

Internship Report On

4th Industrial Revolution Turned Hurdles for the Capital Market in

Bangladesh: Possibilities and Problems

By

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An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

Brac Business School
Brac University
November 23, 2022

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Riyashad Ahmed

Assistant Professor of Finance

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66 Mohakhali, Dhaka-1212

Subject: Internship report on, “4IR effect on capital market of Bangladesh”

Dear Sir

This is an honor for me to have your guidelines and do my internship report accordingly.

It is a pleasure to inform you that I have been selected as a Business Development Intern at LankaBangla Securities through the help of OCSAR. In this 4 months internship I got to explore inside and outside the company. With this primary knowledge and research I have created this report on the capital market of Bangladesh.

I did my best to finish the report with the most important information and recommendations in the most compact and thorough way feasible.

I am confident that the report will meet your expectations.

Sincerely yours,

Naziza Tasfia

18104223

BRAC Business School

BRAC University

Date: 23rd November, 2022

Non-Disclosure Agreement

This agreement is made between LBSL and the undersigned student at BRAC University to keep confidential information about the organization from being shared without permission.

Executive Summary

In last couple of years stock market has developed in a major manner. Now brokerage houses are not only selling and buying stocks. They are educating people by providing market research and analysis. They are making people aware of future and creating tech based services. LankaBangla Securities is the country's largest and number one brokerage house. As they are the pioneer in this industry, if we observe them we can easily understand the path where Brokerage houses are going. This future savvy thoughts are helping capital market to evolve. I have been working here in Business Development Department which made me a chance to know backoffice works with trading. In this report I have discussed LBS and what I have learned in this 4months. Moreover,I have discussed what additional services and changes LBS bought to get the first mover advantage. For justification I have shown the comparison with other brokerages and explained why other should follow LBS

By the blessing of Fintech industry world is entering into a new era, 4IR, convinced by Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. This revolution has opened a new world to us connecting with the real one. However, Bangladesh is far from the portal. Why it is being difficult for us to step out with developed nations and why it is necessary for the economy of our country, I have tried to figure it out and the result is very fascinating. There are lots of benefits varies industry to industry. Thus, to do a deep research I have made this report from the capital perspective. In the last chapter you will find the result of the future of Bangladesh.

KeyWords: 4IR: 4th Industrial Revolution; NFT: Non Fungible Token, FinTech: Financial Technology; CID; Criminal Investigation Department; LBSL: LankaBangla Securities Limited; BSEC: Bangladesh Securities and Exchange Commission;

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List of Acronyms

4IR	Fourth Industrial Revolution
NFT	Non Fungible Token
FinTech:	Financial Technology
	LBSL: LankaBangla Securities Limited; BSEC: Bangladesh Securities and Exchange Commission;
LBSL	LankaBangla Securities Limited
BSEC	Bangladesh Securities and Exchange Commission
CDBL	Center Depository of Bangladesh
DSE	Dhaka Stock Exchange
CSE	Chittagong Stock Exchange

Chapter 1

Overview of Internship

1.1 student Information:

Name: Naziza Tasfia

ID: 18104223

Program: Bachelor of Business Administration (BBA)

Major: Finance

Minor: Marketing

1.2 Internship Information

1.2.1 Period, Company name, Department/Division, Address

The internship period of LankaBangla Securities Limited was for 4 months. My internship was started from 1st February, 2022 till 30th December, 2021. I was assigned as intern in the Business Development Department. My work station was at Dhanmondi main branch which is located at Shaptak Mahbuba Grandeur, Suit # D-5, Road 6, Dhanmondi R/A, Dhaka-1205.

1.2.2 Internship Company Supervisor's Information:

Md Abu Taher

AGM & Branch In-Charge (Dhanmondi Branch)

LankaBangla Securities

1.2.3 Job Responsibilities

The following highlights the duties and responsibilities of an intern in this department:

- Back office Management
- Accounts Handling
- BO Account Opening
- BO Book Management
- Daily report on Market
- Customer handling
- Trade Analysis

1.3 Internship Outcomes:

1.3.1 Student's contribution to the company:

I have joined as a business development intern in LBS. Hence, I got to work in different sectors. Covid19 lockdown was ended in August, 2021. Stock market was struggling and LBS was also trying to bring back the investors. When I joined LBS in February 2022 was the time LBS started to be stable. They have launched their own trading app OMS. After some months they also launched their unique additional service, "Life Insurance" policy. Because of their uniqueness many new customers were joining which created a huge pressure. Also existing clients have many requirements. I have helped them to

- Manage The Customers
- Opened Bo Accounts
- Solved Problems Of Their Accounts
- Updated Bo Account Information
- Applied For Ipo
- Handled Accounts For Check Deposits And Requisition
- Bo Books Cross Check For Autitors
- And Many Other Back Office And Accounts Work.

In addition, I did trading in previous and OMS both softwares on behalf of and on observation of traders which grew my interest on trading and helped me to understand the stock market well.

