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## Stock Market & Company

### Stocks' rally continues

The Daily Star, January 06, 2022

- Dhaka stocks finished higher yesterday compared to the preceding day as traders hoped for the index to better perform in the upcoming days. The benchmark index of Dhaka Stock Exchange (DSE), the DSEX, edged up 36 points, or 0.53 per cent, to 6,929. This is fifth consecutive trading days' rise for the index.
- Investors' participation was higher in the market. Turnover of the premier bourse soared by around 20 per cent to Tk 1,414 crore. At the DSE, 218 stocks advanced, 121 fell and 39 remained the same.
- Bangladesh Shipping Corporation topped the gainers' list, rising 9.94 per cent, followed by Robi Axiata, National Housing Finance and Investments, Bangladesh Thai Aluminum, and Taufika Foods and Lovello Ice-cream.
- Prime Insurance Company stocks shed the most, eroding 5.75 per cent, followed by National Life Insurance Company, Popular Life Insurance Company, Sonali Paper and Board Mills, and Sonali Life Insurance Company. Stocks of Beximco were traded the most, worth Tk 100 crore, followed by Bangladesh Shipping Corporation, Fortune Shoes, Power Grid Company of Bangladesh, and Saif Powertec.
- The stock bourse of Dhaka continued its gaining streak as the buoyant investors went on a purchase spree in sector-specific stocks, said International Leasing Securities in its daily market review. Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the bourse of the port city, rose 172 points, or 0.85 per cent, to 20,326.

<https://www.thedailystar.net/business/economy/stock/news/stocks-rally-continues-2933476>

## BSEC now mulls market-set interest rates for margin loans

The Business Standard, January 05, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) considers retreating from its January 2021 notification that announced to cap the interest rate against margin loans at 12%. "Since the situation has changed a lot in a year, the regulator is now thinking about leaving the rate to the market," BSEC Commissioner Dr Shaikh Shamsuddin Ahmed told The Business Standard.
- "We are hopeful that the supply factors would drag the margin loans' interest rate down." In the last year, the market has got a large number of new brokerage firms who will need to come up with competitive offers for a position in the brokerage industry.
- "The two factors together should work," he added. The BSEC, allowing a maximum 3% spread over the margin lender broker-merchant banks' cost of funds, had capped the margin loans' interest rate at 12%, keeping in mind the 9% cap in banks' lending rate.
- But a large number of broker-merchant banks can borrow only from non-bank financial institutions where the 9% cap is not applicable. Bangladesh Merchant Bankers Association in a letter to the BSEC said earlier that the 12% cap would drastically limit their ability to provide fresh loans to the investors.

<https://www.tbsnews.net/economy/stocks/bsec-now-mulls-market-set-interest-rates-margin-loans-353677>

## Two insurers' shares keep rising sans PSI

The Financial Express, January 05, 2021

- Two general insurers -- Prime Insurance Company and Asia Insurance--are witnessing an unprecedented price hike and increase in volume of shares despite no undisclosed price sensitive information (PSI). Besides, Bangladesh Shipping Corporation's (BSC) stock price jumped over 84 per cent or Tk 40 each within a month to close at Tk 86.50 on Tuesday, riding on higher profits in the last fiscal year.
- The state-run corporation has reported a 73.67 per cent increase in its net profit during the fiscal year (FY) 2020-2021 to Tk 719.9 million thanks to a surge in shipping fares, and a decrease in ship operating costs. Within a month, Prime Insurance's share price rose more than 45 per cent or Tk 27 each to close at Tk 86.90 on Tuesday.
- The company's share price was Tk 59.90 a month earlier on December 5, 2021. Its share price traded between Tk 27.60 and Tk 89.20 each in the last one year, according to Dhaka Stock Exchange (DSE). Following the 'abnormal' price hike, the DSE served show-cause notice on the company recently.

<https://thefinancialexpress.com.bd/stock/two-insurers-shares-keep-rising-sans-psi-1641356820>

## BSEC accords consent to exit plan of Beximco Synthetics

The Financial Express, January 06, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has accorded its consent to the proposed exit plan of Beximco Synthetics purchasing the ordinary shares of the company, a disclosure said. According to the regulatory approval, the company will execute its exit plan in line with the existing rules formulated in 2020.
- As per a previous disclosure, the company applied in November last to the securities regulator seeking its consent-in-principle for the exit plan of above 55.77 million securities.
- Dr. Shaikh Shamsuddin Ahmed, a BSEC commissioner, said Beximco Synthetics will have to purchase the ordinary shares at an offer price of at least Tk 10 each. The existing rules also say that the offer price for purchasing securities under the exit plan shall be at least face value in case of such securities traded below the par or face value subject to the approval of the commission.
- On the last trading session, the share price of Beximco Synthetic closed at Tk 8.40 each. As a result, the company will have to purchase 55.77 million shares at an offer price of Tk 10 each. As per the existing rules, the stock exchange(s) will be responsible for ensuring all compliances relating to execution of the exit plan.

