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## Stock Market & Company

### Stocks inch up amid cautious trading

The Newage, April 02, 2022

- Dhaka stocks inched up in the past week after a fall in the previous week as investors continued cautious trading amid poor confidence on the market. DSEX, the key index of the Dhaka Stock Exchange, added just 0.07 per cent, or 4.96 points, over the past week to close at 6,757.84 points on March 31, the last trading session of the week after losing 12.72 points in the previous week.
- Among the prominent companies, share prices of BEXIMCO, Beximco Pharmaceuticals, Eastern Bank, Dutch Bangla Bank and Orion Phamra dropped on the weak. Average share prices of general insurance, energy, non-bank financial institution and pharmaceutical sectors advanced by 5.3 per cent, 0.9 per cent, 0.6 per cent and 0.4 per cent respectively.
- The DS30, comprising 30 large capitalised companies, increased by 7.26 points to finish at 2,474.01 points and the DSE Shariah Index, DSES, went up by 11.3 points to close at 1,468.11 points. The daily average turnover, a key indicator of the investors’ participation, increased by 20.05 per cent to Tk 936.66 crore in the week compared with that of Tk 780.23 crore in the previous week.

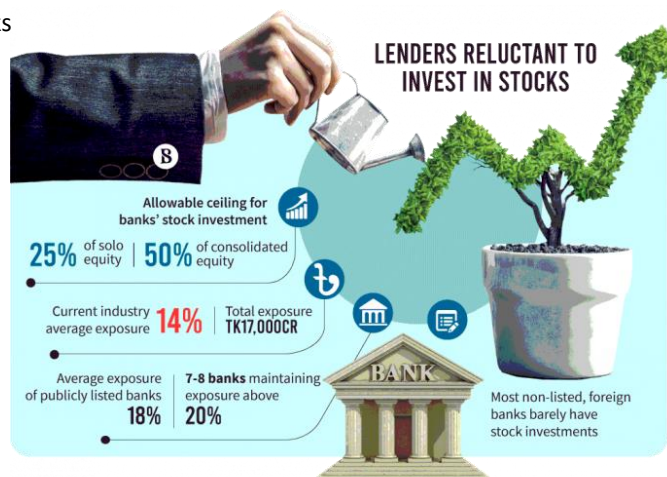
- Fortune Shoes Limited led the turnover chart with its shares worth Tk 365.97 crore changing hands. Bangladesh Export Import Company, Genex Infosys, Sonali Paper and Board Mills, LafargeHolcim Bangladesh, Orion Pharma, BDCOM Online, Premier Bank, Bangladesh Lamps and Aamra Technologies were the other turnover leaders.

<https://www.newagebd.net/article/167039/stocks-inch-up-amid-cautious-trading>

## Banks want provision, exposure rules relaxed to invest in stocks

The Business Standard, April 02, 2022

- The banking industry wants relaxed provisioning rules against stock investments alongside a raised ceiling for their capital market exposure before injecting fresh funds into stocks, representatives of some large banks told the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) earlier this March.
- The central bank along with representatives from major banks sat with the BSEC against the backdrop that the securities regulator has been requesting banks and all other financial service firms to invest in the capital market. At present, the majority of banks are not investing in stocks enough even though they have a big room for that.
- Asked about the reasons behind their ongoing low appetite for stocks, the bankers said the industry is not finding stock investments suitable enough as the needed liquidity is not abundant for many banks right now so that they can prioritise stock investments, according to the meeting minutes drafted by the Bangladesh Bank.
- Bankers also requested for excluding perpetual bonds from their capital market exposure calculation.
- BSEC Chairman Professor Shibli Rubayat-UI-Islam told The Business Standard that the securities regulator is campaigning for strengthening the institutional investor base in the capital market since it is overly dominated by unsophisticated retail investors.



