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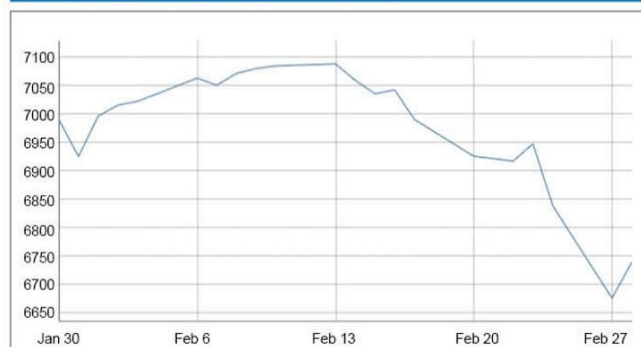
Stock Market & Company

Stocks rebound, but turnover dips

The Newage, February 28, 2022

- Dhaka stocks advanced on Monday after a significant fall in the previous two sessions as a section of investors went for bargain hunting while many others remained on the sideline to observe the market trend amid the Russia-Ukraine conflict.
- DSEX, the key index of the Dhaka Stock Exchange, advanced by 0.94 per cent, or 63.3 points, to close at 6,739.44 points on Monday after losing 272.52 points in the previous two sessions.
- Out of the 379 issues traded on Monday, 314 gained, 36 declined and 27 remained unchanged on the DSE. The daily average turnover on the DSE dropped to Tk 730.01 crore on Monday compared with that of Tk 916.28 crore in the previous session.
- Monday's turnover was the lowest after November 29, 2021 when it was at Tk 708.18 crore.
- The DS30 index comprising of 30 large capitalised companies increased by 14.45 points to finish at 2,482.35 points and the DSE Shariah index added 0.57 points to close at 1,453.47 points. BEXIMCO topped the turnover chart with its shares worth Tk 55.54 crore changing hands.

DSEX IN LAST ONE MONTH



- Bangladesh Shipping Corporation, Anwar Galvanizing, Fortune Shoes, Sonali Paper, British American Tobacco, Pacific Denims, Dragon Sweater, Orion Phamra and BRAC Bank were the other turnover leaders. Tamijuddin Textile Mills Limited was the day's best performer, posting a gain of 8.73 per cent, while Crown Cement PLC was the worst loser, shedding 3.26 per cent.

<https://www.newagebd.net/article/164028/stocks-rebound-but-turnover-dips>

BSEC moves to cut share settlement cycle to T+1

The Newage, February 28, 2022

- The Bangladesh Securities and Exchange Commission has taken an initiative to reduce share settlement cycle to T+1 from the existing T+2 to increase trading activities. Currently, the stock exchanges follow T+2 settlement which means that settlement of securities happens on two business days after the order is executed.
- On April 15, 2014, the Dhaka Stock Exchange started T+2 trading settlement period from T+3 cycle. If T+1 settlement is applied, it will take 24 hours for shares and money to be credited to an account.
- T+1 settlement system will shorten the settlement cycle by a day and give investors more liquidity with the availability of funds and securities, BSEC officials said. The move is to increase trading activities, thus increasing liquidity flow to the stock market, they said.
- BSEC commissioner Shaikh Shamsuddin Ahmed told New Age that the regulator was working on the issue and assessing various aspects of the T+1 settlement cycle. He said that the regulator would soon issue a directive in this regard reducing the settlement cycle by one day.

<https://www.newagebd.net/article/164030/bsec-moves-to-cut-share-settlement-cycle-to-t1>

Regulators should work together for a stable stock market: Analysts

The Daily Star, March 01, 2022

- Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC) and National Board of Revenue (NBR) should work together for the betterment of the domestic stock market so that it can stand as the main source of long-term funding for local industries, various analysts said yesterday.
- Their comments came at a workshop, styled "Economic Policy Triangle: Inter Relationship among Fiscal, Monetary and Capital Market Policies", jointly organised by the Bangladesh Academy for Securities Markets and Capital Market Journalists' Forum.
- Banks play a vital role in the economy but the stock market could also be a major source of long-term finance, said Shaikh Shamsuddin Ahmed, a commissioner of the BSEC. "So, the central bank should form stock market friendly policies," he said, adding that all regulators should work together in this regard.
- About the recent drop in the stock market, the BSEC commissioner said local media had traced two reasons behind the decline. One is the war between Russia and Ukraine while the other is the adjustment of negative equity of the intermediaries.

