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Stock Market & Company

Stocks rebound strongly amid optimism

The Financial Express, December 01, 2021

- Stocks rebounded strongly on Wednesday, snapping a recent bearish trend, amid investors' optimism after the central bank and the securities regulator agreed to resolve their disputes. DSEX, the prime index of the Dhaka Stock Exchange (DSE), soared 143.74 points or 2.14 per cent to settle at 6,847, after losing over 92 points in the previous day.
- Two other indices also ended sharply higher. The DSE 30 Index, comprising blue chips, jumped 73.56 points to finish at 2,589 and the DSE Shariah Index (DSES) soared 32.21 points to close at 1437. Turnover, a crucial indicator of the market, stood at Tk 11.02 billion, which was nearly 4.0 per cent lower than the previous day's tally of Tk 11.46 billion.
- Gainers took a strong lead over the losers, as out of 373 issues traded, 293 advanced, 45 declined and 35 issues remained unchanged on the DSE trading floor. Beximco, which surged 9.80 per cent, was the most traded stock with shares worth Tk 1.22 billion changing hands, closely followed by ONE Bank (Tk 1.13 billion), First Security Islami Bank (Tk 772 million), Delta Life Insurance (Tk 464 million) and Acme Pesticides (Tk 319 million).
- Index Agro Industries was the day's highest gainer, gaining 9.99 per cent while Tung Hai Knitting & Dyeing was the day's worst loser, losing 11.26 per cent following its no dividend declaration news.
- The Chittagong Stock Exchange (CSE) also sharply higher with the CSE All Share Price Index – CASPI –soaring 383 points to settle at 19,998 and the Selective Categories Index – CSCX, rising 233 points to close at 12,023. The port city's bourse traded 17.70 million shares and mutual fund units with a turnover value of Tk 543 million.

<https://thefinancialexpress.com.bd/stock/stocks-rebound-strongly-amid-optimism-1638353245>

No decision on banks' stock market exposure made: BB

Newage, December 01, 2021

- The Bangladesh Bank on Wednesday said that the central bank did not make any decision on any policy issues, including deducting banks' investment in bond from their capital market exposure, in Tuesday's meeting with the Bangladesh Securities and Exchange Commission.
- The BB issued a press release on Wednesday to clarify the matter after the media reported about the meeting. 'The media report in the name of a BSEC representative about some decisions in the meeting was not correct,' it said.
- The BB informed the BSEC officials that transfer of banks' unclaimed dividend to the capital market stabilisation fund and declaration of cash dividend despite having cumulative loss are against the bank company law, the press release said. In addition, the BB drew attention of the BSEC to make necessary amendments to notifications issued over the matters, it said.
- The central bank also informed the BSEC officials who attended Tuesday's meeting about legal limitations for banks and non-bank financial institutions regarding investments in the stock market.
- No decision on the matter was made in the meeting, the press release said. BSEC commissioner Shaikh Shamsuddin Ahmed who attended Tuesday meeting told reporters after the meeting that the central bank had agreed to deduct banks' investments in bonds from their capital market exposures.

<https://www.newagebd.net/article/156224/no-decision-on-banks-stock-market-exposure-made-bb>

PM apprised of issues affecting capital market's development

The Business Standard, December 01, 2021

- Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-UI-Islam has apprised Prime Minister Sheikh Hasina of issues that are affecting the development of the country's capital market.
- "We have pointed out the issues that are hindering the capital market's spontaneous moves," he told The Business Standard after an exclusive meeting with the premier on Wednesday. "The government will be supporting the growth of the country's capital market."
- Because of the market price basis of exposure calculation, banks are forced to offload from their stock holdings as soon as price gains in the market and that creates a selling pressure at the bourses.
- When the exposure is calculated based on cost price – the price a bank paid for a stock, exposure is not impacted by changes in the market price. Dr Ahmed told a press briefing on Tuesday, the central bank positively responded to each of the proposals and he hoped that the expected changes would take place gradually.
- The BSEC had been in a series of discussions with the central bank also urging for moves to adopt the BSEC's Corporate Governance Code to allow listed banks to form nomination and remuneration committees and have at least 20% independent directors in their boards.

