

## Key News

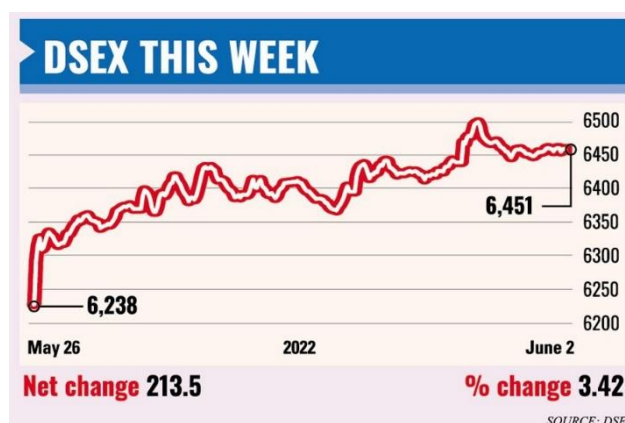
- ✓ [Weekly market review: Stocks bounce back after four weeks of losses](#)
- ✓ [BEXIMCO's sukuk to give 5.8pc return for first 6 months](#)
- ✓ [BSEC to take stern steps if cos fail](#)
- ✓ [LankaBangla Finance declares 10pc dividend](#)
- ✓ [Singer leases land in Rupganj for new factory](#)
- ✓ [Brac Bank posts Tk134 crore profit for Q1 of 2022](#)
- ✓ [BSEC to probe dividend disbursement anomalies of New Line Clothings](#)
- ✓ [CSE gets new MD after eight months](#)
- ✓ [Govt to miss inflation targets in FY22, next year](#)
- ✓ [Govt urged to be efficient on non-dev spending from bank loans](#)
- ✓ [Global stocks rise ahead of US jobs data](#)

## Stock Market & Company

### Weekly market review: Stocks bounce back after four weeks of losses

The Financial Express, June 04, 2022

- The equities benchmark index bounced back in the week to Thursday after four consecutive weeks of losses as the Dhaka bourse tried to recover from sell-off with the increased participation of investors. Among the major sectors, general insurance saw the highest gain on the Dhaka Stock Exchange (DSE). Week on week, the benchmark DSEX index jumped 213.55 points or 0.32 per cent to settle 6451.53 on Thursday. In the previous four weeks, the DSEX shed a total of 424 points.
- Two other DSE indices also closed higher -- the Shariah-based DSES index ended at 1415.72, gaining 3.06 per cent or 42.01 points while the blue-chip DS30 index rose 2.09 per cent or 48.30 points to finish at 2355.68.
- Of the 393 issues traded, 356 advanced and 22 declined while nine others remained unchanged. Six issues were not traded on the premier bourse this week. The market capitalization on the DSE stood at Tk 5.20 trillion on Thursday, up 2.42 per cent from the previous week. During the week, the premier bourse posted a daily average turnover of Tk 7.85 billion, which was 28.55 per cent higher than in the previous week.



- Investors' participation was concentrated mostly on pharmaceuticals and chemicals sector which accounted for 14.5 per cent of the weekly market turnover, followed by miscellaneous (13.5 per cent), textile (11.5 per cent) and financial institutions (10.7 per cent).
- Beximco topped the weekly turnover chart with a value of over Tk 2.5 billion. Rahima Food Corporation was the week's top gainer, rising 32.01 per cent to close at Tk 296.90 each, while EXIM Bank was the worst loser, shedding 7.4 per cent to close at Tk 11.20 each.

