetual bond

The commission also approved two private commercial banks – The City Bank and Jamuna Bank limited – to issue non-convertible bonds totaling Tk800 crore, Tk400 crore each. BSEC approves these two non-convertible BASEL three complaint perpetual bond. The purpose of the issuance of these bonds is to strengthen the capital base of the company. The units will be sold to banks, financial institutions, insurance companies, corporate bodies, asset management companies, mutual funds, and high net worth individuals, “other than existing” shareholders of the company through private placements in cash consideration. However, Trustee and Lead Arranger of these bonds are IDLC Finance Limited and City Bank Capital Resources Limited, respectively.

Capital Market Synopsis for May-June, 2020

Due to the suspension of all trading activities as a result of the COVID-19 pandemic in the country, no quantitative market analyses were possible to be undertaken during this period.

International Capital Market Review (01 May 2020- 30 June 2020)

Index	Country	Beginning(May 2020)	Ending (June 2020)	1 month % Change
S & P 500 INDEX	United States	2,830.71	3,053.24	7.86%
Dow Jones Industrial Average	United States	23,723.69	25,595.80	7.89%
NASDAQ COMPOSITE INDEX	United States	8,604.95	9,874.15	14.75%
FTSE 100 INDEX	United Kingdom	5,763.10	6,225.80	8.03%
DAX Index	Germany	10,466.80	12,089.39	15.50%
HANG SENG	Hong Kong	23,613.80	24,301.28	2.91%
NIKKEI 225	Japan	19,619.35	22,288.14	13.60%
SSE COMPOSITE INDEX	China	2,878.14	2,961.52	2.90%
S&P BSE SENSEX	India	31,715.35	34,961.52	10.24%

(Source: finance.yahoo.com)

International capital market experienced progressive changes in different types of indexes during May-June 2020. US equities gained positive returns in case of S&P 500, Dow Jones Industrial Average and NASDAQ COMPOSITE INDEX. There was a 7.86% positive change in S&P 500 index over this timeframe whereas Dow Jones Industrial Average and NASDAQ COMPOSITE INDEX grown by 7.89% and 14.75% respectively. Again, FTSE 100 INDEX of United Kingdom showed optimistic trend and rose by 8.03%.

Over this timeframe, HANG SENG index of Hong Kong and NIKKEI 225 index of Japan jumped by 2.91% and 13.60% respectively. In addition to, DAX Index of Germany and S&P BSE SENSEX of India demonstrated positive returns and flourished immensely by 15.50% and 10.24% respectively. Furthermore, SSE COMPOSITE INDEX of China also improved by 2.90% during this timeframe.

The following graph demonstrates the percentage change of one month in index from May-June 2020:

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