1.3.2 Benefits to the student:

I have completed my studies majoring in Fiance. Throughout my courses I have learned how to calculate securities price, portfolio analysis and management, offerings, investment etc. However, I never invested neither knew how to do it in practical life. Also, our education system and books are US based which is a very matured market. Where, our market is very volatile

and many system and rules are different from them. Therefore, here I came to know the process and had an in depth knowledge about securities market.

1.3.3 Problems/Difficulties (faced during the internship period)

LBS is a very good place to learn and grow. As an intern I have learned, faced and observed many things. Thus, to mention difficulties are follows

1. Restricted access to software's
2. I was the only female employee in this branch and I figured out female employees are about 5 to 6 in the whole company.
3. Internship program was not organized enough.

1.3.4 Recommendations

I got a very good platform to enrich my knowledge and expertise. However, every place has some corners to improve. According to me, Lankabangla can add some betterment in this program.

1. Make a proper list of responsibilities for the interns.
2. Ensure every branch is following proper guideline for this program
3. Ensure every branch interns are getting equal scopes to learn.

Chapter 2

2.1 Background context of the organization

In 1997, LankaBangla Finance Limited commenced operations as a joint-venture financial institution with global partnership and Bangladesh Bank authorization. The Financial Institutions Act passed in 1993. Now, LankaBangla is the nation's largest provider of integrated financial services, providing corporate financial services, retail financial services, SME financial services, stock brokerage, corporate advising, and wealth management services. The only financial institution in Bangladesh to provide credit cards (MasterCard and VISA), corporate loans, personal loans, and card processing services to other banks. Government securities primary dealer since November 2009. Since 2006, in Bangladesh, LankaBangla has been listed on both the DSE and CSE. LankaBangla has implemented business process re-engineering to enhance its ability to provide superior customer service. Currently, the business functions in a technologically modern, administratively centralized environment.

In recent years, LankaBangla Finance has been awarded the National Award for Best Published Accounts and Reports by the Institute of Chartered Accountants of Sri Lanka. Bangladesh (ICAB) (ICAB), South Asian Federation of Accountants (SAFA) has awarded it for Best Annual Published Accounts and reports; four years in a row (2014-2017). (A SAARC apex organization) Unquestionably, this is a magnificent accomplishment that demonstrates ethical methods, proper compliance, and amazing collaboration. In addition, LankaBangla aspires to progress and expand by adopting robust ethical standards, governance, and transparency. LankaBangla is committed to empowering individuals and inciting communal transformation.

Vision:

To be the most preferred financial service provider in creating, nurturing and maximising value to the stakeholders, thereby, growing together.

Mission:

- Act as a growing partner for our customers, assuring their funding and satisfaction
- Maintain a meritocratic culture as part of the company's DNA;

- Ensure quality returns for our valued shareholders;
- Uphold our community development efforts.

Core Values:

- Treasure a feeling of ownership
- Be client centered
- Develop as a team
- Act with honesty and competence
- Deal with courtesy

2.2 Subsidiary companies of LankaBangla Finance Ltd

LankaBangla is comprised of three subsidiaries. The first is LankaBangla Investments Limited, a leading investment bank in the nation that offers corporate advising, issue management, and portfolio management services. The second is that LankaBangla Asset Management Company Limited provides certain of its clients with professional wealth management services.

Finally, LankaBangla Securities Limited, where I completed my internship. It is at the forefront of the industry in terms of cutting-edge trading, research data, and customer service.

2.2.1 Overview of LankaBangla Securities

Vanik Bangladesh Securities Ltd, which started LBSL in 1997, was limited to operating on the Chittagong Stock Exchange (CSE) Ltd. They advanced a step by entering the Dhaka Stock Exchange (DSE) and changing their name to LankaBangla Securities Ltd. a year later. LBSL became a part of LankaBangla Finance Limited (LBFL), one of the largest non-banking financial institutions in Bangladesh, in 2005 after the company conducted a reorganization. LBFL specializes in leasing, credit card services, merchant banking, corporate financing, and financial consulting. It has 10 branches spread across the country's major towns and cities.

2.2.2 LBS Product & Services

LankaBangla Securities primary activity is the provision of brokerage services. Essentially, the organization provides clients with margin loan facilities, research & analysis, and consulting services. LankaBangla Securities Limited provides a variety of services

throughout the nation, including Brokerage Services, Trading Facility via NITA (Non Resident Investor's Taka Account), Internet Trading, CDBL Services, and Research Services.

