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## Stock Market & Company

### Stocks rise for 2nd day amid volatile trading

The Newage, March 01, 2022

- Dhaka stocks gained marginally on Tuesday despite a fall in share prices of most of the companies as a section of investors went on buying shares, but many others remained cautious amid the Russia-Ukraine conflict. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.21 per cent, or 14.34 points, to close at 6,753.78 points on Tuesday after gaining 63.3 points in the previous session.
- Before the two-day gain, the DSEX lost 272.52 points in two sessions. Out of the 377 issues traded on Tuesday, 163 gained, 168 declined and 46 remained unchanged on the DSE.
- The daily average turnover on the DSE increased to Tk 798.91 crore on Tuesday compared with that of Tk 730.01 crore in the previous session. The DS30 index comprising of 30 large capitalised companies added 7.6 points to finish at 2,489.96 points and the DSE Shariah index inched up by 0.24 points to close at 1,453.72 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 117.39 crore changing hands. Bangladesh Shipping Corporation, Orion Pharma, Fortune Shoes, SAIF Powertec, Keya Cosmetics, Union Bank, Dragon Sweater, British American Tobacco and Sonali Paper and Board Mills were the other turnover leaders.
- Takaful Islami Insurance Limited was the day's best performer, posting a gain of 9.83 per cent, while Unilever Consumer Care Limited was the worst loser, shedding 6.1 per cent.

<https://www.newagebd.net/article/164149/stocks-rise-for-2nd-day-amid-volatile-trading>

## No fresh directive on mandatory settlement of negative equities

The Financial Express, March 01, 2022

- The securities regulator has not yet issued any fresh directive regarding mandatory settlement of negative equities of the capital market within December 31, 2022. The Bangladesh Securities and Exchange Commission (BSEC) on Monday said this in a clarification amid an ongoing discussion regarding mandatory settlement of negative equities by the market operators.
- "The news on bringing down the negative equities to zero by December this year have created confusions among the market operators," said a release issued by the securities regulator. It said the previous directive regarding optional scope of provisioning against unrealised losses will remain effective till December 31, 2022.
- Asked, Mohammad Rezaul Karim, a BSEC executive director, said the existing directive has no mandatory provision to settle the negative equities within December 31, 2022. "The market operators can appeal for further time extension after December 31, 2022. Then the regulator will take decision whether any new timeframe will be offered or not," said Mr. Karim, also the BSEC spokesperson.
- Following the plea of market operators, the securities regulator on December 31, 2020 extended the timeframe for provisioning against unrealised losses incurred in portfolios of stock brokers and merchant banks and their clients for the seventh time till December 31, 2022.

<https://thefinancialexpress.com.bd/stock/no-fresh-directive-on-mandatory-settlement-of-negative-equities-1646113887>

## Meghna Insurance allowed to issue Tk 16cr IPO

The Newage, March 01, 2022

- The Bangladesh Securities and Exchange Commission on Tuesday approved the Meghna Insurance Company Limited's proposal to raise Tk 16 crore from the country's capital market through an initial public offering. A BSEC meeting presided over by its chairman Shibli Rubayat-ul-Islam approved the IPO proposal, a BSEC press release said.
- Meghna Insurance Company will use the IPO fund to invest in the capital market and fixed deposit receipt, buying government securities and meeting IPO expenses, it said.
- As per the entity's audited financial statements ended on June 30, 2021, the company's net asset value per share (without valuation) and weighted average earnings per share were Tk 16.41 and Tk 1.83 respectively, while five years weighted average EPS was Tk 0.56. Asian Tiger Capital Partners Investment Limited, Prime Bank Investment Limited and UCB Investment Limited are the issue manager of the company's IPO.
- The company is not allowed to declare, approve or disburse any dividend before listing on the stock market, the press release said. The BSEC at the meeting also allowed Bank Asia Limited to float a perpetual bond worth Tk 500 crore, including Tk 50 crore in a public offer.

<https://www.newagebd.net/article/164147/meghna-insurance-allowed-to-issue-tk-16cr-ipo>

## Bank Asia to raise Tk 500cr by issuing bond

The Daily Star, March 02, 2022

- Bank Asia Ltd has received the nod to raise Tk 500 crore by issuing a perpetual bond. The Bangladesh Securities and Exchange Commission approved the bond yesterday in a meeting, which was presided over by its chairman Prof Shibli Rubayat-ul-Islam.
- Of the sum, Tk 450 crore would be raised through private placement and the rest through public offer, said the regulator in a press release. The conditional convertible perpetual bond's coupon rate ranges from 6 to 10 per cent.
- The bond would be issued to financial institutions, mutual funds, insurance companies, listed banks, regional rural banks, trusts, organisations, autonomous bodies, and eligible investors. With the bond proceeds, Bank Asia will strengthen its additional tier-1 capital base.
- UCB Investment is the trustee of the bond, while City Bank Capital Resources and IDLC Finance are the issue manager and the arranger, respectively.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-raise-tk-500cr-issuing-bond-2973656>

