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## Stock Market & Company

### Dhaka stocks remain dull before Eid holidays

The Newage, April 30, 2022

- Dhaka stocks dipped in the past week after a gain in the previous week as investors went for profit booking before Eid holidays which began on Friday. The prime index of the Dhaka Stock Exchange, DSEX, declined by 0.7 per cent, or 6.7 points over the past week, to close at 6,655.67 points on April 28, the last trading session of the week, after gaining 77.39 points in the previous week.
- Before the gain in the previous week, the DSEX had lost 172.6 points in two weeks. Many investors went for share sales to book profits ahead of Eid holidays. Average share prices of telecommunication, pharmaceutical, cement and non-bank financial institution dropped by 1.5 per cent, 1.3 per cent, 0.4 per cent and 0.1 per cent respectively.
- The DS30, comprised of 30 large capitalised companies, decreased by 17.31 points to finish at 2,460.77 points and the DSE Shariah Index, DSES, also shed 17.64 points to close at 1,446.98 points.

- The daily average turnover, a key indicator of the investors' participation, advanced to Tk 811.58 crore in the week compared with that of Tk 548 crore in the previous week. Bangladesh Export Import Company Limited was the most traded company with shares worth Tk 249 crore changing hands.
- JMI Hospital Requisite Manufacturing Company, IPDC Finance, Orion Pharma, Bangladesh Shipping Corporation, Sonali Paper, Unique Hotel and Resorts, LafargeHolcim Bangladesh, Provati Insurance, Doreen Power Generation and Systems were the other turnover leaders.

<https://www.newagebd.net/article/169466/dhaka-stocks-remain-dull-before-eid-holidays>

## **BSEC plans to allow brokerage firms to float IPO**

The Newage, April 30, 2022

- The Bangladesh Securities and Exchange Commission is working to allow brokerage firms to raise capital through issuing initial public offering and to be listed on the stock exchange. The BSEC in a meeting with senior officials of brokerage houses on April 27 announced the plan, BSEC officials said.
- They said that the commission suggested that the stockbrokers should enhance their capacity by raising capital through IPO or bonds. In the plan, the BSEC are giving more focus on brokerage houses which are subsidiaries of banks and are doing better business.
- The commission would also encourage brokerage houses to offload at least 51 per cent of their paid up capital in the stock market to turn into associate companies from subsidiaries of banks. Banks' associate companies and their investment activities are excluded from their capital market investment exposure.
- So, a large sum of funds would be freed from the banks' capital market exposure and allow banks to inject more funds into the stock market, BSEC officials said. However, market experts criticised the BSEC move as it would a conflict of interest if brokerage houses are enlisted on the market and they trade their own shares.

<https://www.newagebd.net/article/169465/bsec-plans-to-allow-brokerage-firms-to-float-ipo>

## **Union Capital's liabilities exceed assets**

The Financial Express, April 29, 2022

- Union Capital, a listed non-bank financial institution, incurred a net loss over Tk 1.43 billion during the year ended on December 31, 2021 while the company's retained loss stood at nearly Tk 2.90 billion.
- The non-bank financial institution's total liabilities exceeded its total assets by Tk 722.16 million, according to its auditor's report posted on Dhaka Stock Exchange (DSE) website on Thursday. Its financial statements showed net assets value per share (NAV) Tk 4.18 in negative, earnings per share (EPS) Tk 8.32 in negative and capital adequacy ratio (CAR) 3.05 per cent also in negative respectively.
- Referring to the Bangladesh Bank regulations, the regulatory capital (core capital & supplementary capital) should have been maintained at about Tk 1.69 billion. However, the eligible capital of the company is Tk 515.16 million in negative.
- The NAV for 2021 has been decreased from the previous year due to incurring loss of about Tk 1.43 billion during 2021 and the main reasons for this loss are extra provision required for increased NPL and less interest income, said the company.

<https://thefinancialexpress.com.bd/stock/union-capitals-liabilities-exceed-assets-1651201207>

## **CMSF settles 93pc of total claims**

The Financial Express, May 01, 2022

- Capital Market Stabilisation Fund (CMSF) has settled 93 per cent of total claims so far lodged with the fund authority to receive undistributed dividends. The CMSF, earlier formed to settle investors' claims on dividend along with providing liquidity support for the country's stock market has settled the claims in two phases.
- The fund settled 30 claims on April 28 in the second phase depositing cash dividend worth Tk 2.01 million into the accounts of investors who lodged claims with the fund authority.