Additionally, equity-based financing makes up the bulk of the company's capital structure. The share of credit from various financial institutions will be returned after obtaining money from an IPO. To reduce costs, the LBSL management is aware of the market interest rate. Both a long-term loan with a fixed minimum interest rate and a short-term loan with a competitive interest rate are obtained via LBSL. As a result, the change in market interest would not significantly impact LBSL's profitability. Commissions on non-foreign exchange transactions are LBSL's main source of revenue. As a result, changes in the exchange rate would not immediately affect LBSL's profitability. The Company's senior management also continuously monitors market circumstances and makes adjustments as needed. Additionally, LBSL has a strong Research & Analysis Department that keeps track on and analyzes national issues on both a local and macro scale in order to prevent and mitigate any unanticipated events. Institutions, foreign investors, and private investors are also among LBSL's clients. Volatility in the capital markets will thus have a negligible impact on LBSL's business operations. In order to reduce day-to-day operational risk, LankaBangla Securities also has a pool of qualified and motivated employees, well-defined processes for all of its products and services, and a cutting-edge IT platform that complies with international standards. Additionally, each LBSL branch has a designated branch operational team member to maintain consistent output monitoring and compliance concerns. Most of the LBSL's divisions have kept their core personnel. LBSL is improving its HR procedures in an effort to draw in, keep, and motivate staff members. The identification and management of operational risk will be improved through the restructuring of internal audit, internal control, and compliance. To track and manage credit exposure, LBSL executes its own risk categorization for the various customer levels. In compliance with security and exchange rules, it has also formed a Loan Administration Department for controlling credit risk and credit exposure. A credit committee is in place at LBSL to define credit policies, practices, and market segmentation. This committee has the power to control LBSL's credit risk and supervise the margin loan facility. To control LBSL's credit risk, many tools are used.

These are:

1. Daily Client Exposure List Evaluation
2. Margin Call
3. Securities Approved.

The management of LankaBangla Securities is acutely aware of the necessity for the latest version of technology to automate stock brokerage transactions. LBSL has implemented back office integrated software to integrate not only its back office but also its branch offices throughout Bangladesh. LBSL stores its whole databank in one of the most prominent commercial banks in Bangladesh and maintains a high-tech server system for perfect business operations throughout the country. At LankaBangla Securities Ltd., they specialize in cultivating the nation's most proficient stock brokerage workforce with unrivaled expertise and unwavering precision.

Furthermore, The Company is the largest brokerage firm in terms of transaction value on the Dhaka Stock Exchange and the Chittagong Stock Exchange. In 2007, LankaBangla Securities maintained a respectable market share in terms of turnover on both bourses. For both 2007 and 2006, it ranked first in terms of turnover on the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Company's success is supported by its extensive network of major clients and its unmatched service quality, which provides clients with the greatest level of comfort and dependability in conducting business. Consequently, LBSL was named the largest brokerage firm in terms of transaction value for the thirteenth consecutive year on the DSE and the fourteenth time on the CSE. Quality, convenience, and dependability are LBSL's core values, which they provide at the highest level possible for a broker. These values are the foundation of LBSL's global network of key clients. In addition, the local and worldwide acknowledgment of their professionalism by financial institutions, custodian banks, corporations, international fund managers, and other brokers has paved the way for their future expansion and success. In addition, their capacity to fulfill the requirements of each client's time horizon, objectives, and risk tolerance has enabled them to establish relationships with tens of thousands of retail and institutional clients worldwide.

LBSL's multiple departments make the organization a unified entity. The departments consist of:

- Accounts
- Foreign trade
- Research
- Compliance
- Loan Admin
- Finance

- HR
- Fund Management
- Trade Execution
- IT
- Diversified Business Growth
- Publications
- Settlement

2.3 Services of LankaBangla securities

LBSL has unique and essential characteristics that make the company more convenient for customers. These are listed below:

Trade Express: According to Daily Star, "LankaBangla Securities has soft-launched trading software with the Chittagong Stock Exchange to give dealers and investors instant market access." Order Management System, which was introduced for the first time in Bangladesh, is distinct from the application offered by the exchange. The technology integrates with various stock exchange trading engines via an open platform. In addition, the system gives its customers multi-channel e-commerce (web, mobile, and client server)".

i-broker: It is a smartphone application that can be downloaded from the Google Play Store and the Apple App Store. With advanced security features like Multi Factor Authentication (MFA), Secured Sockets Layer (SSL), and encrypted credentials, the iBroker mobile application will enable clients to access online IPO application services, online deposit and withdrawal requests, and online transaction ledger details at their fingertips. Daily Star has taken a statement.

Market Pulse: This is a publication that publishes quantitative data and the market's whole financial state. It is published both monthly and annually.

OMS: This is LBS's personal trading platform. Through this traders can watch CSE and DSE both market at same time and trade simultaneously. Also LBS has recently made this open for all their clients. Now LBS investors do not have to take the hassle to come in the house and trade. Investors can trade by their own if they want to. Through this software now they can watch live market and trade same as inhouse traders.

Stock Paathshala: is a virtual trading simulator where novice investors can obtain stock market information. It enables investors to practice real-time trading without incurring financial risk, thereby fostering well-informed investors and increasing market participation.

