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Stock Market & Company

[Dhaka stocks extend losing streak to 3rd week](#)

The New Age, April 01, 2023

- Dhaka stocks dropped for the third week in the past week as investors, discouraged by a prolonged bearish trend on the market and economic worries in the country, remained on the sideline, market operators said.
- The main index of the Dhaka Stock Exchange, DSEX, lost 0.14 per cent, or 8.15 points, to close at 6,206.8 points on March 30. The DSEX lost 53 points in the past three weeks. The weekly average turnover increased to Tk 409.8 crore in the past week from that of Tk 352.4 crore in the previous week.
- Out of 378 companies traded, share prices of 40 declined, 91 advanced and 237 remained unchanged. The DS30, comprised of 30 large capitalised companies, shed 8.58 points to finish at 2,209.44 points and the DSE Shariah index, DSES, also lost 3.92 points to close at 1,349.33 points.
- Unique Hotel & Resort topped the weekly turnover chart with a value of Tk 124.89 crore. Eastern Housing, Genex Infosys, Gemini Sea Food, Sea Pearl Beach Resort, Bangladesh Shipping Corporation, ADN Telecom, Rupali Life Insurance, Rangpur Dairy & Food Products and Aamra Networks were the other turnover leaders.

<https://www.newagebd.net/article/198342/dhaka-stocks-extend-losing-streak-to-3rd-week>

Floor price to stay until DSEX tops 6,500 points

The Financial Express, April 02, 2023

- The securities regulator will not risk lifting the floor price until the main index at the Dhaka Stock Exchange (DSE) goes past 6500 points "in the interest of small investors who are a majority in the stock market", said the head of the Bangladesh Securities and Exchange Commission (BSEC).
- Removal of floor price will lead to price erosion of securities in margin accounts, he said, adding that small investors would then fall victim to margin calls.
- In an exclusive interview with the FE, BSEC Chairman Shibli Rubayat Ul Islam said big and institutional investors would take advantage of the price erosion in absence of the floor price while retail investors would endure losses.
- The index may come down to settle at 6,000 points if the floor price is withdrawn after it reaches 6,500 points, said Mr Islam. "The index is now at 6,200 points. It will fall to 5,500 points if the floor price is withdrawn at this moment."
- The BSEC chairman pointed the finger at institutional investors for the sorry state of the market. He said that instead of supporting the market now, institutions were waiting to grab the holdings of small investors at lower prices after the removal of floor price.



<https://thefinancialexpress.com.bd/stock/bangladesh/floor-price-to-stay-until-dsex-tops-6500-points>

BSEC to raise MFs' stock investment ceiling to 80pc

The New Age, March 30, 2023

- The Bangladesh Securities and Exchange Commission has decided to increase the ceiling on stock market investment by mutual funds to 80 per cent of their funds. The BSEC made the decision in a commission meeting presided over by its chairman Shibli Rubayat-UI-Islam, a BSEC press release said.
- Currently, asset management companies have to invest minimum 60 per cent of their funds in the stock market while the remaining 40 per cent in any investment tools in the country, BSEC officials said.
- They said that the regulator made the decision as it observed that some asset management companies had invested huge amount of funds of mutual funds in the non-productive sector which yielded zero returns.
- It was also found that AMCs made investments in some companies for their own interest, depriving the interest of general investors, they said.

<https://www.newagebd.net/article/198166/bsec-to-raise-mfs-stock-investment-ceiling-to-80pc>

ICB urges clients to wait for their money until stock market gets better

The Business Standard, April 02, 2023

- The spillover impact of the declining capital market is taking a toll on the Investment Corporation of Bangladesh (ICB), a state-owned entity with a significant focus on capital market operations. As the market has been deteriorating for over a year, ICB's earnings have declined, hurting its ability to repay depositors' money despite being a trusted name and custodian of deposits.

- Recently, the state-owned Pashchimanchal (west) Gas Company Limited, applied for the encashment of a Tk84 crore term deposit upon its maturity. However, the ICB could pay Tk67.69 crore. The gas company had sent several letters to the ICB regarding the outstanding dues, but with no success. Later, it turned to the Bangladesh Bank for intervention.
- In response to a letter from the central bank last month, the ICB stated that there were not enough buyers to sell its shares in the stock market and that it will repay the dues once the financial market stabilises.
- In the letter sent to the central bank on 23 March this year, the ICB attributed the lack of buyers to the global economic instability and slowdown. The ICB had said the same last February in reply to another Bangladesh Bank letter asking it to refund the deposit of Pashchimanchal Gas Company.
- Persuading for reinvestment-According to ICB sources, the state-owned investment corporation is currently persuading depositors to renew their investments for a new term after their maturity as it is not able to sell shares in the stock market amid a shortage of buyers.



