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Stock Market & Company

[Dhaka stocks fall for 2nd day](#)

The New Age, February 06, 2023

- Dhaka stocks fell for the second day on Monday as most of the investors remained cautious amid economic worries in the country. DSEX, the key index of the Dhaka Stock Exchange, lost 0.09 per cent, or 5.81 points, and settled at 6,280.71 points against 6,286.53 points in the previous trading session.
- Sonali Aansh Industries, Sea Pearl Beach Resort and Spa, Bangladesh Monospool Paper, Northern Islami Insurance, Shinepukur Ceramics, Beacon Pharma, Orion Infusion, Bangladesh Shipping Corporation, Gemini Sea Food and Samata Leather were the top 10 gainers considering their closing prices on the day.
- Oimex Electrode, Pragati Life Insurance, Reliance Insurance, Popular Life Insurance, BD Thai Food and Beverage, Hwa Well Textiles, Sonali Life Insurance, Pioneer Insurance, Green Delta Insurance and Pragati Insurance were the top 10 losers considering their closing prices on the day.
- Among the sectors, IT issues exerted the highest turnover, followed by pharmaceutical and miscellaneous stocks. The DS30 index increased by 2.53 points to finish at 2,228.80 points and the DSE Shariah index increased by 0.80 points to close at 1,369.01 points on the day.

<https://www.newagebd.net/article/193715/dhaka-stocks-fall-for-2nd-day>

Dual policy in a single stock market

The Daily Star, February 06, 2023

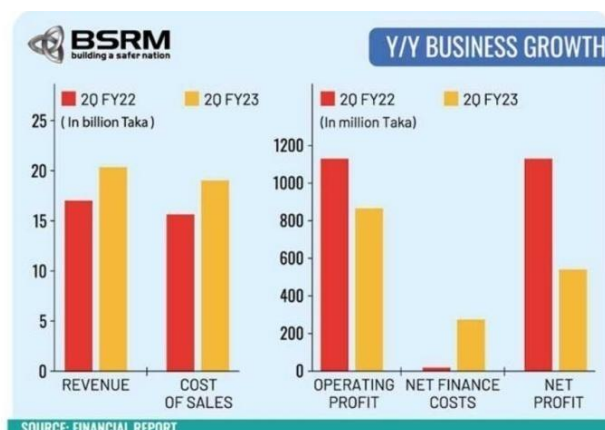
- By removing the floor price for nearly half of the companies listed in the country in December while retaining the regulatory measure for the rest, the Bangladesh Securities and Exchange Commission (BSEC) has effectively moved to a dual system. This is because the companies that have seen the floor price removal are allowed to drop slowly while the rest have been safeguarded from further erosion.
- On December 21, the stock market regulator lifted the artificial support measure for 169 companies. It, however, set the circuit breaker in a way that would prevent stocks from declining more than 1 per cent on a given day.
- Mohammad Rezaul Karim, a spokesperson of the BSEC, said the commission lifted the floor price for the companies that have a low contribution to the market capitalisation so that they could not affect the index to a large extent. "Moreover, the BSEC also wanted to see if the removal of the floor price raises the turnover," he said, adding that stakeholders are struggling due to the lower turnover.

<https://www.thedailystar.net/business/economy/stock/news/dual-policy-single-stock-market-3241076>

Here's why steel makers are unable to benefit from global price fall

The Financial Express, February 06, 2023

- Steel manufacturers could not reap any benefit when the prices of raw materials cooled off in the global market in recent months. They could not open letters of credit to buy less expensive materials due to the dollar crunch; banks have been unable to supply dollars as needed to finance imports.
- LC opening slumped 14 per cent year-on-year in July-December of the FY23 and settlement declined 9 per cent, according to the data from the Bangladesh Bank.
- As a result, the production of goods has slowed down. The crisis has been intensified by frequent power cuts caused by gas supply shortage. On top of that, the taka continued to lose value against the dollar, bleeding steel manufacturers, including BSRM.
- BSRM, which accounts for one-fourth of the sector, managed to return to profit in the second quarter of the FY23 ended in December last year, riding on higher revenue. It was in the red in the first quarter.
- If its earnings in the six months through December 2022 are put together, the company endured a loss of Tk 1.10 billion, according to unaudited financial statements. That means the loss made in Q1 surpassed profit in Q2.