<https://www.thedailystar.net/business/economy/stock/news/regulators-should-work-together-stable-stock-market-analysts>

Renata gets nod to remit \$7m to UK, Ireland

The Daily Star, March 01, 2022

- Renata Ltd, one of the major drug producers, has received permission from the Bangladesh Bank to remit \$7 million to Ireland and the UK as it looks to expand its footprint in the European market, the company said yesterday.
- In a filing on the website of the Dhaka Stock Exchange (DSE), the listed pharmaceuticals producer said the central bank permitted it to remit \$2 million from its Exporters' Retention Quota (ERQ) account to Renata Pharmaceuticals (Ireland) Ltd and \$5 million to Renata (UK) Ltd as paid-up capital. The ERQ is the portion of the export proceeds that an exporter wants to retain in foreign currency. Stocks of Renata rose 0.28 per cent to Tk 1,360 on the DSE yesterday.

- The drugmaker announced a 145 per cent cash dividend and 10 per cent stock dividend for the year that ended on June 30 of 2021. The company said its earnings per share rose 14 per cent year-on-year to Tk 25.62 in the first six months of the current financial year.

<https://www.thedailystar.net/business/organisation-news/news/renata-gets-nod-remit-7m-uk-ireland-2972926>

Bank Asia wins Intellectual Property Protection Award 2020

The Daily Star, March 01, 2022

- Bank Asia Ltd has recently been awarded the "Intellectual Property Protection Award 2020" by the Bangladesh Copyright Board for its conscious and responsible role in the protection of intellectual property.
- The bank has been awarded as the only financial institution of the country in the copyright category, a press release said. Mohammad Ziaul Hasan Molla, deputy managing director of Bank Asia Ltd, received the award from Sabiha Parveen, chairman of the Copyright Board and additional secretary of the Ministry of Cultural Affairs, at the latter's head office at Sher-e-Bangla Nagar in Agargaon, Dhaka last week.
- Zafar Raja Chowdhury, registrar of copyright at the Bangladesh Copyright Office, and AKM Shahidul Alam, assistant vice-president of Bank Asia Ltd, were present.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-wins-intellectual-property-protection-award-2020>

Banglalink's profit drops 22.97% despite revenue growth

The Business Standard, February 28, 2022

- Despite significant revenue growth, the operating profit of Banglalink, the country's third largest mobile operator, dropped by 22.97% to Tk488.66crore in 2021. In the previous year, it made Tk634.40cr in operating profit from Bangladesh, according to the company's financial result published by VEON Ltd (VEON), the parent organisation of Banglalink on Monday.
- During the same period, the operator's network investment also dropped sharply by 29.6%. The reason for the profit slump, however, could not be known. The operator showed encouraging signs of progress in revenue as it registered 5.1% growth in the past year.
- In 2021, Banglalink's revenue grew to Tk4,794.1cr, up from Tk4560.1cr in the previous year. At the end of 2021, the operator's total consumer base stood at 3.51crore up from 3.32crore in 2020.

<https://www.tbsnews.net/economy/stocks/banglalinks-profit-drops-2297-despite-revenue-growth-377875>

Nebras Power makes first phase payment to Unique Hotel for power plant acquisition

The Business Standard, February 28, 2022

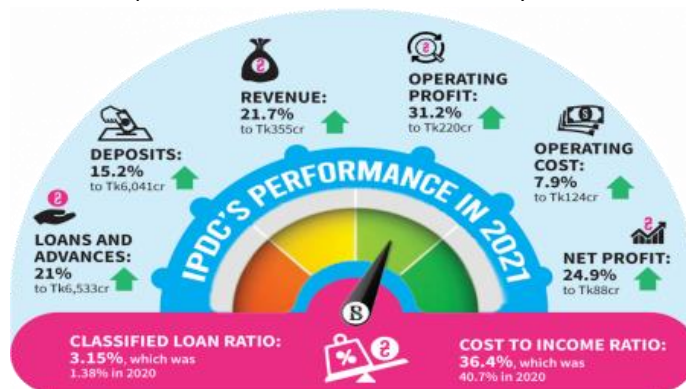
- Nebras Power Investment Management BV, a Qatar based investment company, has paid Tk82 crore to Unique Hotel and Resorts Ltd as the first phase payment for acquiring Unique Meghnaghat Power Ltd - a power plant of Unique Hotel.
- In April last year, Nebras Power signed an agreement with Unique Hotel and Strategic Finance & Investments Ltd to buy a 24% stake in Unique Meghnaghat Power at a total cost of Tk450 crore. Currently, Unique Hotel owns 65.01% of the power plant and Strategic Finance holds the rest.
- As per the agreement, Unique Hotel will sell 11.76% of its holding at a value of Tk205 crore, and Strategic Finance will sell 12.24% of its holding at a value of Tk245 crore. Nebras will pay off the total amount in four phases. In July 2019, Unique Hotel signed a 22-year power purchase agreement (PPA) with the BPDB to set up the country's largest combined cycle power plant of 584 MW fueled by natural gas. The plant is situated at Meghnaghat, Sonargaon, in the Narayanganj district.
- The power plant will be built on 18.75 acres of land at an overall estimated cost of \$520 million. It is expected to start operations by July this year, generating electricity that could power 7 lakh homes.