## BSEC approves draft prospectus of Mercantile Bank Unit Fund

The Business Standard, March 01, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) recently approved the draft prospectus of Mercantile Bank Unit Fund - an open-ended mutual fund. ICB Capital Management is the trustee, Brac Bank is the custodian, and MBL Asset Management Ltd is the asset manager of the fund.
- The asset manager will focus on mid and large-cap stocks while giving the highest priority to capital protection. According to BSEC, the fund's primary target size is Tk50 crore. Of the amount, the sponsor will provide Tk5 crore, and the remaining Tk45 crore will be collected by selling the mutual fund's units to investors at a face value of Tk10 each.
- Open-ended mutual funds have no mandatory endpoint, and according to current regulations, their units are not listed with the stock exchanges. Therefore, investors buy and sell open-ended fund units based on current asset value from the asset manager's office or through authorised agents.

<https://www.tbsnews.net/economy/stocks/bsec-approves-draft-prospectus-mercantile-bank-unit-fund-378391>

## National Polymer to issue Tk300cr zero coupon bond

The Business Standard, March 01, 2022

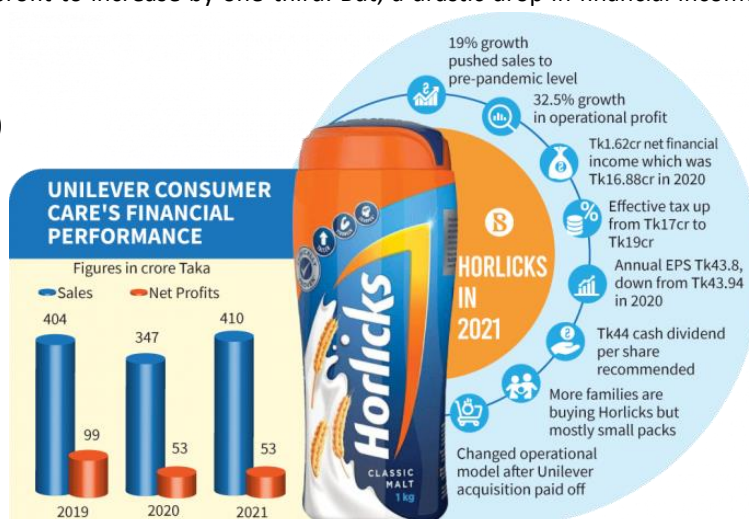
- The Bangladesh Securities and Exchange Commission (BSEC) recently allowed National Polymer Industries to issue a zero coupon bond worth Tk300 crore. This would be a transferable, redeemable, non-convertible, and unsecured bond, with a tenure of five years.
- The company will spend this fund on refinancing and purchasing machinery, infrastructure, and construction. The issue price will be Tk1,000 per unit and yield to maturity will be 8% of the bond. It will be paid Tk408.95 crore at maturity.
- The minimum subscription amount of the bond will be Tk3,000 in the private placement. Local merchant bank Bangladesh Finance Ltd will act as the trustee of the bond while another investment bank Riverstone Capital Ltd will be the arranger and adviser.
- The bond will be listed in the alternative trading board (ATB) of the stock exchanges. The commission has approved this bond on the condition of personal assurances by the directors of the company.

<https://www.tbsnews.net/economy/stocks/national-polymer-issue-tk300cr-zero-coupon-bond-378388>

## Horlicks bounces back in 2021, Unilever Consumer's profit flat

The Business Standard, March 01, 2022

- Horlicks, the most popular health food drink (HFD) brand in the region, recovered its Bangladesh sales in 2021 thanks to the restoration of the supply chains and an increase in the number of new consumers mostly for its small packs. The increased sales did help Unilever Consumer Care's operational profit to increase by one-third. But, a drastic drop in financial income and an increase in effective tax did not allow the company to post annual growth in the bottom line.
- The company that turned into Unilever Consumer Care in the mid-2020, from GlaxoSmithKline (GSK) Bangladesh Ltd, following the acquisition of majority shares by Unilever group from the GSK headquarters, suffered a sales drop in 2020 to Tk347 crore from Tk404 crore in 2019.
- In 2021, sales rebounded to around Tk410 crore, even without the revenues from Sensodyne toothpaste and digestive over the counter product Eno. Since Unilever did not take over the products, the listed company has not been selling the two since 1 July 2020.



- The 19% surge in revenue helped the company register a 32.5% annual growth in operational profit in 2021 as operational costs did not grow at the same pace. But, the declined interest rates reduced the company's financial income by around Tk15 crore in the year.
- Unilever Consumer Care's net profit after tax in 2021 was Tk52.7 crore, which was Tk53 crore in 2020.