<https://thefinancialexpress.com.bd/stock/bsec-accords-consent-to-exit-plan-of-beximco-synthetics-1641441208>

## Bangladesh Finance to open Shariah-based wing

The Financial Express, January 06, 2021

- The central bank has allowed the listed company Bangladesh Finance to open Islami shariah-based wing in six branches including the principal one. Bangladesh Finance has received approval from the central bank for opening this wing.
- As per the regulatory approval, the company will open Islami shariah-based wing in its Principal Branch, Bangshal Branch, Uttara Branch, Gazipur Branch, Chattogram Branch and Jashore Branch.
- "Bangladesh Finance has already formulated policies regarding shariah manuals, implementation of separate Islamic CBS (Core Banking Solutions), formation of shariah supervisory committee, deposit receiving, and income distribution in line with the conditions set by the central bank," Md. Kyser Hamid, managing director at Bangladesh Finance, said in a release.
- The Bangladesh Finance, presently an 'A' category company, was listed with the stock exchanges in 2007. The company's sponsor-directors hold 30.08 per cent shares, institutes 17.24 per cent, and general shareholders 51.88 per cent as on November 30, 2021. The company's share price closed at Tk 55.70 each on Wednesday with a rise of 1.46 per cent on the Dhaka Stock Exchange (DSE).

<https://thefinancialexpress.com.bd/stock/bangladesh-finance-to-open-shariah-based-wing-1641441024>

## Shipping Corporation share price doubles in a month

The Business Standard, January 05, 2022

- The share price of Bangladesh Shipping Corporation (BSC) — a state-owned ocean-going vessel management company — has almost doubled in the last one month. Its share price was Tk95.1 each on Wednesday, which was Tk47.4 in the previous trading session.
- In the last nine trading sessions, the company's share price jumped by 92% from Tk49.4 on 23 December, 2021 to Tk95.1 yesterday, according to the Dhaka Stock Exchange (DSE) data. On Wednesday, its share price rose by 9.94% compared to the previous day.
- Investors flocked to buy the shipping corporation's shares as it reported a good profit in FY21 as well as in the first quarter of the current fiscal. Recently, the board of the company has approved a 12% cash dividend for FY21. It also reported a 73.67% increase in profit in that fiscal year compared to the previous one due to an increase in shipping rate and a decrease in operation costs.
- The company's share price has been rising continuously since it made the disclosure. The company's profit was Tk71.99 crore in FY21, which was Tk41.46 crore in the previous one.

<https://www.tbsnews.net/economy/stocks/shipping-corporation-share-price-doubles-month-353683>

## Lovello share price jumps 42% in four days

The Business Standard, January 05, 2022

- The share price of Lovello Ice Cream — a brand of publicly listed Taufika Foods and Agro Industries Limited — has soared 42% in the last four trading days. According to the Dhaka Stock Exchange (DSE) data, its share price soared from Tk33.6 on 30 December 2021 to Tk47.8 each on 5 January 2022 (Wednesday).
- On Wednesday, its share price soared by 9.89% compared to the previous trading session. The DSE recently sent a query to the company regarding the sharp rise in its share price.
- In response to the query, Lovello said there is no undisclosed price sensitive information related to the unusual recent hike in its share price.
- Despite the lockdowns during the Covid-19 pandemic, the company posted a 7.6% growth in profit in FY21 compared to the previous fiscal year.