<https://thefinancialexpress.com.bd/stock/weekly-market-review-stocks-bounce-back-after-four-weeks-of-losses-1654318274>

## **BEXIMCO's sukuk to give 5.8pc return for first 6 months**

The Newage, June 04, 2022

- Beximco Green Sukuk al Istisna'a will give 5.8 per cent or Tk 174 crore as return to its sukukholders for the first six months of the first year (December 23, 2021 to June 22, 2022). The trustee Investment Corporation of Bangladesh made the decision at a trustee committee meeting on June 2.
- The trustee set June 22 as record date for finding the eligible sukukholders for the entitlement of the return. The 5.8 per cent return would be payable on face value of sukuk Tk 100 each. Earlier on July 8, 2021, the BSEC gave approval to BEXIMCO for issuing Tk 3,000 crore Shariah-compliant green Sukuk and the sukuk made debut on January 13 this year.
- Beximco Green Sukuk al Istisna'a is issued by Beximco Green-Sukuk Trust as an asset backed Shariah compliant security and the proceeds received from the subscription will be utilised for solar projects of Teesta Solar Ltd and Korotoa Solar Ltd. The tenure of the green Sukuk is five years or 60 months from the issuance date.

<https://www.newagebd.net/article/172428/beximcos-sukuk-to-give-58pc-return-for-first-6-months>

## **BSEC to take stern steps if cos fail**

The Newage, June 01, 2022

- The Bangladesh Securities and Exchange Commission has decided to take stern measures if companies, especially banks, fail to transfer unclaimed shares to capital market stabilisation fund within next seven days. If the companies fail to transfer shares within the stipulated time, the non-compliant companies would be barred from transferring or selling shares of unclaimed dividend without prior approval of the commission, BSEC officials said.
- If the companies including banks would not willingly send those shares to the CMSF, the BSEC would forcefully take away the unclaimed share dividends from CDBL system and deposit it to the CMSF, they said. Although the deadline ended on May 31, many companies failed to transfer the dividends to CMSF.
- Most of the listed banks and non-bank financial institutions are yet to transfer 147 crore shares, or 82 per cent of the total unclaimed dividends, to the capital market stabilisation fund. According to the latest CMSF data, around 190 crore unclaimed stock dividends worth Tk 7,769 crore have remained due to be transferred.
- So far, the CMSF has received only 3.63 crore shares worth Tk 337.38 crore and Tk 460 crore in cash dividends. The received unclaimed stock dividend is only 1.98 per cent of the total undistributed stock dividends.

<https://www.newagebd.net/article/172425/bsec-to-take-stern-steps-if-cos-fail>

## **LankaBangla Finance declares 10pc dividend**

The Daily Star, June 03, 2022

- Shareholders of LankaBangla Finance have approved 10 per cent cash dividend for 2021. At a 25th annual general meeting at the company's head office on Monday, the shareholders also approved audited financial statements of the non-banking financial institution for the year.
- Chairman Mohammad A Moyeen presided over the meeting while Managing Director Khwaja Shahriar was present, said a press release.

<https://www.thedailystar.net/business/organisation-news/news/lankabangla-finance-declares-10pc-dividend-3038216>

## Singer leases land in Rupganj for new factory

The Daily Star, June 03, 2022

- Singer Bangladesh has entered into an agreement with Bangladesh Special Economic Zone (BSEZ) to take lease of 35 acres of land in Rupganj of Narayanganj to establish a manufacturing complex. The listed multinational electronics and home appliance maker yesterday informed shareholders of the agreement.
- In last March, Singer Bangladesh approved a budget for establishing a new manufacturing facility in order to increase its manufacturing capacity. The land would be used for that purpose.
- The budget approved by the board of directors was of around €71 million, equivalent to Tk 680 crore, according to another disclosure posted on the Dhaka Stock Exchange (DSE) website that month. The investment will be financed from internal sources, bank financing and foreign and local borrowing.
- The company has reserves and surpluses of Tk 241 crore, according to the DSE data. The proposed manufacturing facilities would cater to the increasing local demand with a competitive price and would also contribute to the company's growth, it added.