<https://www.tbsnews.net/economy/stocks/nebras-power-makes-first-phase-payment-unique-hotel-power-plant-acquisition>

IPDC continues to thrive even amid challenging times

The Business Standard, February 28, 2022

- IPDC Finance Ltd passed another prosperous year in 2021 when its business environment remained challenging and many of its competitors, including the industry leader IDLC Finance, suffered drops in income and profits. The transformed non-bank financial institution (NBFI) posted record deposits, loans, income, and profits for the seventh consecutive year.
- Small loans keep growing- As planned earlier, IPDC continued its increasing focus on micro, small and medium enterprises (MSMEs) and retail clients during the pandemic as it found them to be good borrowers and best in terms of utilising the loans.
- Supply chain financing, which mostly takes place through lending SMEs against the work orders they receive from large corporations, is a secured business model of IPDC and in 2021, its supply chain financing grew by 50% to help its market share in the lending industry to be at 54%.
- Reputed corporate partners were asking for more loan support to their supplier SMEs and IPDC responded positively. Right now, nearly 6,000 MSME customers are availing IPDC's fund of over Tk600 crore in supply chain financing. Around 10,000 small borrowers have increased IPDC's SME loan portfolio to 27% of the total loan book of Tk6,533 crore.
- On the supply side, IPDC's customer deposits continued to outgrow bank-borrowing, reflecting the increasing trust of around 10,000 customers on its strong balance sheet. Customer deposits with IPDC grew year-on-year by 20% to around Tk5,000 crore in 2021, while its bank borrowing grew by 5% to Tk1,000 crore.



<https://www.tbsnews.net/economy/stocks/ipdc-continues-thrive-even-amid-challenging-times-377899>

Economy & Industry

Over \$600m garment exports to Russia at risk

The Daily Star, March 01, 2022

- Bangladesh will lose one of the most promising apparel export destinations if various Russian lenders are excluded from the SWIFT messaging system in response to the country's invasion of Ukraine, entrepreneurs warned. Western nations announced on Saturday a harsh set of sanctions to punish Russia for its invasion of Ukraine, including blocking some banks from the SWIFT international payments system.
- If the ban becomes effective, local exporters will face difficulties in receiving payments from Russian importers. Russia is a growing export destination for Bangladesh's apparel items.
- In the July-January period of the current fiscal year, the country sent garment items worth \$415.47 million, registering a 36.47 per cent year-on-year growth, data from the Export Promotion Bureau (EPB) showed. Bangladesh shipped apparel items worth \$593.66 million to Russia in the last fiscal year, comprising \$373.25 million worth of knitwear items and \$220.41 million worth of woven items. But any sanction on Russian lenders on using the SWIFT messaging system could hit Bangladesh's exports to the market.

<https://www.thedailystar.net/business/global-economy/news/over-600m-garment-exports-russia-risk-2972931>

VAT-GDP gap: Tk1.5 lakh crore remains out of grasp

The Business Standard, February 28, 2022

- More than Tk1.50 lakh crore from VATable goods and services annually remains unrealised because of weaknesses in VAT collection measures. Various initiatives taken by the government to increase revenue are also apparently proving futile. According to the National Board of Revenue (NBR), around Tk2.5 lakh crore was supposed to be mobilised at 15% on VATable transactions of Tk16.6 lakh crore in 11 sectors based on their contribution to GDP in FY21.

