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Stock Market & Company

Dhaka stocks gain for 3rd day before ministry-regulators meeting

Newage, December 05, 2021

- Dhaka stocks advanced for the third day on Sunday as a section of investors continued buying shares keeping an eye on the finance ministry's meeting with regulators while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange, added 0.42 per cent, or 29.42 points, to close at 6,965.63 points on Sunday.
- The DSEX gained 262 points in the last three sessions. Turnover on the DSE plunged to Tk 894.98 crore on Sunday from Tk 1,245.19 crore in the previous session.
- The investors' attention on Sunday was mostly on small capitalised companies, including Stylecraft Limited, Rahima Food and CVO Petrochemical Refinery. Share prices of all the insurance companies except one advanced on the day.
- DS30, a composition of 30 large capitalised companies, increased by 0.08 per cent, or 2.31 points, to close at 2,638.25 points on Sunday. Of the 373 scrips traded on the DSE on Sunday, 245 advanced, 79 declined and 49 remained unchanged.
- Shariah index DSES added 0.14 per cent, or 2.15 points, to settle at 1,461.06 points BEXIMCO led the turnover chart with shares worth Tk 117.3 crore changing hands on the day.
- One Bank, First Security Islami Bank, Delta Life Insurance, Power Grid Bangladesh, Fortune Shoes, IFIC Bank, Orion Pharma, Sonali Paper and Acme Pesticides were the other turnover leaders on the day.



<https://www.newagebd.net/article/156548/dhaka-stocks-gain-for-3rd-day-before-ministry-regulators-meeting>

Tk 100b Sukuk bonds forthcoming

The Financial Express, December 06, 2021

- The government is going to issue shortly a couple of Shariah-compliant bonds, generally known as Sukuk, worth some Tk 50 billion each to finance public-sector development projects. The bond will help draw excess money particularly from Shariah-based banks, non-banking financial institutions (NBFIs) and insurance companies for investment in an alternative way away from conventional interest-yielding tools.
- The central bank, as a special-purpose vehicle (SPV) for the issuance of the upcoming government securities, has already collected various sorts of information on the Sukuk from the ministry of finance (MoF).
- The MoF has already decided to implement demand-based government primary school-development project and rural infrastructure development project through issuing Sukuk bonds in two phases, according to the officials.
- In the first phase, the government is set to raise Tk 50 billion through issuing the Sukuk bonds for implementation of the demand-based government primary school-development project. Currently, the MoF and the Bangladesh Bank (BB) are working to issue the first Sukuk bond by the end of this month, they added.
- Surplus liquidity grew by more than 20 per cent to Tk 2208.80 billion as on October 31, 2021 from Tk 1830.01 billion a year before, according to the central bank's latest statistics.

› Surplus liquidity in banking system grows over 20% to Tk 2208.80b, as on Oct 31

› Sukuk prioritizes sucking up surplus funds from Islamic outfits that cannot invest in interest-bearing instruments



<https://thefinancialexpress.com.bd/stock/tk-100b-sukuk-bonds-forthcoming-1638758168>

Envoy Textiles to raise Tk 87cr

The Daily Star, December 06, 2021

- Envoy Textiles is all set to raise Tk 87 crore by issuing preferred stocks, which are shares in a company owned by people who receive a part of the company's profits before ordinary shareholders are paid. Envoy will issue 8.7 crore preference shares through private placement at a face value of Tk 10 each.
- The funds raised will be used to finance the company's upcoming expansion project for the production of blended yarn, and to pre-pay a portion of high-cost borrowing, Envoy Textiles said in a disclosure posted on the Dhaka Stock Exchange website. The company's paid up capital was Tk 167 crore while its earnings per share rose to Tk 0.21 in the July-September period of the current financial year, up from Tk 0.13 previously.
- At the Dhaka bourse, stocks of Envoy Textiles dropped 3.04 per cent to Tk 47.08. Earlier in July this year, Envoy Textiles announced that it would spend Tk 176 crore to expand the production capacity of its spinning unit. Envoy Textiles declared 10 per cent cash dividend for shareholders in the 2020-21 financial year.

