BSEC decides on 12 subsidiaries of troubled financial institutions

Four allowed to operate, seven given more time to comply

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has taken decisions on 12 capital market subsidiaries operating under nine non-bank financial institutions (NBFIs) whose licences are in the process of being cancelled by the central bank.

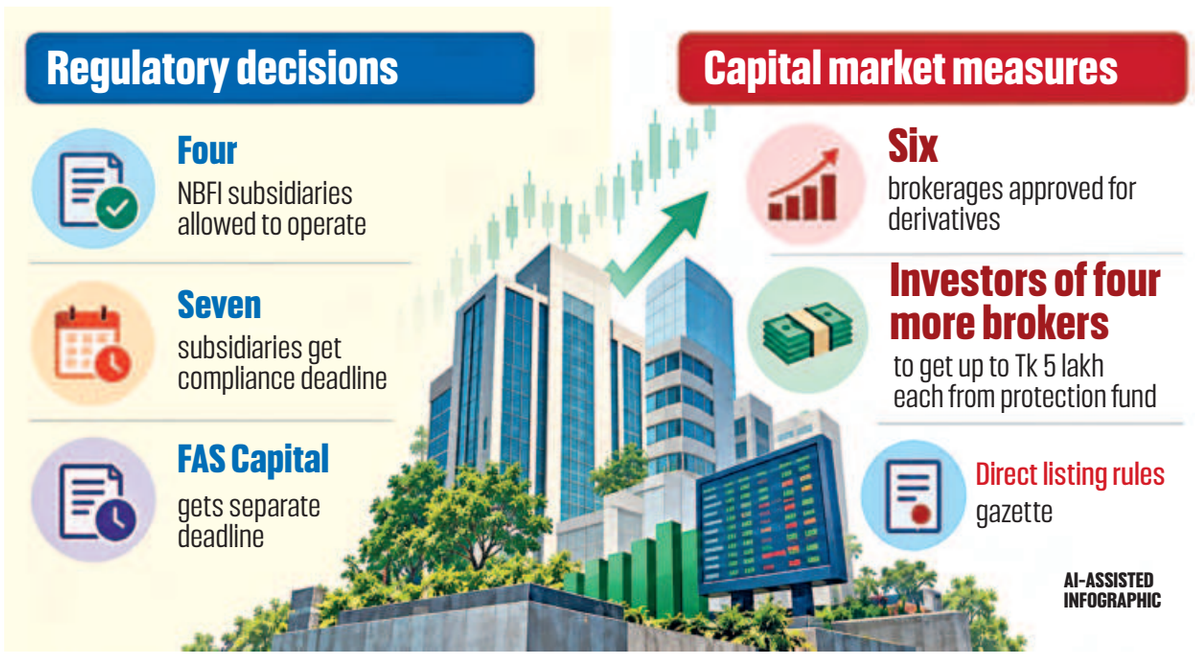
At an emergency commission meeting held yesterday under the chairmanship of BSEC Chairman Masud Khan, the stock market regulator categorised the subsidiaries based on their financial standing, net asset adequacy and compliance records.

According to a press release, four of the subsidiaries have been allowed to continue their business operations, while seven others have been given until April 30, 2027, to address shortfalls in net assets and ensure full compliance with securities rules and regulations.

The four subsidiaries allowed to continue operations maintained adequate net assets and performed satisfactorily against key evaluation criteria, the release said.

They comprise two stockbrokers -- Premier Leasing Securities Broking Ltd and AVIVA Equity Management Ltd -- and two merchant bankers, PLFS Investments Ltd and Prime Finance Capital Management Ltd.

The seven subsidiaries given the extended deadline comprise four stock brokerages -- Premier Leasing Securities Ltd, International Leasing Securities Ltd, Fareast Stocks and Bonds Ltd, and PFI Securities Ltd. The group also includes two merchant bankers, IL Capital Ltd and GSP Investment Ltd, and one asset management company, Prime Finance Asset Management Company Ltd.



BSEC noted that FAS Capital Management Ltd had been granted a separate deadline of December 31, 2026, to address its net asset deficiencies and meet regulatory requirements.

At the meeting, the BSEC also granted policy approval and decided to issue letters of intent (LOIs) for commodity derivative broker registration certificates to six stock brokerage companies, based on their applications and recommendations from the Chittagong Stock Exchange PLC (CSE). The companies are Sohel Securities, Island Securities, NLI Securities, Be Rich, PHP Stocks & Securities, and UCB Stock Brokerage.

The commission also decided to direct the relevant parties to arrange compensation of up to Tk 5 lakh per investor to settle claims by affected investors through the Dhaka Stock Exchange Investors Protection Fund.

