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Stock Market & Company

Stocks extend rally amid optimism, turnover hits one-month high

The Financial Express, January 03, 2021

- Stocks extended their rally on Monday with turnover hitting one month high on the major bourse as investors continued to put fresh funds on stocks riding on the high hope. The market started on a flying note and the key index rose about 70 points within the first hour of trading. But the rest of the session eroded most of the early gains on profit-booking sell-off.
- At the end of the session, DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 29.16 points or 0.42 per cent to settle at 6,882.
- Turnover, a crucial indicator of the market, jumped to Tk 13.14 billion on the country's premier bourse, climbing by 47 per cent over the previous day's tally of Tk 8.94 billion.
- Two other indices also ended higher. The DS30 index, comprising blue chips, rose 15.47 points to finish at 2,576 and the DSE Shariah Index advanced 6.01 points to close at 1,451.
- Beximco, which gained 1.82 per cent, topped the turnover list with shares worth Tk 1.81 billion changing hands, followed by Bangladesh Shipping Corporation (Tk 730 million), Fortune Shoes (Tk 695 million), Power Grid Company (Tk 447 million) and Peninsula Chittagong (Tk 280 million).
- eGeneration was the day's best performer, posting a gain of 9.98 per cent, while Sonali Paper & Board Mills was the worst loser for the second straight day, losing 7.49 per cent after one of its directors declared to sell 900,000 shares in the public market within the next 30 days.
- The Chittagong Stock Exchange also extended the gaining streak with its All Shares Price Index (CASPI)—gaining 102 points to close at 20,157 while the Selective Categories Index – CSCX rose 58 points to close at 12105.



<https://thefinancialexpress.com.bd/stock/stocks-extend-rally-amid-optimism-turnover-hits-one-month-high-1641206590>

BSEC pushes bourses to achieve demutualisation goals

The Business Standard, January 02, 2022

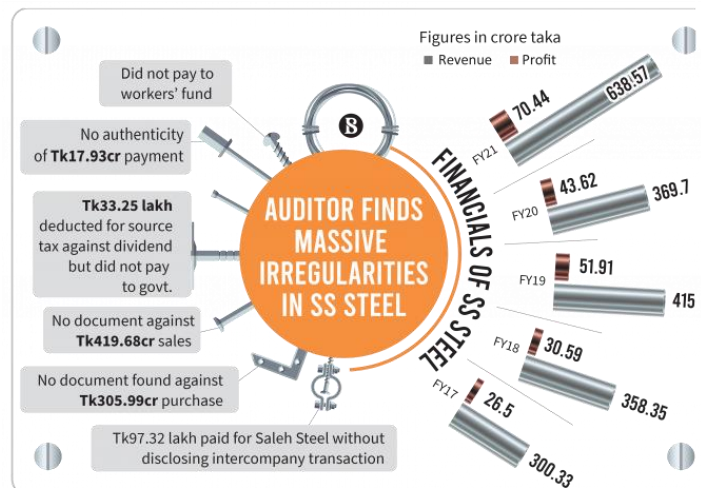
- The securities regulator has pushed both the country's stock exchanges to expedite the complete implementation of demutualisation schemes, aimed at separating the ownership and management of the bourses. The schemes were taken in 2013 with an objective to bring professionalism to the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).
- In a letter to the managing directors of the DSE and CSE on Sunday, the BSEC sought reports from the bourses on how much of the demutualisation objectives they accomplished and what were their initiatives to achieve the objectives. Through the demutualisation in the mid-2010s, the bourses have turned into for-profit stock exchange companies from an association of stockbrokers.
- Both the bourses will frame and submit separate draft regulations to the commission by 10 January regarding their listing process as stock exchange companies, BSEC said. Exchange companies' listing is a part of the demutualisation goals.
- The bourses will appoint a compliance auditor to conduct a special audit and review on the function and compliance of ongoing requirements, code of conducts, code of ethics and other issues as per the provision of their Board and Administration Regulations and the Demutualisation Act, the regulator said.
- Even after the separation of the ownership and management, several events appeared to make observers believe that the bourses' management are yet to enjoy the needed independence. Undue interference in the processes of hiring and firing top executives, routine activities of the management have been the common areas where the achievement of the demutualisation objectives have been questioned.

