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Stock Market & Company

Dhaka stocks down but turnover rises

The New Age, June 05, 2023

- DSEX, the key index of the Dhaka Stock Exchange, decreased by 9.84 points, or 0.15 per cent, to settle at 6,356.3 points on Monday after gaining 10.6 points on Sunday. The turnover on the DSE increased to Tk 1,256.63 crore on Monday compared with that of Tk 1,254.41 crore in the previous trading session.
- Out of the 361 issues traded, 71 advanced, 111 declined and 179 remained unchanged on Monday. On the sectoral front, life insurance issues exerted the highest turnover, followed by IT and fuel stocks.
- The DSE Shariah index lost 0.71 points, or 0.05 per cent, to close at 1,382.29 points on the day. The DS30 index shed 0.84 points, or 0.04 per cent, to finish at 2,198.21 points.
- Lub-rref (Bangladesh) Limited topped the turnover chart with its shares worth Tk 58.582 crore changing hands on the day.



<https://www.newagebd.net/article/203456/dhaka-stocks-down-but-turnover-rises>

Regulator to increase supply of T-bonds in secondary market

The Financial Express, June 06, 2023

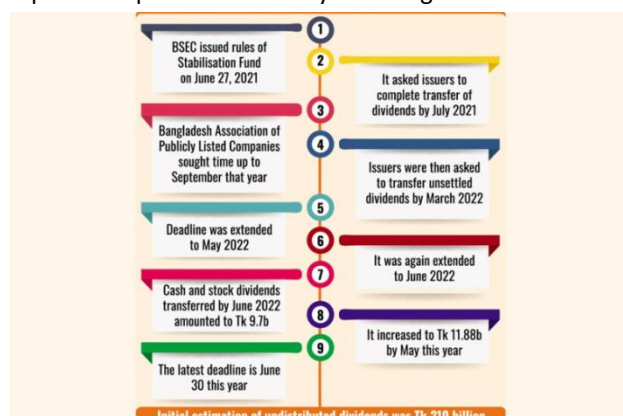
- In a fresh move to increase supply of Treasury bonds in the secondary market, the securities regulator has allowed beneficiary owner (BO) account holders to purchase T-bonds in primary auctions conducted by the central bank.
- Investors, however, will have to make the purchases through brokerage firms. Bond trading is yet to get momentum eight months after it began on the stock exchanges.
- The Bangladesh Securities and Exchange Commission (BSEC) has already prepared a "process flow" on how to take part in the auction. It has made the move after discussions with the related parties, such as Bangladesh Bank (BB), Dhaka Stock Exchange, Chittagong Stock Exchange and Central Depository Bangladesh, according to a statement issued on Sunday.
- The development opens up opportunities for general investors to purchase Treasury bonds worth Tk 100,000 or its multiples in primary auctions.

<https://thefinancialexpress.com.bd/stock/bangladesh/regulator-to-increase-supply-of-t-bonds-in-secondary-market>

2.5pc surcharge next weapon to make issuers pay dues to Stabilisation Fund

The Financial Express, June 06, 2023

- The securities regulator has asked both the stock exchanges to impose 2.5 per cent monthly surcharge on dividends or other dues that have remained unpaid for more than three years.
- The deadline is the last day of this month. Surcharge will be applicable to the issuers that will fail to pay the dues by that time.
- Since companies' performance is monitored by the exchanges as per the listing regulations, a new provision of surcharge has to be incorporated in that, said Md. Monowar Hossain, chief operating officer of the Capital Market Stabilisation Fund (CMSF).
- The latest measure has been taken after repeated attempts since the formation of the Stabilisation Fund failed to get undistributed dividends of investors transferred to its account by the issuers.
- The surcharge provision will strengthen the regulator in realising undistributed dividends, said an official of the Dhaka Stock Exchange (DSE) preferring not to be named. The Bangladesh Securities and Exchange Commission (BSEC) on Sunday sent a letter to the Dhaka and Chittagong bourses, giving them the instruction.