<https://thefinancialexpress.com.bd/stock/heres-why-steel-makers-are-unable-to-benefit-from-global-price-fall-1675655483>

United Power's net profits drops 29pc in Q2

The Financial Express, February 06, 2023

- United Power Generation and Distribution Company Limited (UPGDCL) has reported a 29 per cent fall in its net profit year-on-year in the second quarter (Q2) ended December 2022 due to not receiving any dividend from subsidiaries.
- According to the unaudited financial statement, the company's consolidated net profit stood at Tk 2.90 billion and earnings per share (EPS) Tk 4.84 in October-December 2022 – down from Tk 4.03 billion and EPS Tk 6.85 respectively in the same quarter of the previous year. The power generation and Distribution Company's revenue also dropped nearly 15 per cent year-on-year to Tk 10.41 billion in the Q2FY23.

- In six months' for July-December 2022, its EPS also fell by 16 per cent to Tk 9.85, down from Tk 11.84 in the same period a year earlier. The consolidated net operating cash flow per share (NOCFPS) was Tk 9.59 for July-December 2022 as against Tk (9.22) for July-December 2021.

<https://thefinancialexpress.com.bd/stock/united-powers-net-profits-drops-29pc-in-q2-1675664855>

30% cos see double-digit growth even in hard times

The Business Standard, February 06, 2023

- On their way to recovery from the pandemic dents, businesses in 2022 were caught in even bigger problems due to the Russia-Ukraine war, which sparked massive inflation, hike in energy and all other costs, currency depreciation and a tightening money market.
- Amid this turbulent situation, while the majority of publicly listed firms reported profit slump, more than 40% managed to stay afloat in terms of profitability retention over the July-December period.
- The cash-rich company posted a double-digit profit growth, while many of its competitors including Renata's profit dropped. Summit Alliance Port, the largest off-dock facility in the country, posted nearly double profits in the six months through December despite container handling dropping over the period.
- Apex Footwear struggling with the pandemic stock lot posted a 42% jump both in half-yearly revenue and profits. Its Deputy Managing Director and CFO Dilip Kajuri said during the consumers' hard time his company offered discounts for higher local market revenue, while the soaring dollar helped its profit from export markets grow by 16.02% year on year.
- Another listed footwear manufacturer Fortune Shoes Limited's profit dropped 40% YoY in the first half of the fiscal year. Bashundhara Paper Mills, the largest tissue paper maker and a top paper manufacturer in the country, posted 68% profit growth in the July-December period and its General

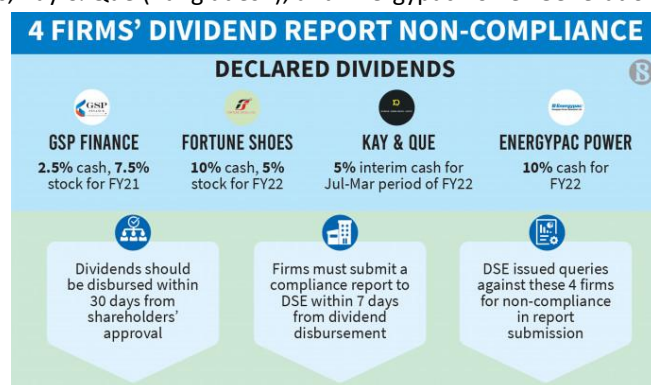


<https://www.tbsnews.net/economy/30-cos-see-double-digit-growth-even-hard-times-581106>

Four firms miss deadlines to submit dividend reports

The Business Standard, February 06, 2023

- Four firms – GSP Finance Company (Bangladesh), Fortune Shoes, Kay & Que (Bangladesh), and Energypac Power Generation – have failed to submit compliance reports to the Dhaka Stock Exchange (DSE) and the Bangladesh Securities and Exchange Commission (BSEC) within the stipulated seven working days after paying their declared dividends.
- Hence, the DSE issued letters asking the firms to explain their non-compliance, according to the DSE disclosures by the companies on Monday.