<https://www.thedailystar.net/business/organisation-news/news/singer-leases-land-rupganj-new-factory-3038236>

## Brac Bank posts Tk134 crore profit for Q1 of 2022

The Business Standard, June 04, 2022

- Brac Bank has registered a Profit After-Tax (PAT) of Tk134 crore in the first quarter (January-March) of 2022 on a standalone basis. On a consolidated basis, the bank generated a PAT of Tk97 crore during the first three months of 2022.
- The bank announced its financial results for the first three months of 2022 along with other performance and operational achievements in a virtual earnings disclosure event on 30 May. Local and foreign investment analysts, portfolio managers and capital market experts joined the event which was broadcast live on social media for the bank's stakeholders.

<https://www.tbsnews.net/economy/banking/brac-bank-posts-tk134-crore-profit-q1-2022-433050>

## BSEC to probe dividend disbursement anomalies of New Line Clothings

The Business Standard, June 02, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) is going to look into the anomalies in dividend disbursement for fiscal 2020-21 of New Line Clothings Ltd, a publicly listed apparel manufacturer. The commission issued a letter to the company in this regard on Wednesday.
- It has formed a three-member inquiry committee consisting of its Deputy Director Md Sirajul Islam, Assistant Director Mehedi Hasan Rony, and Dhaka Stock Exchange (DSE) Deputy Manager Gias Uddin. Sources said BSEC received complaints from some of New Line's shareholders who did not receive any dividends from the company in the last fiscal year.
- The company says it has disbursed dividends - 12.25% in cash - to its shareholders in March this year. The inquiry committee will look for answers to why some investors did not get dividends and will submit its findings to BSEC within 30 working days.
- In the January to March quarter of FY22, the company's revenues stood at Tk58.15 crore, which was Tk58.92 crore for the same period in the previous fiscal. During the period, its net profits stood at Tk4.04 crore, which was Tk3.11 crore in the same quarter of the previous year. Its earnings per share stood at Tk0.52, net asset value per share Tk24.80, retained earnings Tk80.83 crore, and total liabilities were Tk154.78 crore as of 31 March 2022.

<https://www.tbsnews.net/economy/stocks/bsec-probe-dividend-disbursement-anomalies-new-line-clothings-431958>

## CSE gets new MD after eight months

The Business Standard, June 02, 2022

- Shawkat Hossain, former general secretary of the Venture Capital and Private Equity Association of Bangladesh, has been appointed as the managing director (MD) of the Chittagong Stock Exchange (CSE). The Bangladesh Securities and Exchange Commission (BSEC) has approved his appointment as the managing director and, on Thursday, sent a letter to the port city bourse to this end.
- Shawkat Hossain, who is currently serving as the managing director of BD Ventures Limited, has 35 years of experience in banking, venture capital, financial management and accounting. The Board of Directors of CSE had earlier finalised Shawkat Hossain for the post of managing director and then sent a proposal to the commission for its approval. He will serve as the managing director of the port city bourse for the next three years.

<https://www.tbsnews.net/economy/stocks/cse-gets-new-md-after-eight-months-431978>

## Economy & Industry

### Govt to miss inflation targets in FY22, next year

The Daily Star, June 05, 2022

- The government has set an inflation target of 5.5 per cent for the next fiscal year although the prices of basic commodities are sitting at elevated levels for higher commodities prices globally amid lingering supply chain disruptions and the Russia-Ukraine war. And economists say the goal for FY2022-23 might not be achieved and containing inflation will be a major challenge for the government in the coming months as a result.
- The government is set to miss the revised inflation target of 5.7 per cent for the fiscal year ending in June this year. It had set a 5.3 per cent inflation target at the start of the fiscal year.
- Inflation has been increasing gradually since October, rising from 5.4 per cent in the month to 5.81 per cent in April on average, according to data from the Bangladesh Bureau of Statistics (BBS).
- Point-to-point, inflation shot up to 6.29 per cent in April, the highest in 18 months. It was 6.22 per cent in March.
- In a report recently, the finance ministry said inflationary pressures might be noticed primarily on the price level of basic commodities in the local markets because of the price hike of commodities globally. However, if food production, including that of rice, remains unchanged next fiscal year like a year ago, the prices of basic commodities will also decline and it will not have any adverse impact on inflation.