2.4 SWOT analysis of LBS

Strength: Strength describes a company's effective side, what differentiates it from competitors, and what distinctive resources a company may exploit. The following are the advantages of lankbangla securities:

- From the top down, Lankabangla Securities Ltd has experienced and professional workers.
- Lankabangla Securities Ltd has a strong reputation in the securities and brokerage house industry. Because they have the most customers and conduct the most daily transactions over a longer period of time.
- Lankabangla Securities Ltd has a large number of branches throughout Bangladesh, making it easy to trade and invest in the capital market. Basically, they establish all of their branches in major cities and commercial locations where all corporate people can visit.
- Lankabangla Securities Ltd has strong financial backing and capital strength. We can see from their balance sheet that their paid up capital and retained earnings make them financially stronger.
- Lankabangla Securities provides better loan facilities to its consumers than other financial institutions, which draws more customers.
- LankaBangla Securities has a distinct IT department that maintains sophisticated IT infrastructure. And their IT department keeps its servers up to date in order to keep them safe from hacking.

Weaknesses: A weakness is when a corporation lacks certain qualities that prevent it from having a competitive advantage. Weakness is a disadvantage for a business. The following are lankbangla's weaknesses:

- Relatively higher administrative expenses as compared to similar Financial Services;

- LBSL has a recent lack of promotional activity. They are unable to represent their freshly launched service to potential clients due to a lack of promotion.
- Spending in this sector is expanding on a daily basis. Customer visits, customer service, and the installation of new technology are examples of expenditures.

Opportunity: An chance is an external circumstance that can provide a firm with a competitive edge and benefits if the company seizes the opportunity. The following are the opportunities that Lankabangla securities can seize:

Why Among all brokerages in Bangladesh, Lankabangla Securities Limited has the most efficient research team. The advantage of having an efficient research team is that they can provide crucial and in-depth analyses, insights, and help investors make good investments.

- Lankabangla Securities Limited strives to keep up with new technology. They are launching a new website, their own apps, and a self-service app, and investors may assume that LBSL will always keep up with the technological period.
- Another significant aspect is that LBSL has a tendency to train personnel in order to make them more skilled and efficient in serving customers.

Threats: Threats are factors that exist when a corporation faces potential harm or loss in the near future.

- New CDBL, DSE, and CSE laws and regulations could be another danger to LBSL. Not all clients can accept all regulations. If the economic situation deteriorates, the capital market scenario deteriorates aswell, and investors will refrain from investing at that time. As a result, the investor may lose money in a bad economic condition.
- The brokerage business is growing more competitive, and new brokerage companies are emerging with novel concepts. It may pose a risk to LBSL.

Chapter 3

3.1 Introduction

The world is heading towards new technology. Since the beginning of mankind we are always looking for something innovative which can lead human life into an advance level. That is the proof we are now living 3rd industrial revolution. But this is not the end of our effort to be advance. We want more and so now we are going to be experience the new revolutionary era which is 4th industrial revolution. Every revolution was somewhere based on energy. If we look at this new changes, it is the face of all other revolution's advance look. This revolution will not only advance the way of our living but will also open a new world in this planet, earth. This world is called virtual world. Now with the support of virtual assets people can take the advantages of virtual world, sitting in their real world. In this era we will be able to experience the technological breakthroughs in the area of AI, robotics, Internet things, energy storage, nanotechnology, quantum computing and etc.

As Capital Market is a reflection of all the industry and economic condition of a country, by looking at its condition we can get an assumption of all. Though this revolution is happening very fast but every country's situation and adaptability is not at same pace. Bangladesh is a growing economic country. It recently about 5 years, got in touch of digitalization. In many places still the basic requirements like electricity, internet, devices are not available. Along with that the group of people are in this market are not still in process to be advanced. Where world is heading towards new revolution our country is yet not ready for it. There are many obstacles that are holding us back.

In this report we will be knowing what 4th industrial revolution puts on the table and our obstacles to have it.

3.2 History

Bangladesh stock market is not newly born. It was initially founded on 28th April, 1952 as East Pakistan Stock Exchange Association Ltd. and it began conducting official trading in 1956. After that it has adopted many changes. On June 23, 1962, it changed its name to East Pakistan Stock Exchange Ltd. On May 13, 1964, it was given the new name Dacca Stock Exchange Ltd. Trading was halted for five years following the liberation war in 1971. Finally, Bangladesh resumed trading in 1976, and on September 16, 1986, the DSE was launched. According to IFC, a change was made to the DSE all share price index calculation algorithm on November 1st, 1993. In 1995, CSE or Chittagong Stock Exchange was founded under BSEC. The first day of automated trading was January 1, 2001. On January 24, 2004, a Central Securities Depository System was launched which is called Central Depository of Bangladesh Limited or CDDBL. Below till now all the changes are listed below:

1. East Pakistan Stock Exchange Association Ltd. was founded.	28th April 1954
2. Official Trading Begins	1956
3. Renamed as East Pakistan Stock Exchange Ltd.	23rd June 1962
4. Dacca Stock Exchange Ltd. was given a new name.	13th May 1964
5. Suspended Trading Under New State Policy	16th December 1971
6. Bangladeshi Trading Resumption:	16-Aug-76
7. Beginning of the computation of the Share Price Index:	16th September 1986
8. Share price indices are calculated using a methodology created by IFC.	1st November 1993