The decision applies to verified and pending claims involving investors of four brokerages: Banco Securities, Tamha Securities, Crest Securities, and Shah Mohammad Sagir & Company.

Recently, the DSE paid up to Tk 5 lakh each to investors affected by the embezzlement at Moshihor Securities.

The regulator also said yesterday that the direct listing rules had been gazetted. Under the rules, companies will be able to list on the stock exchange without going through an initial public offering (IPO), provided they meet the prescribed conditions.

Eligible entities include government enterprises, companies in which the government holds at least 10 percent of the shares, foreign companies, and scheduled banks, financial institutions or insurance companies with a net worth of at least Tk 500 crore.

Companies with annual turnover of at least Tk 1,000 crore may also qualify for direct listing. Any stock exchange, depository, or clearing and settlement company duly registered with the commission is also eligible.

What the PM should bring back from Tokyo

MOHAMMAD ABDUL MALEK

When Prime Minister Tarique Rahman arrives in Tokyo on October 26, the Japan-Bangladesh Economic Partnership Agreement (EPA) will be the showpiece. Signed in February and still awaiting ratification, it promises duty-free access for 99.9 percent of tariff lines. For Bangladeshi agriculture, that headline matters least.

Japan already admits most goods from least-developed countries duty-free, while rice remains excluded. The EPA offers insurance: Japan will retain LDC preferences for three years after graduation, so the tariff cliff arrives in November 2029 if Bangladesh graduates this November, or in late 2032 under the full deferral Dhaka has requested. Even with duty-free access, exports to Japan fell 3.65 percent to $1.36 billion last fiscal year. What holds farm exports back is food safety, traceability and rules of origin.

Mangoes cannot enter Japan, not because of duties but because pest-risk clearance and vapour-heat treatment remain incomplete. This can be fixed: seedless lemon exports to Europe resumed after a long EU ban, reaching about 850 tonnes in FY2019-20 once phytosanitary systems were repaired. The EPA's rules of origin add another test: shrimp, tea and fruit must be grown or farmed here, while processed potato products must use Bangladeshi potatoes.

Japanese buyers want to know which orchard or pond a product came from. The Krishok (Farmer) Card's digital database, which records farmers' land and crops and is to cover fisheries households, could register export orchards in the Tangail-Naogaon-Rajshahi belt and shrimp farms in Khulna-Satkhira. Linked to digital advisory tools and a marketplace, such as the Smart Farming app I helped develop, the Card could deliver Japan's pesticide and residue requirements to registered farmers' phones and help build the inspection dossiers Japanese authorities require.



Bangladesh must turn its Japan trade deal into farm export growth by fixing food safety, traceability and market access barriers.

The EPA's revenue cost starts near Tk 20 crore a year because the first tariffs removed are already low. It could approach the Commerce Ministry's end-state estimate of $248 million a year as cuts phase in over up to 18 years. The cost must not come from cuts to agricultural extension or rural safety nets.

The EPA grants no employment access; farm work runs through Japan's Specified Skilled Worker programme. The bigger asset is the 45,000 Bangladeshis already in Japan, including researchers, food scientists and entrepreneurs. Permanent residents are better placed to build EPA-linked joint ventures than newcomers, who now need ¥30 million in capital for a business visa. Universities offer another bridge: one English-medium programme in Miyazaki has enrolled more than 50 Bangladeshi students, some of whom could study food science and agricultural economics. The Network of Bangladeshi Researchers in Japan (NBRJ) convenes this community with JICA and embassy officials. What it lacks is an official mandate.

Prime Minister Tarique Rahman should secure a date for bringing the EPA into force and commit to an exporter guide covering the top 50 agri-food lines within 90 days. He should also agree on a dated plan with Japan to complete mango clearance and establish shrimp residue monitoring using Krishok Card farm registration.

The government should publish a revenue plan that protects extension and safety-net spending, while tracking EPA use and farm-income effects through customs records and household panel data. Japan International Cooperation Agency (JICA) support should be sought for residue-testing laboratories, vapour-heat treatment and cold chains.

The joint statement should recognise a formal channel for Bangladeshis with relevant expertise in Japan, followed by a working session involving the agriculture ministry and the Prime Minister's Office.

The EPA is worth having. It is not, on its own, an agricultural strategy. The visit is the moment to begin turning it into one.

The writer is an economics professor at the School of International Liberal Arts, Miyazaki International University

Oil slips from 5-month high

REUTERS, *Singapore*

Oil prices slipped from a five-month high on Monday as investors took profits after US President Donald Trump waived sanctions and tariffs on Russia that may lead to more Russian fuel exports.