<https://www.tbsnews.net/economy/stocks/bsec-pushes-bourses-achieve-demutualisation-goals-352726>

SS Steel fails to authenticate large transactions

The Business Standard, January 03, 2022

- An external auditor has found massive irregularities in the latest annual report of SS Steel and said the listed MS billet and MS rod manufacturer lacked evidence against its reported sales, purchases, and payments for its capital work. MABS and J Partners also said in their qualified opinion that the company deducted tax at source on dividends but did not pay it to the government.
- Also, the auditor did not get the authenticity of Tk17.93 crore of payments against the company's reported capital work in progress.
- In its report, the company did not mention any intercompany transaction, but the auditor said, its provided documents to show that it had paid Tk97.31 lakh expenditures for Saleh Steel, a subsidiary of the listed firm.
- Also, the company did not make any payment to the workers' funds out of its disclosed profits. On Monday, the qualified opinion and emphasis of matters of the auditor were published on stock exchanges' websites.
- Soaring revenue and profits: In 2020, SS Steel acquired 99% shares of Saleh Steel for Tk24.75 crore and later entered into the process of investing a further Tk134 crore for its capacity enhancement. SS Steel's silo revenue increased to Tk419.68 crore in 2020-21, which was Tk369.7 a year ago.
- Its consolidated revenue that includes the subsidiary's figures shot to Tk638.57 in the 2020-21 fiscal year. The company's consolidated net profit soared to Tk70.44 crore in fiscal 2020-21 from the previous year's Tk43.62 crore.



<https://www.tbsnews.net/economy/corporates/ss-steel-fails-authenticate-large-transactions-352693>

BSEC to Zahintex: Appoint three independent directors, oust one

The Business Standard, January 03, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has recommended Zahintex Industries appoint three new independent directors amid the performance deterioration of the knit garments manufacturer. They are Major Abdul Quddus Mozumder, Dhaka University's Assistant Professor of Management Sarina Banu and the same university's Banking and Insurance Department's Assistant Professor Md Nazmul Hasan.
- The BSEC has also asked the managing director of the listed apparel exporter to remove an existing independent director, Khatib MA Rubel, who was appointed by breaching rules.
- Contacted, Zahintex Company Secretary Liakat Ali Bakhtiar told The Business Standard he was yet to see the BSEC letter issued on Sunday. "We have already finished our annual general meeting for fiscal 2020-21 where shareholders approved directors' appointment," he said, adding that his company would plead for time up to the next AGM to implement the suggested changes to the board of directors.
- Earlier, on 5 December, the BSEC had a meeting with Zahintex representatives to discuss the reasons for the company's business deterioration.
- Listed in 2011, Zahintex logged nearly Tk9.3 crore in annual profits in 2016 and since then the graph has been consistently down, and in 2019, the company entered into losing territory.

<https://www.tbsnews.net/economy/corporates/bsec-zahintex-appoint-three-independent-directors-oust-one-352687>

LankaBangla Securities continues being top broker in DSE, CSE

The Daily Star, January 03, 2022

- LankaBangla Securities has retained its position as the top broker in 2021 in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). It has become the top broker in the Dhaka bourse for 16 consecutive years and in the port city 15 years. "This achievement belongs to our valued clients for having continuous faith and confidence on us and our services," said Mohammed Nasir Uddin Chowdhury, managing director of LankaBangla Capital Market Operations.
- "Without the immense cooperation and support from our valued clients, it would not be possible for LankaBangla Securities to remain on top position for a long period of time." "The company, as always, considers clients' satisfaction and safeguarding their investments as top most priority," said Khandoker Saffat Reza, CEO of LankaBangla Securities Ltd.
- "To ensure interactive and contactless customer services, we have also invested duly in IT infrastructure." LankaBangla Securities has developed digital platforms namely TradeXpress, LBSL Financial Portal and iBroker to facilitate clients across the country and abroad for opening online beneficiary owner account, execute online trade in both DSE and CSE, gather market updates and information.