<https://www.tbsnews.net/economy/banks-want-provision-exposure-rules-relaxed-invest-stocks-39540>

## NBFIs, insurers to file stock exposure updates every month

The Business Standard, March 31, 2022

- From now on, all listed leasing, finance, and insurance companies will have to provide information on their stock investment exposure to the stock market regulator on a monthly basis. The Bangladesh Securities and Exchange Commission (BSEC) has asked the Dhaka and Chattogram bourses to collect the information from the companies and submit compiled reports to it by the first seven days of every month.
- Usually, non-banking financial institutions (NBFI) can invest up to 25% of their paid-up capital and reserve to acquire shares of financial entities, agricultural business entities, or industry-related entities.
- Insurers are also allowed to invest 25% of their investable funds and life funds in potential listed instruments. In order to bring the investments under close monitoring, the Bangladesh Bank has recently specified the NBFIs investment components which would be considered their capital market investments.
- The Financial Institutions Act has specified the NBFIs' investments limit in shares of other companies, but it does not specify which investment components would be considered their capital market investments. BSEC Commissioner Shaikh Shamsuddin Ahmed said the commission has recently taken several initiatives to increase fund flow to the capital market.



<https://www.tbsnews.net/economy/stocks/nbfis-insurers-file-stock-exposure-updates-every-month-394874>

## DSE allowed to pick CA firm for compliance audit

The Newage, April 02, 2022

- The Bangladesh Securities and Exchange Commission has allowed Dhaka Stock Exchange to appoint a chartered accountant from three firms- Huda Vasi Chowdhury, ACNABIN and MJ Abedin- to conduct compliance audit. The BSEC sent a letter to DSE on March 29 in this regard.
- On January 2, the BSEC asked DSE to conduct compliance audit to examine whether the bourse was performing as per rules and regulations. In the letter, the BSEC said that the DSE may select one of the three chartered accountant firms through competitive bidding process to conduct compliance audit.
- The auditor will examine the accomplishment of decoupling of ownership and trading rights in line with the spirit of the Exchange Demutualisation Act, 2013, it said. The compliance auditor will assess whether the ongoing functions of DSE are in compliance with the code of conduct, code of ethics and other issues as per the provision of the DSE Board and Administration Regulations, 2013 and Exchange Demutualisation Act, 2013.

<https://www.newagebd.net/article/167038/dse-allowed-to-pick-ca-firm-for-compliance-audit>

## Green Delta Ins approves 30pc dividend

The Financial Express, April 02, 2022

- Green Delta Insurance Company Limited has approved 30 per cent cash dividend for its shareholders for the year ended on December 31, 2021. The approval came at the 36th Annual General Meeting of the company, held on Wednesday through an online conferencing and broadcasting platform, according to a statement.
- A good number of shareholders joined the online AGM and they highly appreciated the board of directors and management of Green Delta Insurance Company for their outstanding performance, strong corporate governance, declaration of attractive dividend and publishing an extensively informative annual report for the year of 2021.

<https://thefinancialexpress.com.bd/stock/green-delta-ins-approves-30pc-dividend-1648874386>

## 'ICB AMCL CMSF Golden Jubilee Mutual Fund' in the offing

The Financial Express, April 01, 2022

- Capital Market Stabilization Fund (CMSF) will launch "ICB AMCL CMSF Golden Jubilee Mutual Fund", a closed-end mutual fund with unit face value of BDT 10. The size of the fund is BDT 1.0 billion, said a statement.
- BSEC Thursday approved the draft Trust Deed and Investment Management Agreement of the Fund. ICB AMCL is the 'Fund Manager', BRAC Bank Limited 'Custodian' and BGIC is the 'Trustee' of the Fund.
- As per the Rule, CMSF acts as a custodian of cash and stocks in favor of the investors as received by transferring unclaimed and undistributed cash or stock dividend, non-refunded public subscription money, and un-allotted rights shares from the issuer of listed securities. Cash or stock deposited in the fund will be paid or settled on due claims by the shareholders or investors at any time.

<https://thefinancialexpress.com.bd/stock/icb-amcl-cmsf-golden-jubilee-mutual-fund-in-the-offing-1648784711>

## BATBC to invest above Tk 5.74b

The Financial Express, April 01, 2022

- British American Tobacco Bangladesh Company (BATBC) will invest above Tk 5.74 billion in its site factory situated in Savar to increase export opportunities. The company's board of directors has approved its investment decision, said a disclosure posted on the website of Dhaka Stock Exchange (DSE).
- "This investment would boost the upcoming exports opportunities and create contingency capacity," the disclosure said. It also said the investment will be funded from internal sources and bank financing based on cash flow of the company.
- The company's sponsor-directors hold 72.91 per cent shares, the government 0.64 per cent, institutes 12.03 per cent, foreigners 7.94 per cent and general investors 6.48 per cent as on February 28, 2022.