<https://www.tbsnews.net/economy/stocks/pm-apprised-issues-affecting-capital-markets-development-337423>

Green Delta Dragon gets BSEC licence

Newage, December 01, 2021

- Green Delta Dragon Asset Management Company Limited announced receiving of an Asset Management License from the Bangladesh Securities and Exchange Commission recently. Green Delta Dragon is a joint-venture asset manager founded by Green Delta Insurance Company Ltd, Dragon Capital Management (HK) Ltd and Equinox Dhaka Ltd, said a press release.
- Green Delta Insurance is the largest general insurance company in Bangladesh, protecting over Tk 3 trillion or \$ 35.7 billion of insured assets, while the Dragon Capital Group is the largest and longest established asset management group in Vietnam with assets under management in the country of over \$ 6 billion. Equinox, an emerging market investment advisory firm, is comprised of some of Bangladesh's most dynamic finance professionals.
- Internationally, Dragon Capital's product offerings to top sovereign wealth and institutional investors include actively managed public equity and debt funds, including Vietnam Enterprise Investment Ltd, listed on the London Stock Exchange with AUM exceeding \$ 2.5 billion. — New Age

<https://www.newagebd.net/article/156221/green-delta-dragon-gets-bsec-licence>

Tung Hai incurs Tk237cr loss in five years

The Business Standard, December 01, 2021

- Tung Hai Knitting and Dyeing – a 100% export-oriented composite sweater factory – has incurred a loss of Tk237.81 crore in the last five fiscal years as its factory remained closed since fiscal 2016-17. Despite factory closure, the company has to bear the fixed and other costs which dragged it down to losses.
- On Wednesday, the company disclosed its financials for the last five years till fiscal 2020-21 that ended on 30 June 2021. The sweater manufacturer has disappointed its shareholders for its failure to declare any dividends.
- Among the last five years, the highest Tk102.28 crore loss was in fiscal 2017-18 when the loss per share stood at Tk9.59, according to the financials. The company said on local stock exchanges, its annual general meeting will be held on 29 December.
- In FY21, it incurred a loss of Tk3.30 crore, and the loss per share stood at Tk0.31. The loss stood at Tk21.97 crore in FY20, at Tk65.58 crore in FY19, and Tk44.68 crore in FY17.

<https://www.tbsnews.net/economy/stocks/tung-hai-incurs-tk237cr-loss-five-years-337513>

Beximco Synthetics applies to regulator to buy back shares

The Business Standard, December 01, 2021

- Beximco Synthetics, which has been posting losses, applied to the securities regulator on Wednesday to buy back its shares from the general investors as it plans to exit from the capital market. "The company has already applied to the commission to buy back its shares from the capital market at face value of Tk10," said Mohammad Rezaul Karim, executive director of Bangladesh Securities and Exchange Commission (BSEC).
- "It will implement the plan after securing the commission's consent," he added. The general investors are holding 55,778,623 shares of Beximco Synthetics. The company has not paid any dividends to its investors since 2012.
- Trading the company's shares has been suspended in the stock market since 8 September last year. Earlier the company said it has been losing its market due to a reduction in duty fees on the import of synthetic yarn. That is why it will not be able to continue the business.
- The sponsors and directors jointly hold 35.67%, institutions 24.09%, foreign investors 0.02%, and general investors 40.22% shares of the company.

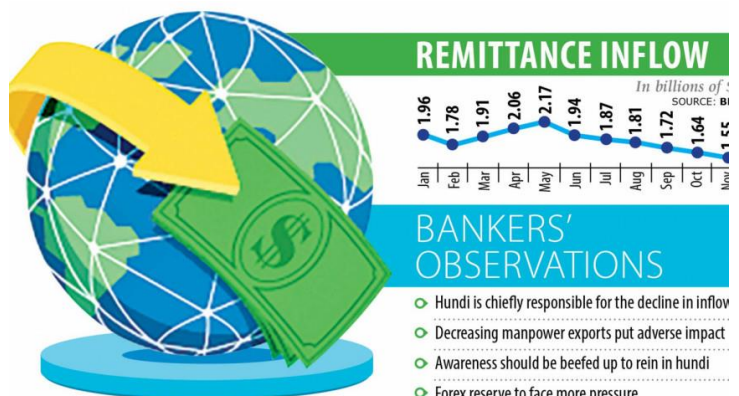
<https://www.tbsnews.net/economy/corporates/beximco-synthetics-applies-regulator-buy-back-shares-337495>