9. The beginning of automatic trading:	10th August 1998
10. The DSE-20 Index computation began.	Jan-01
11. The DSE General Index computation began.	27th November 2001
12. Beginning of CDS through CDBL	24th January 2004
13. Reintroduction of DSE All Share Price Index (DSI)	28th March 2005
14. Adoption of Regulations from 2006	12th April 2006
15. Opening of DSE Chittagong Office	22nd November 2007
16. Opening of DSE Sylhet Office	30th March 2008
17. Introduction of the Book-Building Technique	2010
18. The Launch of Web Trading Software, MSA Plus	10th June 2012
19. DSE joined the World Federation of Exchanges as a correspondent member.	14th October 2012
20. Starting DSE 30 Index DS30 and DSE Broad Index (DSEX) (by S&P)	28th January 2013
21. Launch of Bangla Website	18th February 2013

22. The Exchanges Demutualization Act 2013 was approved by Parliament.23. The Exchanges Demutualization Act 2013 went into effect.	29th April 2013
23. The Exchanges Demutualization Act 2013 went into effect.	2nd May 2013
24. Agreed to create a Shariah Index with S&P Dow Jones Indices.	25th September 2013

TABLE: HISTORY OF BSEC

3.3 Objective

Broad objective:

The ultimate reason of this research is:

- To know how 4th industrial revolution will effect stock market in Bangladesh

Specific Objectives:

To get the ultimate result this research needs some steps to proceed.

- Identify the elements we need to prepare our industry for the new revolution
- Current condition of Bangladesh stock market
- Evaluate the situation of developed countries after adopting new revolution
- Alanlyse where Bangladesh stock market is lacking behind
- Discover the development of Bangladesh stock market

3.4 Methodology

In order to conduct a successful research it is difficult to select one specific way. Thus, I have I have collected the datas through both primary and secondary sources.

Primary Source:

- Practical desk work in LankaBangla Securities
- Discussion with all the departmnets of LBSL
- Coversation with investors

Secondary source:

- Data from varies research and articles

- Trading chart of DSC & CSE
- GDP growth chart over time of Bangladesh
- Developed country's GDP growth chart

3.5 Instruments of 4th Industrial Revolution in Stock Market

In every revolution there is a key factor that helps to unlock the door of new revolution. 4th industrial revolution is all about the mixture of real and virtual world through the help of internet and artificial intelligence. Holding the hand of this new concept every industry is changing. All are moving forward making innovation and creating a new milestone. No wonder capital market is also moving with some new concepts like virtual currency, virtual company, virtual asset, e-transaction, blockchain, etc. This new revolution just started to evolve and there are already so many new factors has been introduced. However, to step into any of these, the prior step is to ensure digitalization in this sector. All the new existing and future elements will be connected with internet. Therefore, need a faster internet connection, comfortable software or platform to use this things, smooth transaction way, trustworthy network and everything needs have proper laws and regulations. Besides, people needs to be aware of these changes and platforms. If users are not comfortable using softwares or internet, if corporates are not ready to be educative, then it is difficult to ensure digitalization. Additionally, government also need to understand the arge of 4IR and make changes accordingly.

When we talk about capital market the core product is capita or money. Virtual currency is called cryptocurrency or crypto. It is a non-fiat currency. There are many types of crypto for instance, Bitcoin, Ethereum, Binance USD, BNB, etc. Currently there are 18,465 types of crypos in which several crypos are dead and 10,363's are live. Every day 144 new crypos are added on the list. Though not all are prominent. In 2013, 7 cryptos were listed in coin marketcap. Bitcoin was values approximately 20 times than others. Since then, its value is increasing rapidly and reached on the leading position. As we can see in *figure 1*, currently, the price of 1 Bitcoin= 20,392.80 USD

All Cryptocurrencies

Rank	Name	Symbol	Market Cap	Price	Circulating Supply	Volume(24h)	% 1h	% 24h	% 7d
1	Bitcoin	BTC	\$388,973,513,628	\$20,392.80	19,074,062 BTC	\$28,432,502,235	-0.24%	-3.42%	-5.06%
2	Ethereum	ETH	\$131,491,401,022	\$1,084.33	121,264,631 ETH	\$14,338,323,600	-0.76%	-5.72%	-4.26%
3	Tether	USDT	\$66,913,076,768	\$0.999	66,981,025,012 USDT *	\$48,155,553,053	0.00%	-0.02%	0.05%
4	USD Coin	USDC	\$55,865,586,305	\$1.00	55,862,384,161 USDC *	\$4,501,235,993	-0.04%	-0.03%	-0.06%
5	BNB	BNB	\$35,208,571,033	\$215.64	163,276,975 BNB *	\$1,083,246,586	0.38%	-3.05%	0.14%
6	Binance USD	BUSD	\$17,514,250,169	\$1.00	17,497,653,811 BUSD *	\$4,600,212,965	-0.08%	0.14%	-0.10%
7	Cardano	ADA	\$15,881,563,717	\$0.4707	33,739,028,516 ADA	\$926,549,819	0.12%	-5.90%	-2.40%
8	XRP	XRP	\$15,576,124,779	\$0.3222	48,343,101,197 XRP *	\$1146,983,160	-0.02%	-1.96%	2.83%
9	Solana	SOL	\$12,021,514,910	\$35.10	342,508,391 SOL *	\$1,570,297,546	-0.34%	-6.32%	18.01%
10	DogeCoin	DOGE	\$8,263,291,144	\$0.06228	132,670,764,300 DOGE	\$903,364,864	-0.88%	-4.26%	14.89%