<https://www.thedailystar.net/business/economy/news/envoy-textiles-raise-tk-87cr-2910641>

Brummer allowed to sell 2.83 crore shares in Runner Auto

Newage, December 05, 2021

- The Bangladesh Securities and Exchange Commission has freed Runner Automobiles Limited's 24.93 per cent or 28,304,347 shares from lock-in after Brummer & Partners (Bangladesh) Limited expressed its interest to sell its entire holdings in the company. The BSEC issued a letter to the firm in this regard on December 2.
- The regulator reduced lock-in period for the shares held by Brummer & Partners to two years from usual three years to make the sales possible, BSEC officials said. They said that Brummer requested the BSEC to free their shares so that it could take exit from Runner Automobiles.
- Runner Automobiles made its debut on the stock exchange on May 21, 2019 after raising Tk 100 crore through an IPO under the book building method. So, the shares held by Brummer were supposed to be lock-in free on May 21, 2022.

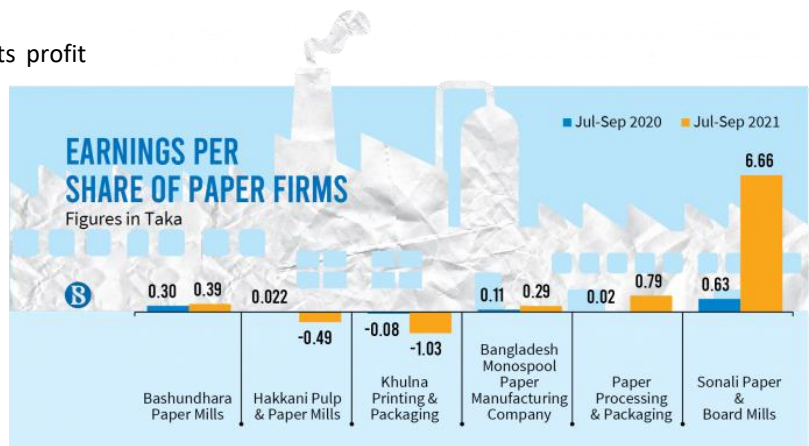
- On September 28, 2013, Brummer Frontier made an equity investment of Tk 105 crore through buying 13,478,261 shares of Runner Auto at an issue price of Tk 77.91 each. The number of shares now stands at 28,304,347 after the company declared bonus for shareholders. Runner's paid-up capital is Tk 113.5 crore and has 11.35 crore in outstanding shares.

<https://www.newagebd.net/article/156586/brummer-allowed-to-sell-283-crore-shares-in-runner-auto>

Paper industry bouncing back

The Business Standard, December 05, 2021

- Absorbing pandemic shocks, the country's paper manufacturers are making a comeback on growing demand following the reopening of the economy, and educational institutions. Most listed paper firms witnessed a higher profit in the July-September quarter of the current fiscal year.
- As per data available with the Dhaka Stock Exchange (DSE), six firms, including market leader Bashundhara Paper Mills, are listed on local stock exchanges. The four paper companies have posted higher profits in the first quarter of the 2021-22 fiscal year compared to the same time a year ago.
- Bashundhara continues good sales and profit: Its profit rose to Tk6.81 crore from Tk5.18 crore from the same time of the previous fiscal year while the earning per share (EPS) stood at Tk0.39, which was Tk0.30.
- Sonali paper profit boost from other income: Sonali Paper & Board Mills – a concern of Younus Group – has posted a 28% growth in revenue.
- Its unaudited financial reports say the net profit climbed 957% riding on big jumps in other income from realised, unrealised, and cash dividend income. Its profit rose to Tk12.18 crore from Tk1.15 crore in the July-September quarter of FY21.
- Bangladesh Monospool Paper Manufacturing Company and Paper Processing & Packaging posted higher profit in the July-September quarter this year. During the period, Monospool Paper's profit rose 163% and its EPS stood at Tk0.29 from Tk0.11 at the same time a year ago.
- Two paper manufacturing firms Hakkani Pulp & Paper Mills, and Khulna Printing & Packaging Limited incurred losses in the first quarter of the current fiscal year. Hakkani Pulp & Paper was in profit in the July-September period of fiscal 2020-21, but this fiscal year, it fell into losses. Khulna Printing & Packaging has temporarily closed down its factory after the court had ordered the authorities to freeze all bank accounts of its chairman and the company.