<https://thefinancialexpress.com.bd/stock/batbc-to-invest-above-tk-574b-1648784163>

## **BSEC relaxes rule allowing Sonali Paper to issue rights share**

The Business Standard, April 02, 2022

- The stock market regulator has approved the relaxation of a rule relating to issuing right shares of the Sonali Paper and Board Mills, a concern of Younus Group of Industries to comply with the regulatory obligation to maintain a minimum paid-up capital of Tk30 crore.
- Dr Shaikh Shamsuddin Ahmed, Bangladesh Securities and Exchange Commission (BSEC) commissioner said the commission has decided to exempt the firm from a rule relating to issuing the right shares so that it can fulfil the over Tk30 crore paid-up capital.
- As per the guidelines, a company cannot issue the right shares within three years of listing on the main board of the stock exchanges and Sonali Paper got relisted on the bourses only one year ago. Currently, the paid-up capital of the company is Tk21.96 crore. The company has invested Tk45.37 crore in the capital market but its inventories are worth only Tk31.76 crore.

<https://www.tbsnews.net/economy/stocks/bsec-relaxes-rule-allowing-sonali-paper-issue-rights-share-396034>

## **IDRA Chairman involved in insider trading of stocks, including Delta Life!**

The Business Standard, April 02, 2022

- IDRA Chairman Dr M Mosharraf Hossain, who is facing charges of insider trading, has been engaged in trading insurance stocks through two of his shell company's provident funds so it has surfaced. The Ministry of Finance's Financial Institutions Division, upon high court order, has formed a committee to investigate the insider trading allegations against Mosharraf last week.
- Surprising to many that the IDRA Chairman, once a stock market professional, could not resist his temptation to cash in on the high voltage volatility in Delta Life Insurance stock triggered by the series of dramatic events where the IDRA Chairman has been the key controller of the course.
- Having insider knowledge of the administrator-run life insurer and full control over regulatory developments, Mosharraf, through three of the four funds under his control, bought more than 45,000 Delta Life Insurance shares in June 2021 and sold those off before the end of July, according to the evidential documents submitted before the high court by his opponent lawyers.

<https://www.tbsnews.net/economy/stocks/idra-chairman-involved-insider-trading-stocks-including-delta-life-395998>

## **Saiham Textile's associate to buy 1.7% shares**

The Business Standard, April 02, 2022

- Faisal Spinning Mills Limited - an associate company of the publicly listed Saiham Textile Mills Limited - announced to buy 1.65% shares of Saiham Textile at the prevailing market price in the block market of Dhaka Stock Exchange (DSE). According to a recent disclosure by Saiham Textile on the DSE website, Faisal Spinning will buy 15 lakh shares at Tk3.34 crore.
- Three of the directors of Faisal Spinning are also the sponsor-directors of Saiham Textile. The last trading price of each share of Saiham Textile was Tk22.3 at the DSE on Thursday. Its share price reached a maximum of Tk26.9 and a minimum of Tk17 throughout the last year.
- Meanwhile, despite the record export earnings in the apparel sector, Saiham Textile could not benefit from it in the July to December period of fiscal 2021-22. Its revenue fell by 7% to Tk107 crore, whereas the country recorded 28% growth in the apparel sector. However, its net profit jumped 118% to Tk6.35 crore in July-December due to a decrease in the company's administrative and financial expenses, according to its financial statement.

<https://www.tbsnews.net/economy/industry/saiham-textiles-associate-buy-17-shares-395938>

## Brac Bank posts 22% profit growth in 2021

The Business Standard, March 31, 2022

- The net profit after tax of Brac Bank increased 22% to Tk555 crore for the financial year that ended on 31 December 2021 compared to a year ago. The bank's consolidated financials, with all its subsidiaries, amounted to Tk465 crore with a year-on-year (YoY) increase of 15%, said a press statement.
- The new data were disclosed in a virtual earnings disclosure event of the bank on Wednesday. Local and foreign investment analysts, portfolio managers and capital market experts joined the event. According to the press statement, Brac Bank's earnings per share for FY21 increased to Tk3.98 on a standalone basis from Tk3.26 in the previous year. Its loan portfolio witnessed a solid 18% year-on-year growth, recording a significant jump compared to 3% growth in 2020.
- Meanwhile, the bank's net asset value per share rose to Tk39.09 from Tk33.38 in 2020. Its total revenue increased by 15% in 2021 compared to 2020 mainly for effectively managing the cost of deposits and borrowings even though there was pressure from the lending rate cap.