- But the actual VAT collection amounted to only a little over Tk97,000 crore – only about 40% of the projected amount.
- Economists shed light on an even grimmer picture, saying the gap in reality is even greater.
- According to sources familiar with the matter, the committee has been asked to submit a report on various issues, including structural reforms of VAT management and any possible impacts on revenue collection from an increase or decrease in VAT rates.
- In FY21, 15 sectors contributed nearly Tk30 lakh crore to GDP. Of them, 11 sectors are entitled to pay VAT at different rates, while the remaining four, such as agriculture and livestock, fisheries, public administration and defence, and health and social safety, enjoy 100 VAT exemption with a 20% of GDP contribution in FY21, according to Bangladesh Bureau of Statistics (BBS).



<https://www.tbsnews.net/economy/vat-gdp-gap-tk15-lakh-crore-remains-out-grasp-377956>

International

Crude jumps, stocks slip, rouble crashes to record low on tough Russian sanctions

The Daily Star, February 28, 2022

- Crude oil jumped while the rouble plunged nearly 30% to a record low on Monday after Western nations imposed tough new sanctions on Russia for its invasion of Ukraine, including blocking some banks from the SWIFT global payments system.
- Safe-haven demand boosted bonds along with the dollar and yen while the euro sank after Russian President Vladimir Putin put nuclear-armed forces on high alert on Sunday, the fourth day of the biggest assault on a European state since World War Two.
- The ramp-up in tensions heightened fears that oil supplies from the world's second-largest producer could be disrupted, sending Brent crude futures up \$4.21 or 4.3% to \$102.14. U.S. West Texas Intermediate (WTI) crude futures were up \$4.58 or 5.0% at \$96.17 a barrel.
- Asia-Pacific shares turned lower after spending the morning session mostly in the green, putting them in line with declines for U.S. and European stock futures. Japan's Nikkei 225 (.N225) fell 0.25%, while Chinese blue chips (.CSI300) slipped 0.36%. Australia's benchmark (.AXJO), though, added 0.64%, boosted by energy shares.
- MSCI's index of regional stocks (.MIAP00000PUS) lost 0.58%. U.S. emini stock futures were pointing to a 2.35% drop at the restart, while pan-European EURO STOXX 50 futures slid 3.90%. FTSE futures declined 1.21%.
- The 10-year U.S. Treasury yield fell about 9 basis points to 1.89%, and equivalent Australian yields retreated about 6 basis points to 2.177%. The euro slid 1.1% to \$1.11465 and 1.1% to 128.785 yen, while the risk-sensitive Australian and New Zealand dollars sank 0.78% and 0.88%, respectively. The rouble dived as much as 29.67% to a record-low 119.5 per dollar.

<https://www.thedailystar.net/business/news/crude-jumps-stocks-slip-rouble-crashes-record-low-tough-russian-sanctions>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

BASL Research Team

Mr. Shariful Alam Chowdhury
Head of Research & Investments

tushar@basl-bd.com

Mr. Shohidul Islam
Research Analyst

shohidul@basl-bd.com

BASL Networks

Head Office

Hadi Mansion (2nd Floor)
2, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone: +88-02-9515826-28
E-mail: info@basl-bd.com

Dhanmondi Branch

Meher Plaza (1st Floor),
House # 13/A, Road # 05
Dhanmondi, Dhaka - 1207
Phone: +8802-44611923-24

Mirpur Branch

Nishi Plaza, plot # 01,
Avenue-04, Section-06, Block-C
Mirpur, Dhaka - 1216
Phone: +8802-58055449,
48032449

Uttara Branch

House # 79/A, (4th Floor),
Road # 07, Sector # 04
Uttara Model Town, Dhaka-1230
Phone: +88-02-48958389, 48958371

Banani Branch

Nur Empori, Plot # 77 (1st Floor),
Road No # 11, Banani,
Dhaka-1213
Phone: +88028836155, 8836849

Bijoynagar Extension

Prime Tower (3rd Floor), 180-
181
Dhaka-1213
Phone: +880248318685

Nikunja Branch

DSE Tower, Level 10, Room#
200, Nikunja, Dhaka-1229
Phone: +8809666702070

Khulna Branch

28, Sir Iqbal Road (1st Floor)
Khulna
Phone: +88-041-731208-9

For International Trade & Sales, please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.