<https://www.tbsnews.net/economy/icb-urges-clients-wait-their-money-until-stock-market-gets-better-609266>

Defrauded brokerage clients to be paid from DSE investors' protection fund – for the first time

The Business Standard, April 01, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to settle defrauded customers' claims with four collapsed brokerage firms with the money available in the "Dhaka Stock Exchange Investors' Protection Fund."
- The fund, which stood at Tk19 crore until January 2023, will be paid to the customers of Tamha Securities, Banco Securities, Crest Securities, and Shah Mohammad Sagir & Co Limited on a pro-rata basis after scrutinising their total claims worth nearly Tk200 crore.
- That means investors will get one-tenth of their money back from the fund. According to BSEC officials, the commission has recently taken the decision and will give direction to the Dhaka Stock Exchange (DSE) in this regard very soon.
- This will be the first time the fund will be used since its formation nearly a decade ago. If the embezzled money were recovered from the four brokerage houses, it would be submitted to the DSE Investors' Protection Fund.

<https://www.tbsnews.net/economy/stocks/defrauded-brokerage-clients-be-paid-dse-investors-protection-fund-first-time>

BSEC to act against United Airways former board of directors

The Business Standard, March 30, 2023

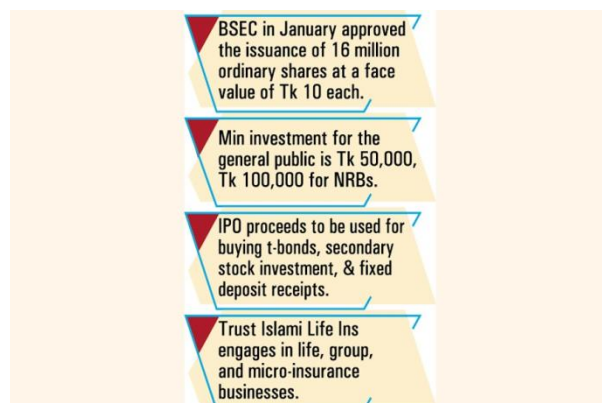
- The Bangladesh Securities and Exchange Commission (BSEC) is going to take action against the former board of directors of United Airways (BD) Ltd, which ceased operations in September 2014. The decision was made based on an enquiry report at a meeting on Thursday, according to a BSEC press release.
- Last September, the stock market regulator formed a five-member enquiry committee to investigate the company's affairs. A BSEC official who wished to remain anonymous said most of the irregularities occurred during the tenure of managing director Tasbirul Alam Chowdhury.
- The enquiry team examined various issues, including the suspension and resumption of operations, the reconstruction of the board of directors, the trading pattern of securities, and the overall status of the company. In March last year, the commission instructed the company to regularise its annual general meetings and complete audits that had been pending for the past four fiscal years.

<https://www.tbsnews.net/economy/stocks/bsec-act-against-united-airways-former-board-directors-608290>

Trust Islami Life's IPO subscription to open Monday

The Financial Express, April 01, 2023

- The initial public offering (IPO) subscription of Trust Islami Life Insurance will begin Monday (April 3), aiming to raise Tk 160 million from the stock market under the fixed price method.
- The life insurer's IPO subscription through the electronic subscription system of the stock exchanges will continue until April 9, officials said.
- Trust Islami Life Insurance's IPO is the second IPO in 2023 after Midland Bank which already raised Tk 700 million under the fixed price method and made its trading debut on March 27.
- The new generation life insurer received approval from the Bangladesh Securities and Exchange Commission (BSEC) on January 25 for raising the said amount.
- The minimum required investment for the general public will be Tk 50,000 and for the NRB will be Tk 100,000 in matured listed securities at market price as on March 23.
- The company will utilise the IPO proceeds for buying government treasury bonds (Tk 36.48 million), investing in the secondary stock market (Tk 30.40 million), and fixed deposit receipts (Tk 85.12 million) and the remaining bearing the IPO expenses.



<https://thefinancialexpress.com.bd/stock/bangladesh/trust-islami-lifes-ipo-subscription-to-open-monday>

AJ Corporation to buy 15 lakh shares of Generation Next Fashions

The Business Standard, March 30, 2023

- AJ Corporation Limited, a Generation Next Fashions Ltd corporate director, has expressed its intention to buy 15 lakh shares of the company. The AJ Corporation will buy these shares from the block market within the next 30 working days, according to the Dhaka Stock Exchange (DSE) on Thursday (30 March).
- On Thursday, its shares were stuck on the floor price at Tk6 at the DSE. Earlier, on 2 March, it had declared to buy 15 lakh shares of Generation Next, which is yet to be executed.
- Since February this year, the AJ Corporation has bought 3,519,000 shares of the company from the block market. Out of the total 49.50 crore shares, sponsor-directors of the company held 14.48%, institutional investors 23.05% and general shareholders held 62.47% as of February.