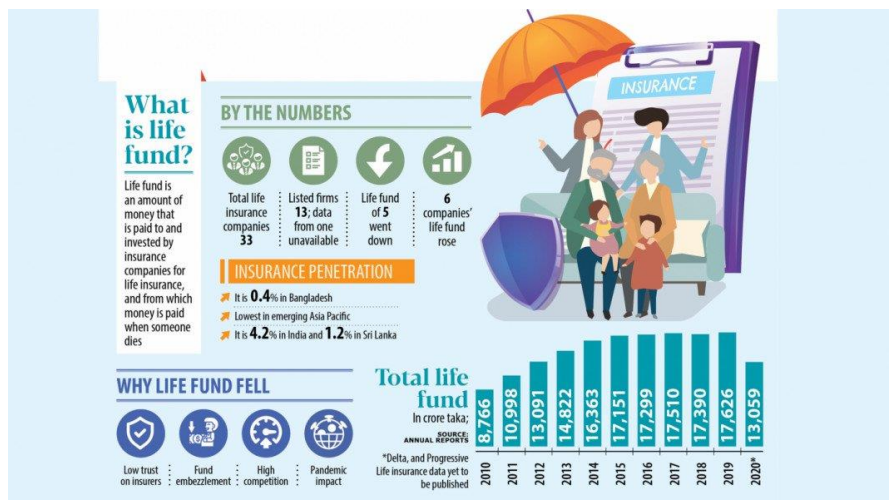
- In its annual general meeting (AGM), the company announced an 11% cash dividend for the shareholders for FY21. In the first quarter of the current fiscal year, the company's net profit rose by 8%. During the period, its earnings per share (EPS) rose to Tk0.40, which was Tk0.37 at the same time as the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/lovello-share-price-jumps-42-four-days-353650>

## LIFE INSURANCE business LIFELESS for long

The Daily Star, January 06, 2022

- Bangladesh's listed insurers' life funds, or portfolios into which policyholder's life assurance premiums are paid and claims are paid out of, have remained nearly the same in amount since 2015. The reason – low trust on whether claims would be met and increased competition from new companies amidst the pandemic.
- Of 33 life insurance companies running with approval, 13 are listed. Of the 13, life funds of five decreased and six slightly increased. Data of one was unavailable.
- Though their business was bearish, share prices were on a bull run the past two years. Ten companies opened in 2014, according to the IDRA.
- They are namely Alpha Islami Life Insurance, Astha Life Insurance Company, Diamond Life Insurance Company, Guardian Life Insurance, Jamuna Life Insurance Company, LIC Bangladesh, NRB Global Life Insurance Company, Swadesh Life Insurance Company, NRB Islamic Life Insurance and Akiy Takaful Life Insurance.
- Delays in the payment of some matured policies' proceeds and claims eroded the trust, said SM Shakil Akhter, executive director and spokesperson of the IDRA.
- Life funds of 12 companies rose just 2 per cent to Tk 17,570 crore between 2015 and 2019. In contrast, it soared 95 per cent to Tk 17,123 crore between 2010 and 2015, revealed their annual reports. This analysis was limited till 2019 as Delta Life Insurance and Progressive Life Insurance are yet to publish their data for 2020.



<https://www.thedailystar.net/business/economy/news/life-insurance-business-lifeless-long-2933501>

## DBA leaders urge for effective initiative to bring MNCs to stock market

The Financial Express, January 05, 2021

- The leaders of the DSE Brokers Association of Bangladesh (DBA) have suggested listing quality companies to boost the capital market, saying there is a crisis of good companies in the stock market. They made the remarks while congratulating the newly elected committee of the Capital Market Journalists' Forum (CMJF), an organisation of journalists working on the capital market.
- They greeted the newly elected leaders at the CMJF's own office in the capital's Purana Paltan on Wednesday. DBA President Richard D' Rozario, Senior Vice President Md. Sajedul Islam, Vice President Md. Saifuddin, newly elected CMJF President Ziaur Rahman, outgoing president Hasan Imam Rubel and outgoing general secretary Monir Hossain, also spoke on the programme.
- The DBA president said, "The regulatory body BSEC is doing a commendable job in various ways, including reforming the different securities rules. However, in order to get the benefits of these works, it is necessary to increase the number of good shares in the market. All stakeholders, including BSEC, have a role to play in this regard".

<https://thefinancialexpress.com.bd/stock/dba-leaders-urge-for-effective-initiative-to-bring-mncs-to-stock-market-1641401045>



## Economy & Industry

### Pharma export buoyant

The Daily Star, January 06, 2022

- Pharmaceuticals shipment from Bangladesh grew 22.21 cent year-on-year in the first half of the current fiscal year on the back of continuous addition of anti-coronavirus drugs to the export basket, quality improvement and policy support. Medicines worth \$105.50 million were exported in the July-December period, up from \$86.33 million in the same period a year ago, data from the Export Promotion Bureau showed.
- One important addition to the export basket in recent years has been anti-coronavirus drugs as the countries scrambled to find solutions to treat Covid-19 patients when the health crisis was termed as a pandemic in March 2020 by the World Health Organisation.
- The continuous shipment of anti-viral drugs -- Remdesivir and Favipiravir -- used to treat coronavirus patients has expanded the export basket of the pharma sector.
- Now, around 20 companies from Bangladesh, including Eskayef, Beximco, Incepta, Beacon, Square, Popular, Opsonin, ACL, Renata, and Ziska Pharmaceuticals export Covid-19 drugs.
- Bangladesh also exports high-value drugs. For example, oncology products account for at least 20 per cent of the total export earnings from the local pharmaceuticals industry.
- Bangladesh exports more than 2,000 types of pharmaceuticals products to over 150 countries. Of the total, antibiotic and oncology products account for 50 per cent of the items, said the Bangladesh Association of Pharmaceuticals Industries (BAPI).
- Bangladesh's exports are largely concentrated in garments, which made up about 85 per cent of the annual external sales of \$38.76 billion in the last fiscal year.