<https://www.tbsnews.net/economy/stocks/brac-bank-posts-22-profit-growth-2021-394774>

## Economy & Industry

### Western Union, Bank Asia, SIBL launch outbound remittance service

The Daily Star, April 03, 2022

- Western Union in collaboration with Bank Asia Ltd and Social Islami Bank Ltd (SIBL) launched outbound remittance services for the first time in Bangladesh at an event at Westin Dhaka recently. Humayun Kabir, executive director (foreign exchange policy department) of Bangladesh Bank, Md Arfan Ali, president and managing director of Bank Asia, and Zafar Alam, managing director of SIBL, were physically present while Gaurav Yadava, country director of Western Union, and SS Ramanathan, senior country manager, attended the event virtually, a press release said.
- Transfers can be made from their Bank Asia or SIBL accounts into billions of bank accounts, including digital wallets, across more than 125 countries and territories, and in cash to above 200 countries and territories. As part of the celebrations, a promotional price of Tk 500 per transaction of any value is being offered to customers until June 30.

<https://www.thedailystar.net/business/organisation-news/western-union-bank-asia-sibl-launch-outbound-remittance-service>

### Next budget set to be most challenging: Speakers

The Business Standard, April 03, 2022

- The pandemic-induced supply chain shock, compounded further by the Russia-Ukraine war while the economy was on a recovery track, and rising inflation will make next year's budget the most challenging one so far, calling for a massive revenue reform, entrepreneurs said at a seminar on Saturday.
- They said that there was now pressure to reduce spending on unproductive sectors and even mega projects which are not urgently needed. At the seminar "Macro Economy: Expectation from National Budget 2022-23" jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Economic Reporters Forum (ERF), Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said this year's budget was being made in a situation not seen in a hundred years. Against this backdrop, he advised that the pressures on traders and consumers be taken into consideration.
- Highlighting Sri Lanka's predicament due to excessive debt, Ahsan H Mansur, executive director at the Policy Research Institute (PRI), called for learning from the situation, especially in terms of spending on mega projects.

<https://www.tbsnews.net/economy/next-budget-set-be-most-challenging-speakers-396030>

## International

### Global stocks mixed at start of new quarter, while oil extends losses

The Newage, April 01, 2022

- Equities were mixed Friday after their worst quarter since the early days of the pandemic as traders assess the impact of the war in Ukraine and the Federal Reserve's plans to fight surging inflation by ramping up interest rates.
- And oil extended a sell-off following Thursday's plunge in response to news that the United States would release a million barrels a day from its reserves as it looks to rein in a price rally fuelled by Russia's conflict.
- Investors suffered a torrid first three months, with markets across the planet first plunged into turmoil over central bank moves to tighten policy and reel in their Covid-era financial support measures, and then by Russian president Vladimir Putin's invasion of Ukraine.
- Inflation had already rocketed to multi-decade highs in several countries before the war in eastern Europe exacerbated the problem as crucial crude supplies from Russia were slashed and sent its price to six-year highs above \$ 100. The developments came as profit-takers cashed out after a near two-year rally fuelled by central bank and government largesse.
- Despite a pick-up in recent weeks, most indexes finished the quarter in the red. Traders are struggling to ascertain the outlook for the next three months, with the war showing no signs of ending and the Federal Reserve just getting started on its campaign of sharp rate hikes.
- The second quarter of 2022 'is going to start as messily as the first quarter has finished, with markets buffeted by a multitude of strong winds from various directions, with the outcome no clearer for the future than ever,' said OANDA's Jeffrey Halley.

<https://www.newagebd.net/article/166969/global-stocks-mixed-at-start-of-new-quarter-while-oil-extends-losses>



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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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