Figure: 1

or 1,880,681.46 BDT. Aside from the fact that there are other virtual assets, but the uniqueness of Bitcoin is its supply is fixed. Only 21 billion will ever be produced. Given that there are reportedly 47 million millionaires in the world, it follows that none of them could buy a single bitcoin. This supply restriction makes Bitcoin bullish. Apart from that, the most interesting part is some are speculating that the way dollar value is delining sooner it will be the next safe haven replacing gold. Yet, it has time to show the game.

Whenever we talk about virtual asset we must have to recall Blockchain. A blockchain is a group of documents or an online database that resembles a spreadsheet. Blockchain was created to track bitcoin transactions. Beyond cryptocurrencies, blockchains offer a wide range of applications, including the storage and access of financial records, supply chain and logistics data, and medical data. It is like an online ledger which shows the ownership of any digital asset. The use of blockchain technology is global and decentralized. This is why it is very easy to transact and no country or place can directly effect it.

This both platfor is connected with ewallet or digital wallet. It is also an intangible platform where you can save your money. Currently there are 2types of ewallet. One is for fiat currency and another is for crypto currency. It is very useful. Now people dont have to carry anything physically. It saves all the transaction data. So it helps to identify cash in and cash out easily.

Another captivating concept is NFT or Non Fungible Token. Although it is developed using the same concept as crypto but similarities ends there. Through crypto or physical money you can buy or sell which is called fungibility. NFT is non fungible. It is a digital asset which is purchased and sold through internet to show the ownership of an unique virtual item for

instance photo, video, painting, cards, etc. currently it is bought to showoff and use in metaverse. Nft is bough by crypto which is stored in ewallet and listed in blockchain. As you already know blockchain keep record of assets, nft records also falls among them. However you might think how it is related with capital market? In an interview of CNBC, according to tech investor Bill Tai, NFT’s stint does not end here. From company stocks to real states everything is going to tern into NFT in future and there is no doubt on it. The question is how soon. NFT is spreading faster then we can imagine. Already there is real state tokenization methode where you can tokenize your property and sell to thousands of people. This is how you can sell more easily and faster. Twitters very first tweet by Jack Dorsey was sold nearly \$3 million as an NFT. Pringles has created CryptoCrisp as “virtual NFT flavor”. A high price of \$2,542 was charged for one such taste. 50 more CryptoCrisp NFTs, designed by artist Vasya Kolotusha, have recently been made available. There many more examples. Industry giants are creating new benchmark and concepts every now and then. Some of them are just commercial gimmicks, while others are genuine charitable acts.

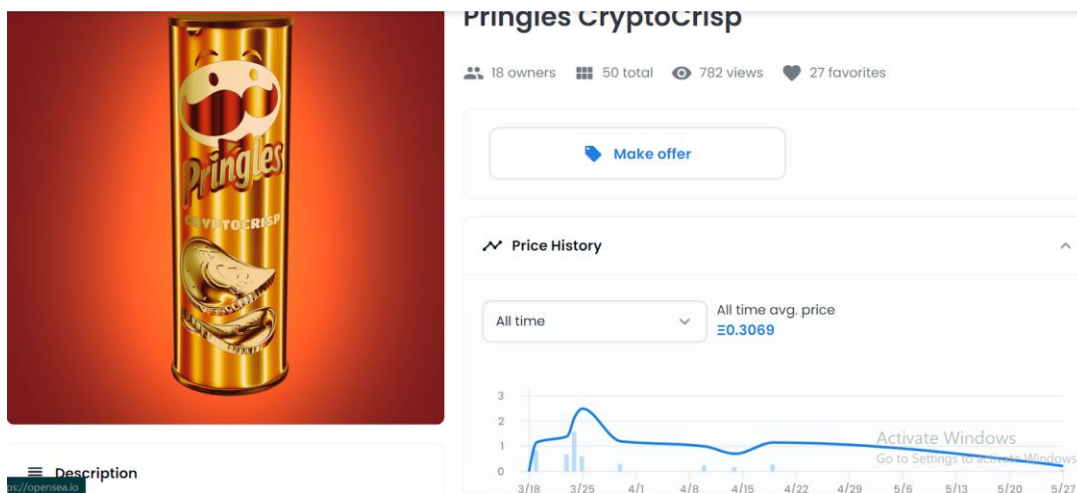


Figure:2

This might seem crazy or unrealistic to many but each day millions of people are getting involved into it. Still it might seem a novel idea for the majority of us. However, NFTs seem to be here to stay, so it's up to us to try to comprehend this strange, brand-new phenomenon.