Brent crude futures fell $2.29, or 2.08 percent, to $107.57 a barrel by 0619 GMT after settling at its highest since May 19 on Friday.

US West Texas Intermediate crude was at $99.46 a barrel, down $1.95, or 1.92 percent, after closing at its highest since September 17 on Friday.

Trump signed an executive order on Friday waiving key sanctions and tariffs under the law known as the Graham Act, which he signed last month at the urging of lawmakers who wanted to pressure Moscow over its war in Ukraine.

However, Secretary of State Marco Rubio said the president will use up to 60 days to assess the impact of the sanctions and tariffs on the global economy.

"Trump's move looks like another desperate attempt to keep oil prices in check ahead of the US midterm elections," said Priyanka Sachdeva, head of market insight at Phillip Nova, adding that it does little to address the physical supply disruptions in the Strait of Hormuz, where oil tanker attacks continue.

KCM Trade chief analyst Tim Waterer said while the US waiver on Russian sanctions could lead to higher Russian fuel exports, the mixed messaging has created uncertainty.

"Until the details and duration are clearer, the market is unlikely to fully price in a sustained increase in supply," he added.

The waiver comes after Trump struck a deal with Russian President Vladimir Putin to export diesel to the United States and other countries — starting at about 2.3 million barrels this month before rising to about 7.6 million barrels monthly.

Ukrainian President Volodymyr Zelenskiy said these US actions will hurt Ukraine.

Brent crude oil briefly touched $110 a barrel on Friday for the first time since May as tensions and security threats in the Middle East raised concerns over the safety of shipping and tighter global energy supplies.

Global food inflation may intensify as supply shocks pile up

REUTERS, *Singapore/Jakarta*

Muhamad Yasin, a 63-year-old parking attendant in central Jakarta, says he has cut back on meals as rising prices have put food staples beyond his reach.

"I used to be able to get rice, tempeh and tofu for 7,000 to 8,000 rupiah ($0.39 to $0.44). Now it's 15,000 rupiah," said Yasin, who earns 200,000 to 300,000 rupiah a week, beside the minimarket where he watches over parked motorcycles.

Global food inflation is poised to accelerate in the coming months and persist well into 2027, as war-related shipping disruptions and El Nino-driven drought squeeze cereal supplies, putting additional pressure on vulnerable consumers like Yasin, a father of four.

In Indonesia, rice prices have already jumped to record highs amid forecasts of delayed rains, while the cost of bread in Egypt has risen by a quarter and sugar prices in India hit an all-time high as the weakest monsoon in over a decade curbed production.

"All this has put considerable pressure on the system," said Maximo Torero, chief economist at the United Nations' Food and Agriculture Organization (FAO).

"We will see a bigger impact towards the end of the year, at the beginning of next year and potentially throughout next year."

The world's poorest consumers are being hit the hardest as food prices rise sharply in low- and middle-income countries across the Middle East, North Africa and Asia, where food accounts for a larger share of household spending.

According to the World Bank, food prices in the September quarter outpaced headline inflation in 22 percent of the 150 countries it analysed, up from 14 percent in the previous quarter.

The FAO Food Price Index, which tracks monthly changes in a basket of internationally traded commodities, averaged 136 points in September, the highest reading since November 2022.

Rising prices heighten the risk of social unrest and could prompt governments that are key suppliers to impose export bans, further exacerbating shortages.

MULTIPLE SUPPLY SHOCKS

Attacks on Black Sea grain infrastructure have disrupted wheat shipments, forcing top importers Egypt and Indonesia to seek alternative supplies, while Red Sea insecurity diverts vessels onto longer, costlier routes around Africa.

The US-Israeli war on Iran has raised fuel prices and disrupted fertiliser exports through the Strait of Hormuz, driving up farming costs even as dry El Nino weather reduces output in India and Southeast Asia.

Wheat prices are up more than 30 percent in 2026, while rice prices in key Asian exporting countries have risen 10 percent to 13 percent in spite of large inventories. Fertiliser prices are off peaks reached earlier in the Iran war, but they remain elevated.

"Rising inflation, particularly food inflation, is a reality," said Manish Tiwary, chairman and managing director of Nestle India, citing "a challenging environment" that is due in part to higher commodity costs.

In Egypt, prices of unsubsidised bread have risen to around 5 Egyptian pounds ($0.093) for a big loaf from 4 pounds in July, while the price of cooking oil has climbed about 40 percent in the United Arab Emirates. Vegetable oil in Indonesia has jumped 7 percent this year, even though the country is the world's biggest palm oil producer.