<https://www.tbsnews.net/economy/horlicks-bounces-back-2021-unilever-consumers-profit-flat-378454>

## Economy & Industry

### Pvt sector credit growth rises to 11.07pc in Jan

The Newage, March 01, 2022

- The private sector credit growth inched up further in January 2022 as the country's economy has entered into a recovery phase after the Covid shock. Bankers said that the businesses had resumed borrowing from the banks amid a gradual recovery in domestic and global economic activities.
- According to Bangladesh Bank data, the private sector credit growth stood at 11.07 per cent year-on-year in January 2022 compared with a year-on-year growth of 10.68 per cent in December 2021. The banks' lending to the private sector stood at Tk 12,66,257.4 crore at the end of January 2022 from Tk 12,63,247.40 crore a month ago.
- The growth has gradually increased after declining to a record low of 7.55 per cent in May 2021. However, the growth rate of private sector credit in January was below the central bank's monetary policy target of 14.8 per cent for the fiscal year 2021-2022. The growth rate in FY21 was 8.35 per cent. In FY19 and FY20, the private sector credit growth rate was 11.32 per cent and 8.61 per cent respectively.

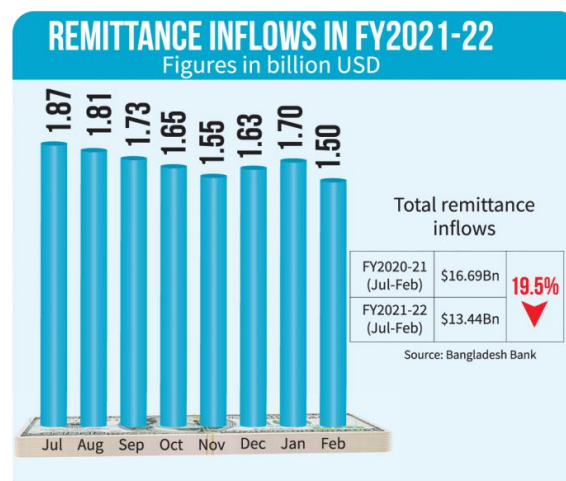
<https://www.newagebd.net/article/164150/pvt-sector-credit-growth-rises-to-1107pc-in-jan>

### Remittance flow hits 21-month low

The Business Standard, March 01, 2022

- The remittance flow, which saw an upward trend since the Covid-19 outbreak in the country, has been on the decline, with the pandemic easing. The country received \$1.5 billion in remittances in February, which is the lowest in 21 months, according to the latest data of the Bangladesh Bank. The latest figure is also 16% lower year-on-year.
- Compared to January, the remittances fell by 12.2% or about \$208 million as expatriates sent \$1.70 billion in remittances in that month, said the central bank data published on Tuesday.
- Earlier in May 2020, Bangladesh received \$1.09 billion in remittance.
- The government set a remittance target of \$26 billion for the current fiscal (FY2021-22). However, the remittance fell far short of the target in the first eight months.
- In the first eight months of the current financial year, remittances reached \$13.44 billion which is only 52% of the fiscal target. It was \$16.69 billion in the corresponding period of the previous year.
- To increase the remittance flow to the country, the government recently increased the incentive facility against received remittance to 2.5%, from the earlier 2%.

<https://www.tbsnews.net/economy/remittance-flow-hits-22-months-low-378337>



## International

### Investors cut Russia exposure

The Daily Star, March 02, 2022

- Major investors, including hedge fund Man Group and British asset manager abrdn, said on Tuesday they were cutting their positions in Russia in the wake of the country's invasion of Ukraine. Their pronouncements came as ripple effects of sanctions on Russia were making themselves felt, with Visa Inc and Mastercard Inc blocking multiple Russian financial institutions from their networks.
- Elsewhere, Germany's market regulator BaFin said that it was closely monitoring the European arm of Russia's VTB Bank, which was no longer accepting new clients. Meanwhile, shares in some European banks remained under pressure after heavy declines on Monday because of lenders' exposure to Russia. The sector remained volatile as Moscow started day six of its invasion.
- Asset manager abrdn has around two billion pounds of client money invested in Russia and Belarus and has been cutting its positions, Chief Executive Stephen Bird said. "We will not invest in Russia and Belarus for the foreseeable future," Bird said.
- Man Group cut its investments in Russia in recent weeks and now has 'negligible' exposure to Russia and Ukraine across its portfolio, its Chief Financial Officer Antoine Forterre told Reuters on Tuesday.

<https://www.thedailystar.net/business/global-economy/news/investors-cut-russia-exposure-2973601>

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## About Bank Asia Securities Ltd

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).

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