3.6 Effects of accepting advanced ideology in Capital Market:

Capital market is a part of financial system where individuals and institutions participate to buy and sell financial securities to raise capital and investment. When giant companies need long-term capital to grow, issuing companies maintaining security exchange rules and process issues financial instruments like shares, bonds, debentures, etc in the capital market. Investors or other institutions with the help of brokerage houses invest in those companies by trading. Therefore, this market is all about raising capital. The more investment comes the more growth is visible in the market, companies and hereafter, economy of the country. Investment is related with two things mainly. Return on investment and the availability of greenbacks to the investors. The value of this greenbacks keeps changing with the economic different factors. Also according to the country value changes. For instance, currently 1USD = 92.904 or 93 BDT. Though BDT is not pegged with USD which most countries did, Bangladesh keeps its floating rate adjusted with USD. This fiat currency has a problem. This exchange rate is not fixed. It keeps fluctuating. If we look at the figure 2 we can see in 2016 against 1 USD BDT was 80.66. Gradually it started increasing which reflects the value of BDT decreasing. In 2018 it slightly increased to 84.66 bdt. For a longer time it was linear. At the end of 2021 it again started to increase. This year dollar price highly dropped because of Covid pandemic and was between Russia and Ukraine. It effected all the countries likewise Bangladesh. As a result, it creates a barrier in investment. If there is a currency which rate is same and useable everywhere in the world then a huge barrier would be banished. This is the concept of crypto currency. It is intangible fiat currency. As it has no authority, so clashes or wars doesn't affect its pricing like USD. Additionally, as it is a virtual money, it is easily transferable and hassle free.



Figure:3

Bitcoin is the most popular and first crypto currency. In this Figure:3 we can see the growth and the volume of bitcoin just a month. In one month its growth rate is 18.32%. This rate is same every corner in the world. However, this year its price is downwards because of Russia's invasion on Ukraine. According to experts, as long as the battle goes on, there will inevitably be volatility in bitcoin and other global financial markets. We can already see its effect. However, it is less volatile than USD.

After knowing all of these, question can arise how this is effecting Capital Market or Stock Market. Stock market is an indicator of an economy which can effect on gross GDP. A country's GDP will increase when a country's companies are doing well, then the stock index will also go high and vise versa. Therefore, it USD price increases then it would directly effect of a countries economy. Cost will increase because export imports are mostly dealed on dollar. Investments will go down. As a result companies will also start to face loses and eventually collapse. If companies will face loss and economy is not doing good, capital market start to sink. Its not only in case of increasing value of USD or decreasing value of BDT, there are more. If there is any conflict like Ukraine Russia or any other country with Bangladesh or any other country war which will effect Bangladesh badly, the same situation will occur.