- The Bangladesh Securities and Exchange Commission in a gazette notification on June 27 issued rules for the CMSF to help revitalise the market along with settling investors' claims on undistributed/unsettled dividends. The CMSF comprises of undistributed or unsettled dividends such as cash, stock and rights.
- Apart from settling investors' claims, the CMSF has also injected Tk 1.5 billion into the stock market through Investment Corporation of Bangladesh (ICB). The ICB received Tk 1.0 billion in first phase and Tk 500 million in second phase.

<https://thefinancialexpress.com.bd/stock/cmsf-settles-93pc-of-total-claims-1651375337>

## Brac Bank approves 15pc dividend

The Daily Star, April 29, 2022

- Brac Bank shareholders yesterday approved 15pc dividend--7.50pc in the form of cash and 7.50pc in stock -- for 2021. The approval came at its 23rd annual general meeting held virtually, says a press release.
- The shareholders were informed that the bank registered a net profit after tax of Tk 555 crore.

<https://www.thedailystar.net/business/economy/banks/news/brac-bank-approves-15pc-dividend-3014756>

## Mercantile Bank approves 17.5pc dividend

The Daily Star, April 29, 2022

- Mercantile Bank yesterday approved 12.5 per cent cash and 5 per cent bonus dividends for 2021 at its 23rd annual general meeting held virtually from its head office.
- The meeting was presided over by Morshed Alam, chairman of the board of directors, while Managing Director and CEO Md Quamrul Islam Chowdhury, and other officials were present, says a press release.

<https://www.thedailystar.net/business/economy/banks/news/mercantile-bank-approves-175pc-dividend-3014776>

## Envoy to set up R&D lab with Spanish company

The Daily Star, April 29, 2022

- Envoy Textiles is going to set up an eco-efficient lab facility in a joint venture with Spanish textile solutions provider Jeanologia to develop new products to cater to the global market for denim. Investors responded positively to its disclosure yesterday as Envoy shares rose 1.86 per cent to Tk 43.7 at Dhaka Stock Exchange (DSE).
- The leading textile exporter said it decided to go for signing a know-how transfer and collaboration agreement with Jeanologia to set up the lab at Envoy's factory premises. The initial investment for the project would be €270,000 (Tk 3 crore) for 12 months. The contract is subject to renewals, according to a filing by the Envoy at the DSE.
- Envoy's profit after tax rose over threefold year-on-year to Tk 35.56 crore in the nine months ending in March 2022. The textile producer posted a 47 per cent increase in sales to Tk 889 crore in the July-March period of the financial year ending in June 30, this year.

<https://www.thedailystar.net/business/economy/stock/news/envoy-set-rd-lab-spanish-company-3014796>

## Reckitt Benckiser approves 1650% cash dividend

The Business Standard, April 30, 2022

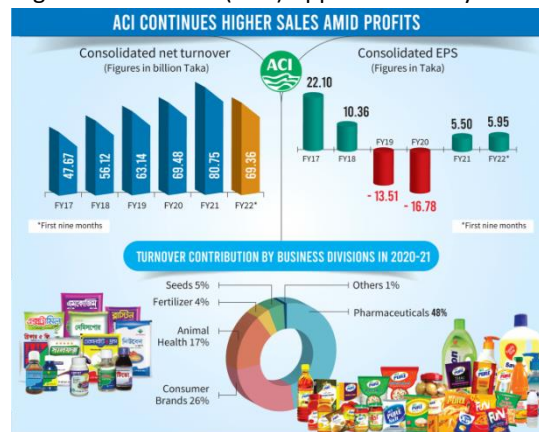
- Reckitt Benckiser (Bangladesh) PLC approved a 1650% cash dividend for the year 2021. The approval came at the 61st annual general meeting (AGM) held virtually on 27 April with the participation of all shareholders of the company, reads a press release.
- Shareholders also approved the Audited Financial Statements for the same year ending 31 December.

<https://www.tbsnews.net/economy/stocks/reckitt-benckiser-approves-1650-cash-dividend-412210>

## ACI gets first US FDA approval

The Business Standard, May 01, 2022

- Advanced Chemical Industries (ACI) received the first-ever US Food and Drug Administration (FDA) approval for any of its drug manufacturing facilities, paving its way to better position itself in the world's most stringent and profitable pharmaceuticals market.
- ACI Ltd in its public disclosure on Wednesday said its subsidiary ACI Healthcare Ltd, established at Tripordi, Sonargaon of Narayanganj, got the US FDA approval to manufacture the anticonvulsant capsule Gabapentin and export it to the USA.
- Focusing on portfolio and top-line growth, ACI nearly doubled its annual turnover in the last five years and for the first nine months of this fiscal year, the net turnover of the group stood at Tk6,936 crore, signalling to well surpass that of the previous year in 12 months.
- In the January-March quarter, ACI posted 20% consolidated revenue growth year-on-year, while net profit attributed to shareholders grew by 45% compared to that in the same quarter last year.
- The company posted consolidated earnings per share (EPS) of Tk0.44 for the third quarter of the current fiscal year, which was Tk0.3 a year ago. For the first nine months of the fiscal year, consolidated EPS which includes the calculation of all subsidiary and associate companies stood at Tk5.95, up from Tk3.07 over the same period a year ago.