<https://thefinancialexpress.com.bd/stock/25pc-surcharge-next-weapon-to-make-issuers-pay-dues-to-stabilisation-fund>

Ring Shine Textiles incurs loss of Tk 365m in January-March quarter

The Financial Express, June 05, 2023

- The losses of Ring Shine Textiles widened in the January-March quarter this year compared to the same quarter a year earlier due to the increase in utility costs and financial expenses.
- The textile company suffered losses of Tk 365 million in January-March this year as against a loss of Tk 295 million in the same quarter a year before. The company's losses also jumped 58 per cent year-on-year to Tk 745 million in nine months through March this year.
- As a result, earnings per share was negative Tk 1.49 in nine months in the current FY23 as against negative Tk 0.94 in the same period of FY22.

- The earnings per share was negative because of the incurring loss, highly impacted by the increase in financial expenses, said the company in a filing on the Dhaka Stock Exchange on Monday. The net asset value per share was Tk (3.94) as on March 31, 2023, and Tk (2.50) as on June 30, 2022, due to the increase in liabilities.

<https://thefinancialexpress.com.bd/stock/bangladesh/ring-shine-textiles-incurs-loss-of-tk-365m-in-january-march-quarter>

Intraco Refueling conditionally allowed to issue Tk50cr bond

The Business Standard, June 05, 2023

- The Bangladesh Securities and Exchange Commission (BSEC), with some conditions, has recently allowed Intraco Refueling Station Limited to issue a convertible bond worth Tk50 crore. BSEC Executive Director Mohammad Rezaul Karim said the commission has issued a letter of intent in this regard.
- Where the fund will be used- "Now, for a letter of consent from the commission, the company will have to submit Credit Information Bureau (CIB) clearance and full utilisation report of its initial public offering (IPO) fund to the BSEC," he added.
- Meanwhile, the company's share price jumped by 38% to Tk52.4 at the Dhaka Stock Exchange in nine working days. City Bank Capital Resources Limited, an issue manager of Intraco's bond, did not make any comment in this regard.

<https://www.tbsnews.net/economy/stocks/intraco-refueling-conditionally-allowed-issue-tk50cr-bond-644558>

Alhaj Textile chairman removed after ousted MD's lawsuit

The Business Standard, June 05, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) removed three of the five independent directors at Alhaj Textile Mills Ltd, including its Chairman Khondoker Kamaluzzaman, on Monday. The two other removed independent directors are MD Zikrul Hoque and AFM Abdul Moyeen—both, alongside Kamaluzzaman and three other shareholder directors, were made respondents to a recent suit by the company's ousted managing director (MD) Md Mizanur Rahman.
- Retired Bangladesh Bank executive director Syed Tariquzzaman, Novartis Bangladesh Chief Financial Officer Fahmid Wasik Ali have been appointed as the new independent directors, while two of the previous independent directors — Bangladesh Academy for Securities Markets' Senior Faculty Member Md Selim, Dhaka University's Associate Professor of Finance Dr Muhammad Saifuddin Khan to remain with their assignment to bring back the company into the regular track.
- Alhaj Textile, a listed company, was expected to solve its problems and improve in business under the previously appointed board, BSEC Commissioner Dr Shaikh Shamsuddin Ahmed told The Business Standard



<https://www.tbsnews.net/economy/stocks/alhaj-textile-chairman-removed-after-ousted-mds-lawsuit-644550>

Reckitt Benckiser shares reach Tk5,000 mark after a year

The Business Standard, June 05, 2023

- Reckitt Benckiser (Bangladesh) PLC shares reached the Tk5,000 mark on Monday, after a year since 11 May last year at the Dhaka Stock Exchange (DSE). On the day, its shares' highest bid price was Tk5,050, whereas the lowest bid was Tk4,812.
- Its share's last trading price was Tk4,999 each till 2pm at the DSE, which was 3.69% higher than the previous session. The multinational pharmaceutical company paid a 980% cash dividend to its shareholders in 2022.