<https://www.tbsnews.net/economy/stocks/aj-corporation-buy-15-lakh-shares-generation-next-fashions-608006>

Undervalued growth stocks good to buy, says equity expert Akramul Alam

The Business Standard, April 01, 2023

- Some large companies that lead their respective industries have been successfully managing their sales and profit growth over years in Bangladesh, while their stock prices did not follow through, said Akramul Alam, head of research at brokerage firm Royal Capital Ltd, who believes the stocks are good to buy from the bourses of Dhaka and Chattogram for long-term investments.
- "There is disconnect, and intelligent and cautious investors should fill the gap between the growth in the companies' business and stock prices," said the equity analyst in an interview with The Business Standard.

- "The second half of 2023 should be better for the Bangladesh economy, compared to that in the January-July period," he said, citing the slowing down of US inflation that might help calm western money markets later this year and start reversing the trend of rising rates next year.
- Bangladesh's exports fared better than expected despite high inflation in its major markets in the west, and with their consumers having some relief in the coming days, exports should improve, said the analyst.

<https://www.tbsnews.net/economy/stocks/undervalued-growth-stocks-good-buy-says-equity-expert-akramul-alam-609262>

Envoy Textile to earn Tk176cr from new spinning unit

The Business Standard, April 01, 2023

- The new spinning unit, which got into commercial operation on 1 April, will add Tk176 crore to the annual turnover of Envoy Textiles Limited, according to the entrepreneur. The manufacturer of 100% export-oriented denim fabric has an annual denim fabric production capacity of 52 million yards – about 10% of the country's total capacity.
- It has the world's first platinum Leadership in Energy and Environmental Design (LEED) denim manufacturing facility certified by the United States Green Building Council. The company said in its price-sensitive statement that the new project involving Tk176 crore has a production capacity of 4,200 tonnes per year.
- Talking to The Business Standard, Envoy Textiles founder Engineer Kutubuddin Ahmed said the new unit's production capacity was initially estimated at about 3,600 tonne per annum, but "during piloting we have been able to increase it to 4,200 tonnes through increased efficiency".

<https://www.tbsnews.net/economy/rmg/envoy-textile-earn-tk176cr-new-spinning-unit-609242>

Economy & Industry

Cenbank, top bankers to discuss loan cases, recovery, dollar market updates

The Business Standard, April 01, 2023

- Bangladesh Bank Governor Abdur Rauf Talukder will meet with top executives of all banks on Sunday to discuss several issues including the progress of cases in Artha Rin Adalat (Financial Loan Court) and the universal use of Bangla QR code in cashless transactions.
- Several officials of the central bank said the overall situation of the country's dollar market, the next monetary policy and the construction of a hospital for bankers will also be discussed in the meeting.
- Since Artha Rin Adalat was formed in 2003 for easy recovery of defaulted loans, 2,22,348 cases were filed till December 2022. The cases involved Tk2,49,184 crores, which is Tk36,000 more than the same time the previous year.Pause
- Bankers said the meeting will discuss how to recover the money from these loans very quickly. Bangla QR code payment system was launched recently to make all kinds of financial transactions from Mastercard, Credit Card, Debit or Prepaid Card through the app of specific banks. As a result, customers do not have to scan separate QR codes for different payment networks.
- It will be discussed in Sunday's meeting how all the banks that have app-based services can be easily included in the Bangla QR code. In the last two and a half months, the central bank met several times with officials of the respective departments of these banks.

<https://www.tbsnews.net/economy/banking/cenbank-top-bankers-discuss-loan-cases-recovery-dollar-market-updates-609274>

International

Inflation outlook has worsened since start of year: Fed governor

The New Age, April 01, 2023

- The US inflationary picture has worsened since the start of the year, which could prolong the Federal Reserve's ongoing fight against rising prices, a top Fed official warned Friday.
- The Fed has hiked its benchmark lending rate nine times in quick succession since March 2022 as part of an aggressive attempt to bring historically-high inflation down towards its long term target of two per cent. But recent turmoil in the banking sector sparked by the dramatic collapse of Silicon Valley Bank amid concerns over its interest-rate exposure caused the Fed to rethink a bigger hike in March.
- It instead opted for a smaller quarter per centage-point increase. Fed Chair Jerome Powell suggested after the decision that the Fed may raise interest rates just once more before bringing its current hiking cycle to an end.
- Data released earlier Friday showed the Fed's favored measure of inflation slowed last month, providing some relief as it attempts to balance tackling higher prices with banking concerns. But in her speech Friday, Cook warned that core inflation, which excludes volatile food and energy prices, remains elevated well above the level the Fed would like to see.

<https://www.newagebd.net/article/198344/inflation-outlook-has-worsened-since-start-of-year-fed-governor>

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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).

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