<https://www.tbsnews.net/economy/stocks/aci-gets-first-us-fda-approval-412322>

## Associate firm's income helps Ifad Autos to post stellar profit in Q3

The Business Standard, April 30, 2022

- Ifad Autos Limited, the Bangladeshi dealer for Indian automotive company Ashok Leyland, reported that its profit jumped on its associate company's income in the third quarter of FY22. According to the company's January-March quarter financial statement, Ifad Autos' net profit grew by 149% to Tk32.39 crore compared to the same time in the previous year.
- In that quarter, Ifad Autos earned Tk20.42 crore from its associate company – Ifad Multi Products Limited, which is engaged in the food processing business. The commercial vehicle seller acquired a 40% stake in Ifad Multi Products by investing Tk80 crore at the end of the last year.
- Ifad Autos' commercial vehicle sales also increased by 6% to Tk260.96 crore in the January-March quarter of the current fiscal. At the end of the first three-quarters of FY22, its total revenue was Tk674 crore and its net profit was Tk56.93 crore, which was 3% and 4% higher respectively compared to the same period of the previous fiscal.
- The price of Ifad Autos' shares slightly fell on the Dhaka Stock Exchange on Thursday and closed at Tk45.8. Recently, the company signed a land-lease agreement with the Bangladesh Economic Zones Authority (Beza) intending to expand its manufacturing facilities on 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar.

<https://www.tbsnews.net/economy/stocks/associate-firms-income-helps-ifad-autos-post-stellar-profit-q3-412318>

## HeidelbergCement incurs loss in March quarter due to competition and cost hike

The Business Standard, April 30, 2022

- HeidelbergCement Bangladesh Ltd incurred a loss of Tk16.77 crore in the January-March quarter of this year due to an increase in the prices of raw materials and intense competition in the cement industry. According to its financial statements, the company's revenue also fell by 2% to Tk541.77 crore in the quarter.
- In 2021, it returned to profit from losses and recommended a 26% cash dividend for its shareholders. In the last year, its earnings per share stood at Tk8.41. It also set the annual general meeting for 27 June for approving the dividend and audited financial statements from the shareholders. The record date is 31 May. On Thursday, its share price fell by 3.3% and closed at Tk264.9 per share on the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/heidelbergcement-incurs-loss-march-quarter-due-competition-and-cost-hike>

## 12 listed firms declare dividends for 2021

The Business Standard, April 28, 2022

- Twelve companies listed on the capital market of the country have declared dividends for their shareholders for the year 2021. The firms are Standard Bank, Export-Import (Exim) Bank of Bangladesh, South Bangla Agriculture and Commerce Bank (SBAC), HeidelbergCement Bangladesh, Marico Bangladesh, Federal Insurance Company, Bangladesh National Insurance Company, Phoenix Insurance Company, Northern Insurance Company, Pioneer Insurance Company, Republic Insurance Company, and Rupali Insurance Company.
- Standard Bank has recommended 6% dividends – 3% cash and 3% stock – for 2021. Export-Import (Exim) Bank of Bangladesh has recommended 10% cash dividends. South Bangla Agriculture and Commerce Bank (SBAC) has recommended 4% dividends – 3% cash and 1% stock – for its shareholders for the year 2021.
- HeidelbergCement Bangladesh has recommended 26% cash dividends for its shareholders for the year 2021. Marico Bangladesh has recommended 200% final cash dividends for its shareholders for 2021. Earlier, the firm had declared 600% interim cash dividends for its shareholders in the year. Federal Insurance Company has recommended 10% cash dividends for its shareholders for 2021.