<https://www.tbsnews.net/economy/stocks/reckitt-benckiser-shares-reach-tk5000-mark-after-year-644310>

Economy & Industry

Inflation hits decade-high at 9.94% in May

The Business Standard, June 05, 2023

- Bangladesh continues to experience a sharp rally in inflation despite a decline in global commodity prices, primarily due to supply-side constraints. According to the latest report from the Bangladesh Bureau of Statistics (BBS) on Monday, the monthly inflation rate in May soared to a decade-high of 9.94%, up from 9.24% in the previous month, as both rural and urban people are paying higher prices for food and non-food items.
- The surge in the inflation is higher than the 7.32% growth in wages in May, the statistical agency also revealed, indicating the hardship for fixed income earners.
- Supply-side disruptions, specifically the higher cost of production, have been identified as the primary drivers of inflationary pressure. Immediate measures are being urged to alleviate power and energy crises in order to facilitate production activities.
- While the inflation keeps surging, the new budget sets average annual inflation target at 6% for the next fiscal year, though economists have pointed out that the budget lacks measures to tame inflation.



<https://www.tbsnews.net/economy/inflation-reaches-994-may-highest-over-decade-bbs-644334>

Six Shariah-based banks' excess liquidity negative

The New Age, June 05, 2023

- Excess liquidity of six Shariah-based banks turned negative of Tk 4,014 crore in March 2023 amid a significant deposit withdrawal, according to recent Bangladesh Bank data. The central bank data showed that the excess liquidity of the six banks was Tk 3,600 crore at the end of December 2022.
- Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, Global Islami Bank, Union Bank and ICB Islamic Bank had negative excess liquidity of Tk 1,079 crore, Tk 1,000 crore, Tk 993 crore, Tk 454 crore, Tk 452 crore and Tk 14 crore respectively in March 2023.
- The banks except ICB Islamic Bank are controlled by Chattogram-based S Alam Group. The media reported about various scams and loan irregularities of a number of Shariah-based banks, including IBBL, in November 2022.
- The media reported that three Shariah banks — IBBL, SIBL and FSIBL — allegedly sanctioned huge amounts of loans to some shell companies without proper collateral and documents. The media also reported that S Alam Group allegedly lifted around Tk 30,000 crore from IBBL alone, which was way beyond the group's entitlement.

<https://www.newagebd.net/article/203465/six-shariah-based-banks-excess-liquidity-negative>

International

Debt ceiling deal ignores US debt time bomb

The Daily Star, June 06, 2023

- Republicans and Democrats are touting a hastily-written debt ceiling deal that staves off a devastating US default, but does little to slow a massive buildup of total federal debt now on pace to exceed \$50 trillion in a decade. The deal's first problem, budget experts say, is it only curbs non-defense discretionary spending, or just about one-seventh of this year's \$6.4 trillion federal budget. Defense, veterans' care and big-ticket safety-net programs are spared.
- Longer term, it fails to alter the US's chronic and growing revenue shortfall, thanks to health and retirement spending on the country's aging population and Congress's failure to raise taxes.
- The deal to suspend the \$31.4 trillion debt ceiling until January 2025 holds non-defense discretionary spending largely flat this year, with a 1 per cent increase in fiscal 2024. The Congressional Budget Office (CBO) estimates this would result in \$1.3 trillion in savings over a decade.
- Even those savings may prove illusory, as Congress would be free to abandon its self-imposed spending limits within two years. On top of that, tax cuts passed by Republicans in 2017 expire on schedule in 2025, but the party is pushing to extend them.
- Making matters worse, higher interest rates are pushing up the government's debt service costs. CBO projects that these will triple to \$1.4 trillion by 2033 -- far exceeding the projected defense budget at that time.

<https://www.thedailystar.net/business/global-economy/news/debt-ceiling-deal-ignores-us-debt-time-bomb-3338896>

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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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