### DRIVERS OF INFLATION



### HIKE IN THE PAST 12 MONTHS

	US	UK	Germany	India	Sri Lanka	Pakistan	Bangladesh
From	4.2pc	1.5pc	2pc	4.2pc	5.5pc	11.1pc	5.6pc
to	8.3pc	9pc	7.4pc	7.8pc	33.8pc	13.4pc	6.3pc

### AVERAGE INFLATION



<https://www.thedailystar.net/business/economy/news/govt-miss-inflation-targets-fy22-next-year-3039486>

### Govt urged to be efficient on non-dev spending from bank loans

The Business Standard, June 04, 2022

- Economists have urged the government to check wastage in non-development budget spending for the maximum use of bank borrowing. "Banks feel comfortable to lend to the government, not the small ventures. It is actually a loss for our country," Salehuddin Ahmed, former governor of the Bangladesh Bank, told a webinar on Saturday. The BIBM Certified Bankers Alumni Association (BCBAA) organised the programme.
- The former central bank governor claimed the country's loan burden is increasing. "It is important to ensure that we use the loan as needed, and we check the wastage, especially in non-development budget spending."

- The government plans to secure Tk141,818 crore in loans from different domestic sources to tackle the deficit in the upcoming national budget for the 2022-23 financial year. Out of the total Tk141,818 crore domestic source target, Tk101,818 crore will come from banking sector and the rest Tk40,000 crore from the other sources of loan, including savings certificates, as per finance ministry sources. The former governor said the government's bank borrowing is increasing as the revenue collection was not enough to cover the budget deficit.
- Stressing on extensive scrutiny of foreign loans, he said undertaking more mega-projects will certainly invite more foreign loans. "We need to consider whether our ongoing foreign funded mega-projects would weigh on us in future since the spiralling exchange rates of US Dollar will keep mounting pressure on the economy."

<https://www.tbsnews.net/economy/banking/govt-urged-be-efficient-non-dev-spending-bank-loans-433130>

## International

### Global stocks rise ahead of US jobs data

The Newage, June 03, 2022

- Asian and European stock markets rose on Friday as investors awaited a key US jobs report that could provide fresh clues about central bank action against inflation. The Frankfurt DAX and Paris CAC 40 both climbed by 0.3 per cent in midday trading.
- Tokyo and other Asian indices closed higher. London, Hong Kong and Chinese mainland markets were closed for holidays. Oil prices, meanwhile, fell a day after the OPEC+ group of major oil producing nations led by Saudi Arabia and Russia agreed to raise output more than expected in the wake of a European Union ban on most Russian crude.
- All eyes now turn to the US government's non-farm payroll data, due to be published later on Friday. US indices had rallied on Thursday following a weaker-than-expected reading in a separate US private sector jobs report. A rally in beaten-down tech firms also helped drive healthy Wall Street gains. The data from payroll firm ADP sparked hopes that the US Federal Reserve may be less aggressive than initially expected in tightening its monetary policy.
- The Fed has hiked interest rates to combat decades-high inflation but investors worry that more aggressive moves could backfire and hamper economic growth. The Fed is expected to continue tightening monetary policy, with half-point hikes at upcoming meetings. The European Central Bank has indicated it will raise its own rates in July for the first time in over a decade.
- Investors also remain on edge over the knock-on effects of the war in Ukraine and China's zero-Covid policies. Elsewhere, oil prices were up on Friday, with Brent North Sea crude, the international benchmark, rising 0.7 per cent at \$116.66 per barrel.

<https://www.newagebd.net/article/172322/global-stocks-rise-ahead-of-us-jobs-data>

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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

### 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).