### SHIPMENTS

(In million \$; Jul-Dec)

SOURCE: EPB

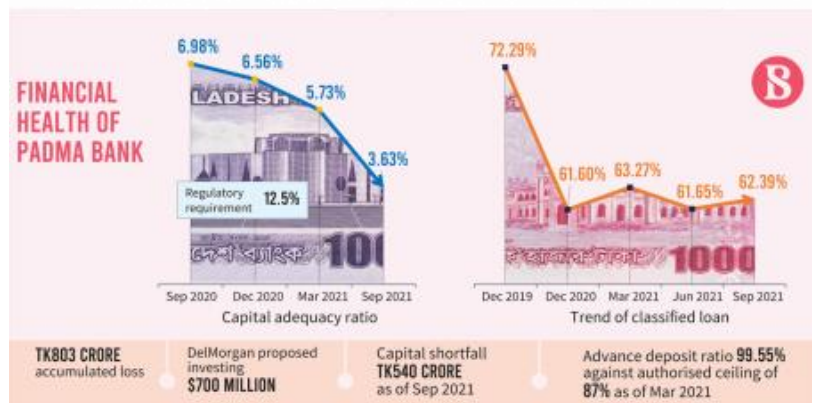


<https://www.thedailystar.net/business/economy/news/pharma-export-buoyant-2933491>

### Padma Bank's loss of Tk800 crore to turn into goodwill now

The Business Standard, January 06, 2021

- The Bangladesh Bank has approved a proposal of restructuring Padma Bank's balance sheet by cleaning its accumulated loss of Tk803 crore, helping the troubled lender get foreign investment for its survival. The bank was allowed to restructure the balance sheet to meet the prior condition of foreign investors who intended to invest in.
- DelMorgan & Co, a USA-based global investment bank, proposed arranging an investment of \$700 million for the bank. However, it sought policy support from the Bangladesh Bank -- allowing the bank to clean up losses from the balance sheet and exempting it from maintaining Statutory Liquidity Ratio or SLR.
- The SLR is a minimum percentage of deposits that a commercial bank has to maintain in the form of liquid cash, gold or other securities. It is basically the reserve requirement that banks are expected to keep before offering credit to customers.
- To fulfil the prior condition of DelMorgan, the bank approached the central bank, seeking policy support.



- According to the balance sheet restructure framework, the bank was allowed to stagger losses for 10 years. The bank will adjust the losses from its profit every year. The SLR requirement was also relaxed for Padma Bank until 2026.
- The Bangladesh Bank also sent a letter to the finance ministry about the capital restructure framework as the government holds 65% stake in the bank. Although Padma Bank got consent to clean up its balance sheet, the arranger DelMorgan is yet to raise the proposed capital from investors, according to the central bank officials.

<https://www.tbsnews.net/economy/banking/padma-banks-loss-tk800-crore-turn-goodwill-now-353707>

## International

### Euro zone recovery stumbles

The Daily Star, January 06, 2021

- The euro zone's economic recovery stuttered in December as a renewed wave of Covid-19 infections curtailed growth in the bloc's dominant service industry, a survey showed on Wednesday, and could weaken further if tighter restrictions are imposed.
- As the Omicron coronavirus variant spread rapidly at the end of last year governments reimposed measures to contain infection rates, particularly in Germany, Europe's largest economy.
- That meant IHS Markit's Composite Purchasing Managers' Index (PMI), a good gauge of overall economic health, sank to 53.3 in December from 55.4 in November, its lowest since March.
- While the final reading was below an earlier 53.4 "flash" estimate it did hold above the 50 mark separating growth from contraction.
- "The final Composite PMIs for December confirm that the euro zone economy ended 2021 on a weak note. The economy lost momentum at the end of last year but still appeared to be expanding," said Jack Allen-Reynolds at Capital Economics.

<https://www.thedailystar.net/business/global-economy/news/euro-zone-recovery-stumbles-2933456>

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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).

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