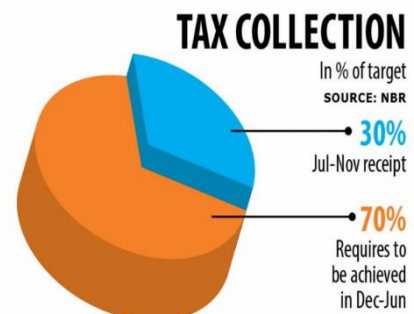
<https://www.thedailystar.net/business/news/lankabangla-securities-continues-being-top-broker-dse-cse-2931456>

Economy & Industry

Tax receipts rise, still below target

The Daily Star, January 04, 2022

- Revenue collection grew 11 per cent year-on-year in November powered by the revival of economic activities and higher income tax payments by individuals ahead of the return submission deadline. In November this fiscal year, taxmen collected Tk 21,104 crore, up from Tk 19,064 crore in the same month a year ago, according to data from the National Board of Revenue (NBR).
- With November's receipts, total tax collection by the NBR stood at Tk 100,573 crore since July, the first month of fiscal year 2021-22, registering a 15 per cent year-on-year growth during the period.
- The amount was 81 per cent of the NBR's collection target for the period and 30 per cent of the whole year's revenue collection goal of Tk 330,000 crore.



- The tax collector will be required to collect Tk 229,427 crore during the remaining seven months of the fiscal year in order to hit the target.
- The NBR would be required to increase revenue collection at a rate of 32.9 per cent for the remaining seven months of the fiscal year. As a result, he said, overall revenue mobilisation and hence, the execution of the programmed budget, will continue to remain challenging in FY2022.
- The NBR data showed that surging imports continued to provide impetus as collection from customs tariff shot up 19 per cent year-on-year to Tk 32,866 crore in the July-November period of the current fiscal year. Imports climbed 51 per cent in the July-October period, according to Bangladesh Bank data.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-rise-still-below-target-2931846>

Loan moratorium extended until 15 Jan – informally

The Business Standard, January 03, 2021

- Borrowers have until 15 January to avoid being classified as loan defaulters by paying at least 15% of their instalments for 2021. Earlier, the Bangladesh Bank asked them to pay the minimum amount within 31 December 2021, otherwise, they would be categorised as loan defaulters – a negative marking for which they would face barriers in getting loans and availing other facilities in future.
- The Banking Regulation and Policy Department of the central bank on Monday, informally instructed banks about the extension of the moratorium – so that they can realise the highest amount of loan repayment and minimise the number of defaulters, officials familiar with the matter told The Business Standard.
- The officials did not want to be named as the central bank did not issue any circular in this regard. The Bangladesh Bank on 30 December set a loan moratorium facility for all borrowers at 15% of their total repayable loans in 2021, backtracking from its earlier decision of 25% for large borrowers, in the face of pressure from businessmen and bank owners.
- The decision was made at a meeting between the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Bangladesh Association of Banks (BAB) with the central bank governor. Earlier on 14 December, the central bank issued a circular that says borrowers under the loan moratorium facility will not be considered defaulters if they pay 25% of the payable amount for the year.

<https://www.tbsnews.net/economy/banking/loan-moratorium-extended-until-15-jan-informally-352717>

International

Bitcoin faces uncertain 2022

The Daily Star, January 04, 2021

- The price of bitcoin hit record highs in 2021 thanks to support from traditional finance, but cryptocurrency specialists are struggling to predict next year's outcome for the volatile sector. Having more than trebled in value to \$60,000 between December 2020 and April, bitcoin has lost some shine to trade at under \$50,000 heading into the new year.
- "The current choppy and directionless price action with a possibility of further pressure to the downside has introduced a lot of uncertainty to the digital asset market," noted Loukas Lagoudis, executive director at cryptocurrency investment fund ARK36. He added, however, that "sustained adoption of digital assets by institutional investors and their further integration into the legacy financial systems will be the main drivers of growth of the crypto space" during 2022.
- Bitcoin's rise in 2021 coincided with Wall Street's growing appetite for cryptocurrency. The record high in April occurred with the stock market debut of cryptocurrency exchange Coinbase. October's peak above \$66,000 followed the launch of a bitcoin futures exchange-traded fund on New York Stock Exchange.

<https://www.thedailystar.net/business/global-economy/news/bitcoin-faces-uncertain-2022-2931796>

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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.