<https://www.tbsnews.net/economy/stocks/paper-industry-bouncing-back-339256>

Power Grid to issue preference shares against share money deposit

The Business Standard, December 05, 2021

- Power Grid Company of Bangladesh (PGCB) Ltd, the only state-owned power transmission company in the country, wants to issue preference shares against a government fund collected as share money deposit for project implementation. The Ministry of Power, Energy and Mineral Resources recently took the decision at a meeting to comply with a circular issued by the accounting super regulator Financial Reporting Council (FRC).
- According to PGCB's audited financial statement for FY21, the company received Tk7,180 crore from the government as share money deposit. The FRC circular, issued in February last year, said share money deposits must be converted into the company's capital within six months.
- It also said companies must include the share money deposits while calculating earnings per share and dividend as soon as the money is deposited, even before the securitisation.

- But the company did not calculate the earnings per share and dividend by considering share money deposit for the last two fiscal years. Meanwhile, in FY21, PGCB posted a profit of Tk377 crore, a 38% increase from the previous fiscal year. The company registered a 16.62% growth in its revenue.
- It also continued upward growth in revenue and profit by 7% and 49%, respectively, in the July-September quarter of the current fiscal year. Despite its significant profit growth, the company recommended a 20% cash dividend for FY21 like the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/power-grid-issue-preference-shares-against-share-money-deposit-339250>

LankaBangla Securities launches Trade Express in DSE

The Business Standard, December 05, 2021

- LankaBangla Securities Limited launched an order management system (OMS), Trade Express, to facilitate direct transaction to its customers in the Dhaka Stock Exchange (DSE). Professor Shibli Rubaiyat Ul Islam, chairman of Bangladesh Securities and Exchange Commission, handed over the trade certification to Mohammad Nasiruddin Chowdhury, managing director of LankaBangla Securities, on 2 December, said a press release.
- Lankabangla Securities started the OMS at the Chittagong Stock Exchange (CSE) in 2013. According to the media release, customers can trade shares, mutual funds, and bonds on both DSE and CSE stock exchanges at the same time by logging in.
- Additionally, customers will find services of the capital market including order correction, market monitoring and mapping, as well as access technical charts.

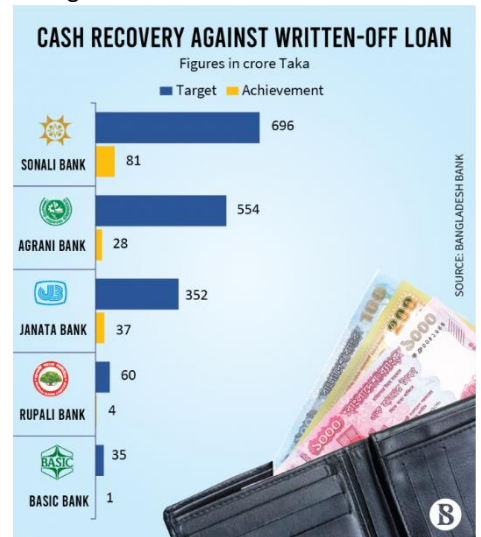
<https://www.tbsnews.net/economy/stocks/lankabangla-securities-launches-trade-express-dse-339220>

