TOP NEWS

BSEC to overhaul IPO rules for market based valuation

The Bangladesh Securities and Exchange Commission (BSEC) will adopt the pure Dutch Auction Method for pricing primary shares, replacing the current book building mechanism under which eligible investors (EIs) receive their 40% quota at a single cut off price even if many bid higher. Under the new rules, EIs will be allotted shares at their own bid prices, while general investors will still get shares at the cut off price. BSEC Chairman Masud Khan said the existing method does not reflect fair valuation. The regulator also plans to scrap the requirement to collect valuations from at least 45 EIs, letting the issue manager and issuer set an indicative price backed by valuation methods, with bidding within a 25% price band. A mandatory extended audit by independent auditors will also be introduced to cut IPO processing time. No company has listed under the 2025 rules, and the market has seen no IPO since Techno Drugs was approved in March 2024.

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Bank mergers alone won't resolve ongoing crisis: MTB CEO

Merging weak banks alone will not resolve the crisis in the banking sector, Mutual Trust Bank MD and CEO Syed Mahbubur Rahman said at a discussion organised by the Capital Market Journalists' Forum and CFA Society Bangladesh on Saturday. He said nonperforming loans have grown from around Tk28,000 crore in 2008 to over Tk600,000 crore, more than 32% of total loans, and warned that many rescheduled loans could turn bad again. According to a CFA Society analysis, the sector's NPL ratio stood at 32.8% in June 2026, with the top 10 banks holding 73.63% of total NPLs. Deposits grew 10.74% in June while private sector credit rose only 4.47%, and banks' investments jumped 30.3%. The sector's capital adequacy ratio fell to negative 2.64% at the end of 2025 against a 10% minimum, though net operating profit rose 116% to Tk32,108 crore. He said merging one weak bank with another may not deliver the expected benefits and called for targeted restructuring and wider structural reforms.

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Noncomplying insurers won't be allowed to operate

The Insurance Development and Regulatory Authority (IDRA) will take tougher action against distressed insurers that fail to follow its instructions, Chairman Mir Nadia Nivin told The Daily Star, with tools ranging from suspending first year premium collection and cancelling licences to appointing administrators and, ultimately, liquidation. Fareast Islami Life Insurance, for example, has outstanding claims of around Tk3,000 crore against recoverable assets of roughly Tk1,200 crore to Tk1,300 crore, and its first year premium collection has been suspended. So far, Tk37.54 crore has been paid to 8,417 policyholders of seven troubled life insurers in two phases. IDRA has barred insurers from withdrawing or pledging paid up capital without its approval, wants land investment brought within the permitted 20% limit, and plans to hire an independent actuary to review valuations. Insurance penetration stands at only about 0.3% and has been declining, which she attributed largely to delays in claim settlement.

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C&A Textiles faces DSE inspection amid prolonged noncompliance

The Dhaka Stock Exchange will inspect C&A Textiles after the BSEC approved the move in mid September, as the company has failed to publish quarterly financial statements for more than two years, with its last disclosure covering the quarter ended March 2024. Listed in 2015 after raising Tk45 crore through an IPO, the company collapsed in 2017 when its original sponsors fled amid a loan scam, before Alif Group acquired it in 2021 and restarted operations in 2022. It has since fallen back into noncompliance and been downgraded to the Z category for failing to hold AGMs on time, while a planned merger with Alif Industries remains incomplete. General investors hold 82.86% of the company against 7.10% held by sponsor directors. C&A Textiles has paid up capital of Tk293 crore and its shares trade at Tk3, and it last reported a net profit of Tk5.5 crore for the first nine months of FY24.

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Gold prices rise again by Tk1,691 per bhori

The Bangladesh Jewellers Association (BAJUS) has raised the price of 22 carat gold by Tk1,691 per bhori to Tk2,34,621, including VAT, effective from 10am on Saturday, citing a rise in local tejabi (pure) gold prices. Under the new rates, 21 carat gold costs Tk2,24,065 per bhori, 18 carat Tk1,92,398 and gold made by the traditional method Tk1,57,172. BAJUS last adjusted prices on 12 September, when it raised 22 carat gold by Tk1,050 to Tk2,32,930. Gold prices have been revised 116 times so far in 2026, with 58 increases, 57 cuts and one VAT adjustment. Silver also rose, with 22 carat up Tk116 to Tk5,132 per bhori, while 21 carat, 18 carat and traditional method silver are now priced at Tk4,957, Tk4,257 and Tk3,208 respectively.

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Why cheaper money is failing to unlock investment

Falling interest rates are failing to revive private sector borrowing, as businesses remain cautious amid energy shortages, weak demand and political uncertainty. Bangladesh Bank cut its policy rate by 0.5 percentage points to 9.5% from August, and the weighted average lending rate has eased from 12.16% in September 2025 to 11.81% in July. Yet private sector credit growth slowed to 4.47% in June, the lowest in 33 years, and edged up only to 4.62% in July against BB's December target of 6.8%. DCCI

President Taskeen Ahmed said businesses have shifted into cash preservation mode as gas and power shortages idle factories and banking sector turmoil hurts sentiment. PRI Principal Economist Ashikur Rahman said lower rates may partly reflect weak credit demand, while MTB CEO Syed Mahbubur Rahman noted that many factories once running at 80% capacity are now operating at 30% to 40%, with inflation still around 8.26%.

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BSEC allows CDBL to work as mutual fund custodian

The BSEC has allowed Central Depository Bangladesh Ltd (CDBL) to act as a custodian of mutual funds, raising the number of custodians in the industry to 10, CDBL Managing Director Md Abdul Mutaleb confirmed. The move comes as custodians face criticism for failing to prevent fund scams, including the embezzlement of Tk2.07 billion from three open end funds managed by Universal Financial Solutions. Under the latest mutual fund rules, an entity cannot play more than one role in a fund, so organisations such as ICB that act as both trustee and custodian must scale back, and CDBL expects to take over some of these mandates. CDBL is also seeking new income after its operating profit fell more than 17% year on year to Tk522 million in FY25, as income from BO account maintenance dropped to Tk70 million from over Tk130 million following a fee cut. The industry has 68 licensed asset managers and 136 mutual funds.

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