<https://www.tbsnews.net/economy/stocks/12-listed-firms-declare-dividends-2021-411330>


## Economy & Industry

### How NBFIs charging extra interest on loans flouting agreements

The Business Standard, May 01, 2022

- A review of the interest rates of deposits and loans of non-bank financial institutions (NBFIs) in recent times shows that the financial expenditure of some NBFIs has been increasing unreasonably as they have been taking deposits at high interest rates. As a result, the NBFIs have to charge high interest rates on loans, leaving a negative impact on the overall economy by reducing the ability of consumers to repay their loans, increasing the amount and rate of defaulted loans and hampering productions.
- In this situation, the central bank in April this year set the maximum interest rate on deposits at NBFIs at 7% and the maximum lending rate at 11%, which will be effective from 1 July.
- According to an inspection report by the Bangladesh Bank, four NBFIs have collected deposits at more than 12% interest in the last one year.
- Besides, six NBFIs accepted deposits at interest rates between 12% and 13% for the last three years. These institutions are Bangladesh Industrial Finance, Fareast Finance and Investment, First Finance, Hajj Finance, Peoples Leasing, and Union Capital.
- Meanwhile, an analysis of loan disbursement shows that the lending rate of eight financial institutions has been in the range between 17% and 18%. This list of such NBFIs include Midas Financing, Phoenix Finance & Investments, and Premier Leasing apart from the aforementioned institutions.

INSTITUTIONS	TRADE AND COMMERCE	INDUSTRY	HOUSING	OTHERS
Bangladesh Industrial Finance	17%	15%	15%	17%
Fareast Finance & Investment	18%	18%	17%	16%
First Finance	18%	18%	18%	10%
Midas Financing Ltd	17%	15%	14%	16%
Peoples Leasing	17%	17%	17%	17%
Phoenix Finance & Investments	17%	17%	17%	17%
Premier Leasing	17%	16%	17%	17%
Union Capital	18%	17%		9.52%



<https://www.tbsnews.net/economy/how-nbfis-charging-extra-interest-loans-flouting-agreements-412526>

## Remittance inflow rises ahead of Eid

The Daily Star, May 01, 2022

- Remittance inflow has increased ahead of Eid-ul-Fitr as Bangladesh received \$ 1.82 billion remittance from April 01-27. Bangladesh Bank is expecting that the figure will exceed USD \$ 2 billion as expatriates are sending additional money for their relatives ahead of Eid-ul-Fitr.
- Bangladesh received \$ 1.87 billion in July, \$ 1.81 billion in August, \$ 1.72 billion in September, \$ 1.64 billion in October and \$ 1.55 billion in November, \$ 1.63 billion in December, \$ 1.70 billion in January, \$ 1.14 billion in February of FY 22. In March 2022, the expatriates sent a \$ 1.86 billion remittance. The inward remittance inflow of the last nine months of FY22 saw a decreasing trend compared to the corresponding months in the FY21.
- In the same period of FY21, the remittance inflow was \$ 2.59 billion in July, \$ 1.96 billion in August, \$ 2.15 billion in September, \$ 2.10 billion in October, \$ 2.07 billion in November, \$ 2.05 billion in December, \$ 1.96 billion in January, \$ 1.78 billion in February and \$ 1.91 billion in March.

<https://www.newagebd.net/article/169486/remittance-inflow-rises-ahead-of-eid>

## International

### Wall Street ends April with more losses, Amazon shares dive

The Newage, April 30, 2022

- Wall Street stocks concluded a bruising April on an ugly note Friday following disappointing results from Amazon, while European and Asian markets forged higher. Amazon plunged 14.1 per cent after offering a disappointing forecast as it battles rising costs amid slowing growth compared with earlier in the pandemic. The company reported its first loss since 2015.
- The results were the latest in a mixed bag of earnings from large tech stocks, which are widely held and play an important role in major indices. 'Amazon was the latest to catch Wall Street off guard, reporting its first loss since 2015 amid a multitude of challenges facing the company,' said Craig Erlam, analyst at forex platform OANDA.
- The company's downcast outlook 'reminded investors about the slowing growth prospects in an inflationary environment,' Briefing.com said. Declines by Amazon and other tech giants Apple and Intel contributed to a 4.2 per cent drop in the Nasdaq. The tech-rich index has fallen 13 per cent in April.
- For equity markets, 'an abundance of headwinds remained, most notably expectations of an aggressive Fed tightening cycle, lockdowns in China, persisting inflation concerns, rising interest rates and the recent jump in the US dollar,' Charles Schwab investment bank said.

<https://www.newagebd.net/article/169470/wall-street-ends-april-with-more-losses-amazon-shares-dive>



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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).

## 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

### Chattogram Branch

Bank Asia Bhaban (3rd Floor)  
39, Agrabad Commercial  
Area  
Chattogram-4001  
Tel : +8801730338091

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](mailto:research@basl-bd.com).