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Stock Market & Company

Dhaka stocks advance for seventh day

The Newage, June 05, 2022

- Dhaka stocks advanced on Sunday, extending the gaining streak to the seventh session as investors increased share buying amid a positive trend on the market. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.71 per cent, or 45.86 points, to close at 6,497.39 points on Sunday.
- The DSEX gained 309 points in the past seven sessions. Among the large capitalised companies, share prices of British American Tobacco, BRAC Bank, Grameenphone, Square Pharmaceuticals and LafargeHolcim Bangladesh advanced on the day.
- Out of the 376 issues traded on Sunday, 202 advanced, 124 declined and 52 remained unchanged. The turnover on the DSE increased to Tk 950.1 crore on Sunday compared with that of Tk 875.1 crore in the previous session.
- The DS30 index increased by 18.11 points to finish at 2,373.8 points and the DSE Shariah index added 10.35 points to close at 1,426.07 points. BEXIMCO topped the turnover chart with its shares worth Tk 38.65 crore changing hands.
- BDCOM Online, Shepherd Industries, Fu-Wang Food, Orion Pharma, Bangladesh Shipping Corporation, GSP Finance, Delta Life Insurance Company, LafargeHolcim Bangladesh and Silco Pharmaceuticals were the other turnover leaders.
- Prime Insurance Company Limited was the day's best performer, posting a gain of 9.96 per cent, while Tamijuddin Textile Mills was the worst loser, shedding 1.95 per cent.

<https://www.newagebd.net/article/172472/dhaka-stocks-advance-for-seventh-day>

Some listed companies don't publish data properly: BSEC commissioner

The Daily Star, June 05, 2022

- Some listed companies do not publish data on their website properly, causing suffering to investors in analysing and taking decisions, said Shaikh Shamsuddin Ahmed, a commissioner of the stock market regulator. Even some of them do not publish their audited reports on their website despite the Bangladesh Securities and Exchange Commission (BSEC) has been asking them to update their data, he said.
- Ahmed was speaking at a workshop on Exchange Traded Fund (ETF) organized by Capital Market Journalists' Forum at its office in Dhaka today. "They did not reply despite issuing repeated letters from the BSEC," Ahmed said.
- However, the BSEC do not want to take any tough actions against them although the regulator has the power to do so, he said. Ahmed also urged the listed companies should update their annual reports, audited reports and quarterly financial reports on their websites properly.

<https://www.thedailystar.net/business/economy/stock/some-listed-companies-dont-publish-data-properly-bsec-commissioner>

Startups with growth potentials to be allowed to go public

The Newage, June 05, 2022

- The Bangladesh Securities and Exchange Commission has drafted rules, allowing loss-making start-ups having high potentials of business growth to be listed on the country's stock exchanges under the small capital platform.
- To avail the loss-making but high potential business entity getting best price through an initial qualified investor offer (IQIO), the BSEC draft rules also allowed the intended company for determining premium price of shares on the basis of projected business growth.
- BSEC executive director Rezaul Karim told New Age that the regulator kept the provision of allowing loss-making start-ups with huge business potentials on the stock market. The commission scrapped the book building method so that it can approve justified premium price for an IQIO with consideration of company's business, he said.
- Currently, eligible investors set the cut-off price through bidding process where malfunctions and manipulations were observed, BSEC officials said. According to the new rules, if a company wants premium, it must give justification of the premium with reference to net asset value per share at historical or current costs, earnings per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years.

<https://www.newagebd.net/article/172488/startups-with-growth-potentials-to-be-allowed-to-go-public>

T-bond trading in secondary market: Stakeholders to sign deal on June 12

The Financial Express, June 05, 2022

- Stakeholders will sign an agreement on June 12 to commence the trading of treasury bonds in a bid to diversify the capital market with the participation of general investors. Bangladesh Bank, Bangladesh Securities and Exchange, Dhaka and Chattogram bourses, Central Depository Bangladesh Ltd and Central Counterparty Bangladesh Ltd will sign the deal led by finance ministry.
- All preparations have been made to commence the long-awaited trading of treasury bonds. An agreement is required under a legal framework for this, says BSEC commissioner Prof Shaikh Shamsuddin Ahmed. The trading of treasury bonds is likely to be started within one month into signing the agreement.
- "Apart from conducting mock trade," adds Mr Ahmed, "we've already checked necessary preparations for the trading of treasury bonds. The platform awaits the trading of treasury bonds." As part of a joint move, Dhaka Stock Exchange conducted mock trading of treasury bonds on 14 October 2021 with an intent to start the trading within two months.
- Later, Chittagong Stock Exchange conducted similar trading on November 01 through a virtual programme joined by top officials of the securities regulator and the ministry concerned. But the trading of the bonds has not taken place in the secondary market yet due to multiple complexities.