Economy & Industry

BB collects Tk6,500cr from banks thru' two treasury bills

The Business Standard, December 05, 2021

- The Bangladesh Bank has now collected Tk6,500 crore from banks against government treasury bills at a time when the banking sector is going through a liquidity crunch. Even a few days ago, to ease the crisis, the central bank suspended mopping up money from the market through Bangladesh Bank bills for a month starting from 1 December.
- According to the central bank's auction calendar, the government on Sunday was supposed to raise Tk2,500 crore through two categories of treasury bills based on their maturity – Tk1,500 crore against the 91-day bill at 2.4% interest and Tk1,000 crore against the 364-day one at 3.49%.
- However, the central bank collected Tk3,841 crore and Tk2,840 crore respectively through the bills to meet a rising demand for bill payments all of a sudden.
- The government will have to make some more payments in the next few days. At the same time, it also needs to pay a few bills at the beginning of the New Year, he noted.
- In November, the central bank absorbed around Tk2,000 crore in excess liquidity from the banking system through an auction of Bangladesh Bank bills. Besides, in August-November, it sold Tk16,000 crore worth of dollars to banks to halt the depreciation of taka and meet the growing economic demand.
- The ongoing liquidity crunch also compelled the central bank to stop issuing Bangladesh Bank bills for a month starting from last Wednesday.



<https://www.tbsnews.net/economy/banking/bb-collects-tk6500cr-banks-thru-two-treasury-bills-339259>

Banks: good at granting loan waiver, bad at recovering

The Daily Star, December 06, 2021

- Banks in Bangladesh have been generous in waiving loans throughout the pandemic despite their poor record in recouping funds from defaulters. They waived funds to the tune of Tk 2,383 crore between January last year and September this year, a development that will bring no good for the financial health of banks as it directly hits their income book.
- Influential and delinquent borrowers chiefly manage the facility, creating a moral hazard for good clients. Waiving such a higher amount of money amid business slowdown has widened the woes of banks, economists say.
- Banks waived loans amounting to Tk 2,293 crore in 2019 and Tk 1,194 crore in 2018, data from the Bangladesh Bank showed.
- Salehuddin Ahmed, a former central bank governor, said that there was an unholy nexus between the owners of banks and the delinquent borrowers.
- A few individuals, who hold positions in the board of director of banks, are also the owners of industries. And the directors are mainly availing the waiver by colluding with each other, he said.
- The waiver came as the recovery from default loans has failed to keep pace with escalating delinquent assets. Between January and September, banks retrieved Tk 4,195 crore from their non-performing loans, which was Tk 3,751 crore during the same period a year ago. Banks recouped Tk 5,802 crore from their combined NPLs in 2020 in contrast to Tk 15,466 crore the year before.



<https://www.thedailystar.net/business/economy/news/banks-good-granting-loan-waiver-bad-recovering-2910726>

International

Bitcoin briefly loses \$10,000 in nervous market

The Daily Star, December 06, 2021

- The bitcoin dropped sharply overnight, losing \$10,000 in value in a nervous market before recouping some of its losses Saturday morning. At one point late Friday, the often volatile cryptocurrency took a sudden sharp drop to \$42,296, losing nearly 20 percent of its value.
- But by 1600 GMT Saturday, the virtual currency had regained some ground, trading at \$48,210, down 10 percent from Friday. The leading Wall Street indicators all ended in the red Friday amid weakness in tech shares and fears about the new Omicron variant of Covid-19.
- "Digital assets got pushed around by the broader risk of conditions related to Omicron and expectations of a more aggressive Fed, but didn't properly sell off until Friday, on contagion from equities," said Martha Reyes, research director at the Bequant digital asset brokerage and exchange.
- Anto Paroian, the chief operating officer at crypto hedge fund ARK36.com, said current price levels "aren't unexpected," just weeks after the currency set a record of \$68,363 before falling and repeatedly failing to again pass the \$60,000 mark.

<https://www.thedailystar.net/business/global-economy/news/bitcoin-briefly-loses-10000-nervous-market-2910616>

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