Economy & Industry

Remittance slides to 18-month low

The Daily Star, December 02, 2021

- The flow of remittance to Bangladesh fell sharply in November as the country's expatriates continue to prefer informal channels for sending their money. Expatriate Bangladeshis sent \$1.55 billion in November, down 5.48 per cent from a month earlier and 25 per cent year-on-year, according to data from Bangladesh Bank.
- This was the lowest remittance earnings since June 2020, when the amount was \$1.83 billion.
- Since then, the monthly inflow ranged between \$1.83 billion and \$1.64 billion until October this year.
- As restrictions on public movement have been removed, the global hundi cartel which operates an illegal cross-boundary financial system has become active again.



- The unofficial route had faced major disruptions in the first quarter of 2020 as international travels came to a halt due to the advent of Covid-19, fuelling the use of banks and other official channels to send remittance, a Bangladesh Bank official said.
- Remittance, which plays a major role in strengthening the country's foreign exchange reserves, fell 21 per cent year-on-year to \$8.6 billion in the first five months of the current fiscal year. Reserves surpassed \$48 billion in August but it has since maintained a downward trend.

<https://www.thedailystar.net/business/economy/news/remittance-slides-18-month-low-2907756>

Poor financial health: BKB mulls issuing bond, Rakub seeks govt funds

The Business Standard, November 30, 2021

- Bangladesh Krishi Bank (BKB) mulls to issue bonds while Rajshahi Krishi Unnayan Bank (Rakub) seeks government funds as the state lenders' capital shortfalls have been on the rise.
- At the end of June this year, BKB's deficiency in minimum capital requirements stood at Tk11,844 crore, which was 40% of the capital to risk weighted assets ratio (CRAR). The figure was Tk10,318 crore as of the corresponding month last year, according to Bangladesh Bank data.
- For Rakub, the shortfall increased to Tk1,506 crore, a 17% of CRAR, from Tk1,338 crore the previous year. The capital shortfalls of the two banks have been on the rise for a long time.
- The government earlier provided them with capital support several times, but they repeatedly lost the amount. The PRI executive director suggests improving systems, ensuring corporate governance, and strengthening administrative capabilities to minimise the capital shortfall.
- Meanwhile, a central bank senior official said they could not hold any meeting with the two banks for a long time amid the pandemic. Earlier, state-owned commercial banks appointed chief financial officers and chief information technology officers, following a BB directive in 2018. The employment of the chiefs resulted in better financial reporting, and digitalisation of banking services, BB officials

<https://www.tbsnews.net/economy/banking/poor-financial-health-bkb-mulls-issuing-bond-rakub-seeks-govt-funds-337150>

International

Asian shares bounce sharply

The Daily Star, December 02, 2021

- US and European share futures jumped on Wednesday, oil rose and Asian stocks were heading for their best day in nearly two months as traders reversed course after a sharp selloff the day before took the regional benchmark to a 12-month low.
- Competing for the limelight, US Treasury yields climbed steadily after US Fed chair Jerome Powell signalled the Fed may speed up the pace of its bond-buying taper at its meeting later this month.
- MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.3 per cent, which would be its best daily gain since early October, as traders decided Tuesday's declines, which sent the benchmark to its lowest since November 2020, had gone too far.
- While that helped the regional benchmark walk back this week's selloff, it is still sitting about 2 per cent below Thursday's close before news of the latest variant of the new coronavirus derailed markets. The share rally in Asia looked set to continue into European and US trading.

<https://www.thedailystar.net/business/global-economy/news/asian-shares-bounce-sharply-2907601>

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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.