<https://thefinancialexpress.com.bd/stock/t-bond-trading-in-secondary-market-stakeholders-to-sign-deal-on-june-12>

STS Group's MD to buy 1.35cr Dhaka Bank shares

The Business Standard, June 05, 2022

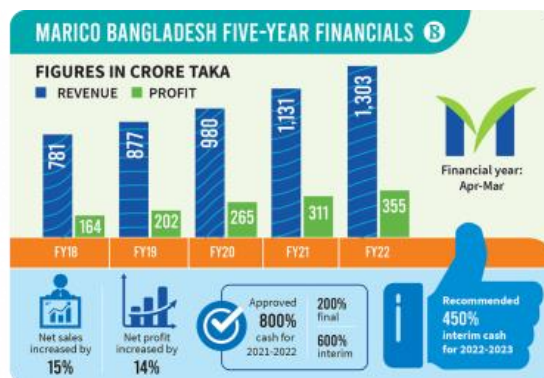
- Khondoker Monir Uddin, managing director of STS Group, declared to buy 1.35 crore shares of Dhaka Bank at the prevailing market price in the block market through the Dhaka Stock Exchange (DSE). According to the DSE source, he has already bought 1.30 crore shares of the bank at Tk13.20 each in the block market on Sunday.
- Khondoker Monir Uddin, who used to be the chairman of Dhaka Bank, is now one of the directors of its board. He is also the managing director of Shanta Securities, Shanta Holdings, and Shanta Capital Management Limited.
- On 31 December last year, he held 2.87% of the bank's total shares, which will increase to 4.29% - the highest among all directors of the bank - after the share transfer. On 26 April, its board had recommended a 12% cash dividend for 2021. The annual general meeting for the dividend approval will be held on 23 June.

<https://www.tbsnews.net/economy/stocks/sts-groups-md-buy-135cr-dhaka-bank-shares-433698>

Marico exceeds Tk1,000cr sales for 2nd time

The Business Standard, June 05, 2022

- Marico Bangladesh Limited – an India-based multinational company – has passed another milestone in sales, with its revenue exceeding the Tk1,000 crore threshold for the second time. One of the top brands in the beauty and wellness space in Bangladesh, Marico posted more than 15% growth in sales year on year.
- The company also reported a record profit. It saw a 14% increase in net profit in the financial year that started in April 2021 and ended in March 2022.
- On 2 June, in its board meeting, the company approved financials for that year through a digital platform and recommended a 450% interim cash dividend before the end of the first quarter from April-June of 2022-23.
- According to the company's financials, despite the pandemic disruptions, in the previous financial year that ended in March 2021, Marico Bangladesh had reached Tk1,131 crore sales for the first time which have jumped to Tk1,303 crore in the just concluded financial year.



<https://www.tbsnews.net/economy/stocks/marico-exceeds-tk1000cr-sales-2nd-time-433338>

Bourses asked to explain Modern Dyeing delisting

The Business Standard, June 05, 2022

- The stock market regulator has sought explanations from both stock exchanges of the country about the delisting and postponement of share trading of Modern Dyeing and Screen-Printing Ltd. The Bangladesh Securities and Exchange Commission (BSEC) issued letters to the bourses in this regard last week upon applications by some investors.
- The commission has asked for a brief detail about the company including its shareholdings, a list of sponsors and directors, financial position, and other information. The bourses will provide information on the present condition of the company, and the reason for delisting and postponing their trading.
- The regulator also sought to know whether stock exchanges have any comprehensive procedure for non-voluntary delisting defining the responsibilities of the exchanges to protect the interest of investors.
- BSEC has further wanted to know if the bourses have any necessary regulatory provisions before de-listing listed securities from any trading board of the exchanges. Whether stock exchanges initiated any actions against the issuer company and its directors and management with regard to any deficiency.

<https://www.tbsnews.net/economy/stocks/bourses-asked-explain-modern-dyeing-delisting-433326>

BSEC lifts embargo on pre-IPO shares of Associated Oxygen

The Business Standard, June 05, 2022

- The market regulator has lifted an embargo on the pre-IPO shares of Associated Oxygen Ltd except for its four BO accounts. The Bangladesh Securities and Exchange Commission (BSEC) has directed the Central Depository Bangladesh Limited (CDBL) to make the pre-IPO shares of the company lock-free, known as placement shares which are issued before listing.
- The commission issued letters to its related concerns in this regard last week. The four beneficiary owner (BO) accounts – Hasan Yousuf Chowdhury, Universal Equity Management, Bengal Assets Holdings, and NRB Equity Management Ltd – together hold 98 lakh shares of the company.
- A top official of the BSEC, seeking not to be identified, said the commission blocked the pre-IPO shares after getting allegations of irregularities against the company. The BSEC observed that the problem has been created among the four BO accounts, but all pre-IPO shareholders suffer.
- For the interest of other investors, the commission decided to make the company's shares lock-free, he added. Earlier in March this year, the regulator blocked its pre-IPO shares after finding irregularities.