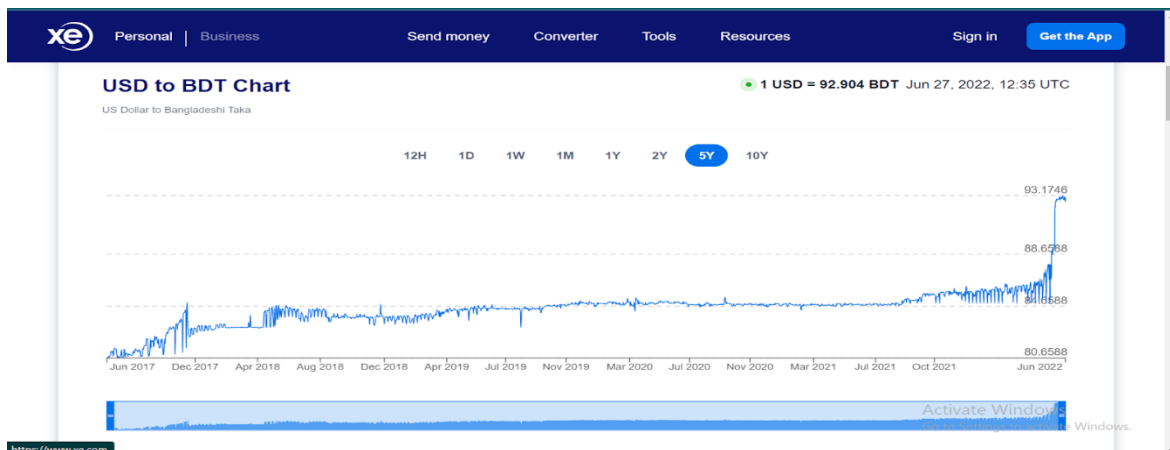


Figure: 4

To save Bangladesh from these problems it is very much necessary now to accept this advanced theory in our country as well. If we look at the current war then we can see how Ukraine survived because of accepting cryptos. According to the official website, Aid for Ukraine has raised more than \$60 million in crypto currencies since the conflict started. This includes more than 477 BTC (\$14.3 million), 9,587 ETH (\$17.1 million), \$9.9 million in Ethereum-based stable coins (USDT, USDC, and DAI), and additional in other crypto currency. Recently Ukraine is going to open a NFT museum for the people who want to help directly the people of Ukraine and to remember this freedom fight. A war torn country is surviving and trying to fight back with the help of this new technology.



Figure:5

Country like Dubai is using Digital asset for their daily purchases. They are making laws, startups and baby more which shows clearly that virtual asset came here to stay. For instance, they established the Virtual Asset Regulatory Authority and enacted a new law to control virtual assets like bitcoins and NFTs. These actions clearly aim to legitimate a

budding sector and pave the way for expansion. The experts are also very positive about the decision and hoping to get a tremendous acceptance of this new revolution.

Where developed countries are accepting 4th industrial revolution and making new laws to boost up their economy and preparing for future, where war torn country is trying to sew their economy by the help of this new technology and preparing their people for future universe, Bangladesh, a growing country needs to give a strong thought about accepting this new revolution.

Now Bangladesh’s inflation rate is rapidly increasing. In the figure: 6 we can see last year inflation rate was 5.64%, where this year same time it has 34% increased. From last month this June month is also higher. Are all these happening because of carelessness of Bangladesh or others? All these are happening because of the other country’s conflict.

Rate of Inflation (as measured by CPI, base 2005-06)	Jun, 2022	May, 2022	Jun, 2021
Point to point	7.56%	7.42%	5.64%
Monthly Average(Twelve Month)	6.15%	5.99%	5.56%

Figure:07

If Bangladesh can accept these changes economy will highly boost up. We will get more investments, loans and capital. Many new industries will open up and our capital market will be stronger. Bangladesh will be able to build a strong network and communication with other countries. The faster we adopt this 4IR, the faster we can stand our economy strongly. Before dragging us down, others will think about our power. Now Bangladesh is suffering because of other countries. External forces are effecting our currency rate, inflation, loans, investment, interest rate everything else. It is not possible to be fully free from external factors but the more we can reduce our dependency from others the stronger economy we will be able to build.

3.7 Hurdles for adopting new revolution:

There are many technical and non-technical reasons which are holding us back. Among them the most important is that we are not digitally sound enough. Our Investors in market are mostly aged, backdated and not educated enough. They still do not know how to operate a mobile application. They come to the security houses, watch the portal or market conditions and order traders accordingly. Traders buy or sell the products on behalf of the investors. Whereas Bangladesh started its automated trading system in 2015 investing 35 crore tk. It has been about 7years we stepped into the digital platform but our investors are still living in the 90's. In every road you will find a security house in Dhaka using the DSE platform for trading but not taking any responsibility to educate our investors. Even now the system can not take this overload. Now all the securities should have their own portal and create awareness. However, security houses are not doing so as it will require a big greenback, time and effort to educate the customers.

Here comes the second most alarming problem, education. Our inventors are not aware or educated enough of the capital market. We have digital services still people does not know how to operate and analyze. All the analytical tools and graphs are there. Still most of the people are investing on guts and market rumors. This is why our market has vulnerable. Anything happens in the world, it puts drastic changes. This creates a fear. Most shares are on the hand of uneducated people, educated people are also derived from analysis. This shows how the whole market is going in vain.

Another bad practice in our country is giving the authority of handling the shares to another trustworthy person. According to Bangladesh Bureau of Statistics, 61.82% people live in rural areas. They are not aware of the stock market and neither are they interested to know this. Electricity is not properly available in many. In this condition it is tough to take them under the capital market radiance. These people only care about earning. Some witty people saw this as an advantage. These witty people convince these people, open accounts and take Power Of Attorney (POA). This is now they handle the account, take advantage of it and give a minimum benefit and sometimes nothing. Because of this practice these yokel people can not trust educated people anymore. This extremely hampers our market.

If we look at our capital market active investors, about 50% are elderly businessmen and 25% are retired people. Very few investors are from millennials. These millennials are the next future but they are not active in this market. They know the uses, benefits and future new revolutionary era. However, they are not aware or interested in this market that much. Currently this is an alarming problem. If they do not show interest to invest, it will create a massive drawback.

3.8 Conclusion

Therefore, To enter into new era firstly we need to jump over all these mentioned hurdles. Government is trying to make electricity and devices available everywhere. Besides, security houses should build their own platform and take steps to educate their customers. Without their help govt. is helpless. Create awareness and drive millennials into investment. If we do not make this happen, it is impossible for our market to develop and be stable, risk free.

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