Prices of sugar, onions and pulses in India jumped more than 10 percent in September from a month earlier due to production shortfalls.

For baker Sayed Abdel Hamid Mohamed in downtown Cairo, it is not just the price of flour. "If you bring in a skilled worker, it costs you a lot," he said.

Global food inflation is poised to accelerate in the coming months and persist well into 2027, as war-related shipping disruptions and El Nino-driven drought squeeze cereal supplies

"Electricity, water, yeast and the materials we use to produce the loaf of bread for consumers have all risen."

Tarek Azab, a customer at the bakery, said prices have been continuously rising, "not once, twice, or three times," in the past few years.

Freight rates have risen about 50 percent on some key global routes such as the Black Sea to Southeast Asia as oil prices and war premiums surge.

INFLATION CATALYST

While food prices have been rising since late 2025, dwindling local supplies and higher commodity costs feeding through to consumers threaten to accelerate inflation.

Key importers in the Middle East and Africa that held off on buying after strong local harvests now need to return to the world's markets, potentially triggering a surge in demand.

"In a couple of months, there could be a significant new wave of demand as importers return to the market," said Alexander Karavaytsev, a senior economist at the International Grains Council in London.

The cushion from record global grain inventories is wearing thin, the FAO's Torero said. "Stocks and good harvests in previous seasons have provided a buffer, but those buffers are starting to come under pressure," he said.

"That means commodity price increases could become more pronounced."

Food processors that typically buy raw materials on three- to six-month contracts are now renewing those deals at higher prices, with weaker local currencies magnifying the costs.

"Shipping costs have also increased and when converted into rupiah, the impact is amplified by the weakening of the Indonesian currency," said Franciscus Welirang, a director of PT Indofood, the country's largest food company.

On top of higher prices, food processors are experiencing difficulties in securing supplies, traders said.

Several wheat millers in Indonesia are running their units below capacity as the Russia-Ukraine war has reduced cargo arrivals, said a senior executive at a flour milling company in Jakarta who did not want to be named as they were not authorised to speak to the media.

Indonesian wheat arrivals dropped 41 percent to 491,000 metric tons in September from a year earlier, Kpler data showed. For now, soybean and corn inventories are ample, with future supplies hinging on production in the US and South America, although higher oil prices have supported both crops because of their growing use in biofuels.

Favourable southern hemisphere wheat harvests are expected and any downside risk to output in exporters like Australia and Argentina could add a new bullish element to prices, the IGC's Karavaytsev said.

"There is significant upside risk in prices," he said.



A vegetable vendor carries a sack of onions at a wholesale market in Jalandhar, India. Prices of sugar, onions and pulses in India jumped more than 10 percent in September from a month earlier due to production shortfalls. PHOTO: AFP/FILE

China's Q3 growth narrowly beats forecasts

AFP, *Beijing*

China's economy grew slightly more than expected in the third quarter, but Monday's figures still came in at the lower end of the government's full-year target, as the global energy shock and weak domestic demand counter surging exports.

The world's second-largest economy has charted a diverging path in recent years, with an AI-fuelled export boom masking the impact of a persistent real estate crisis and gloomy consumer sentiment.

Gross domestic product expanded 4.5 percent in July-September, according to the National Bureau of Statistics.

The reading was an improvement on the previous quarter's 4.3 percent expansion and just ahead of the 4.4 percent predicted in an AFP poll of economists. Beijing is hoping for annual growth this year of 4.5-5.0 percent, its lowest goal in decades.

NBS deputy head Mao Shengyong described the international context as "complex and volatile" during a news conference following the data's publication. He added that domestic demand was "insufficient".

In late September, Beijing rolled out mortgage subsidies for certain home purchases and support for infrastructure investment, seeking targeted boosts for the economy as activity flagged.

While consumer activity has been a drag this year, separate data Monday showed retail sales rose 1.1 percent last month, the fastest pace since March.

However, Zhiwei Zhang, chief economist at Pinpoint Asset Management, said economic momentum remained "subdued" in September.

"After adjusting for inflation, real retail sales barely grew compared to one year ago," he wrote.

He added that the better-than-expected GDP numbers could dissuade the government from enacting "significant" policy shifts in the fourth quarter to achieve annual targets.

Industrial production grew 5.5 percent year-on-year in September, the NBS also said Monday, up from 5.2 percent the previous month.

That increase was "helped by strong foreign demand", wrote Nguyen Hoang Nam of Capital Economics.

But fixed-asset investment sank 7.2 percent during the first nine months of the year combined, the data showed.