<https://www.tbsnews.net/economy/stocks/bsec-lifts-embargo-pre-ipo-shares-associated-oxygen-433738>

Iftekhar reappointed MD of Eastern Bank

The Daily Star, June 06, 2022

- Eastern Bank Ltd (EBL) has reappointed Ali Reza Iftekhar as its managing director and chief executive officer for a fifth term until his retirement on April 18, 2026. Iftekhar has been in this position since 2007, a press release said.
- As CEO of EBL, Iftekhar, the longest serving business leader of the country's banking industry, transformed the private commercial bank into one of the most valuable financial brands in Bangladesh. He is a recipient of "CEO of the Year 2012 Award" at Asian Leadership Award programme held in Dubai.

<https://www.thedailystar.net/business/economy/news/iftekhar-reappointed-md-eastern-bank-3040281>

Economy & Industry

Raising GDP growth, reining in inflation to be tough

The Daily Star, June 06, 2022

- Policymakers will find it tough to bring some sort of a balance between targets to ensure economic growth while containing inflation in the next fiscal year, economist Zahid Hussain said yesterday. Growth of the gross domestic product (GDP), the monetary measure of the market value of all final goods and services produced in a specific time period, stood at 7.3 per cent in fiscal year 2021-22, according to the Bangladesh Bureau of Statistics.
- The consumer price index (CPI), the most widely used measure of inflation measuring the overall change in consumer prices over time based on a representative basket of goods and services, has gone up 6.3 per cent year-on-year as of April, said Hussain, a former lead economist at the World Bank's Dhaka office while addressing a workshop on the national budget organised by BRAC University Economics Club at its Mohakhali campus.
- Citing data, he said private consumption has been a major driver of economic growth over the last couple of years. Private consumption grew 72.8 per cent of the GDP in fiscal year 2021-22 from 68.8 per cent the year before. Private investment grew during the current fiscal year. Public investment as a percentage of GDP also increased, he said.

<https://www.thedailystar.net/business/economy/news/raising-gdp-growth-reining-inflation-be-tough-3040241>

Govt reforms taskforce to bring back laundered money

The Business Standard, June 05, 2022

- The government has reformed the taskforce responsible for bringing back the money laundered abroad. The taskforce includes the attorney general, BFIU chief and BSEC commissioner, according to a notice issued by the Financial Institution Division of Finance Ministry on Sunday.
- The taskforce will take steps to bring back money laundered abroad under Money Laundering Act 2012. The government is going to offer Bangladeshis offshore tax amnesty which will help to lure back the money syphoned off the country.
- The privilege will remain in force for a year till June 2023, according to the FY23 budget proposal to be placed in parliament on 9 June. Undisclosed assets holders will be allowed to show any of their immovable assets outside Bangladesh in tax returns by paying a 15% tax.
- In the current fiscal year, the untaxed money can be invested in the stock market, subject to paying a 25% tax plus a 10% penalty on the payable tax. There is also an opportunity to legalise undisclosed property, such as flats, bank deposits and savings instruments on similar conditions.

<https://www.tbsnews.net/economy/govt-reforms-taskforce-bring-back-laundered-money-433810>

International

US firms still struggle to deal with inventories

The Daily Star, June 06, 2022

- More than two years into the Covid-19 pandemic, American businesses are still struggling to manage their inventories in a feast-or-famine cycle caused by fickle consumer demand. "We have way too much inventory right now," said Ginny Pasqualone, chief executive of Sparkledots, a children's clothing manufacturer.
- "It's important that we have a large selection of merchandise that our clients can choose from," she said, but store traffic has been hit by inflation concerns, with some customers "very scared that they're not going to survive another recession." For now, Sparkledots is holding more goods in inventory, but that ties up company capital and limits its ability to add to its 18-worker staff.
- Large store chains like Walmart, Target and Macy's have acknowledged in recent weeks that they misread consumer patterns, leaving them with excess supplies of appliances, casual clothing and bicycles. Bicycles were a hot commodity early in the pandemic, prompting surprisingly large orders, said Wayne Sosin, owner of Workman Cycles, a New York manufacturer best known for its tricycles.

<https://www.thedailystar.net/business/global-economy/news/us-firms-still-struggle-deal-inventories-3040321>

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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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