- Fortune Shoes, an exporter of footwear, declared 10% cash and 5% stock dividends for the fiscal 2021-22. Energypac Power Generation – one of the leading companies in the power and energy sector – secured shareholders' approval of its declared 10% cash dividend for FY22 at its AGM which was also held on 8 December.
- GSP Finance, a non-bank financial institution, held its AGM on 27 September 2022 to secure shareholders' approval of its 2.5% cash and 7.5% stock dividends declared for the 2020-21 fiscal year. Lastly Kay & Que, which declared a 5% interim cash dividend for the July to March period of FY22, also missed the deadline to submit the compliance report.

<https://www.tbsnews.net/economy/stocks/four-firms-miss-deadlines-submit-dividend-reports-581082>

Baraka Power director to sell his entire holding

The Business Standard, February 06, 2023

- Abdul Bari, vice-chairman and director at Baraka Power, has expressed his intention to sell his entire holdings of the company, a private power producer. The shares will be bought by NRB Ventures (Pvt), and Fusion Holdings (Pvt). At present both companies are serving as directors on the board of Baraka Power. They hold 5.42% and 2.90% shares respectively.
- According to the company's latest shareholding report, Abdul Bari, a director of the company, holds 47,14,138 shares or 2% of the total shares of Baraka Power. In a disclosure on Monday, the company said the shares will be sold in the block market.
- NRB Ventures (Pvt) and Fusion Holdings (Pvt) have expressed their intention to buy 20,45,579 shares and 26,68,599 shares respectively at the prevailing market price within 30 working days at the Dhaka Stock Exchange. In FY22, its net profit after tax declined by 28% to Tk50.13 crore in its associate companies due to the appreciation of the dollar against the taka. It paid a 10% cash dividend to the shareholders for FY22.

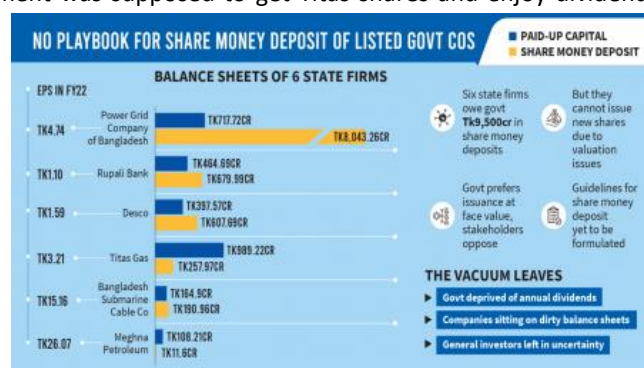
<https://www.tbsnews.net/economy/stocks/baraka-power-director-sell-his-entire-holding-581070>

How govt is losing dividend from six listed firms

The Business Standard, February 06, 2023

- To finance development works and business expansion, state-owned gas distributor Titas took Tk298 crore from the government over the years till FY22. In exchange, the government was supposed to get Titas shares and enjoy dividends every year. But that did not happen, as there are no guidelines about how many shares Titas would issue against the amount and what would be the value of each share.
- The vacuum deprives the government of annual dividends, compels the gas distributor to sit on a dirty balance sheet and leaves its stakeholders in share uncertainty.
- But the issue is not supposed to prolong in the first place, as the accounting regulator Financial Reporting Council in 2020 asked Titas and five listed government firms to issue the shares within six months and convert the government investments into new shares and transfer them to paid-up capital of the companies.
- Even after three years of that directive, the firms could not comply. Despite several meetings with the stakeholders, they could not finalise the method or price of the new share issue. Apart from Titas, the other five companies are – Power Grid Company of Bangladesh, Meghna Petroleum, Rupali Bank, Dhaka Electric Supply Company Limited (Desco) and Bangladesh Submarine Cable Company.

<https://www.tbsnews.net/economy/stocks/how-govt-losing-dividend-six-listed-firms-580694>



Oimex Electrode declares 1% cash dividend for shareholders

The Business Standard, February 06, 2023

- The board of directors of Oimex Electrode Limited has recommended a 1% cash dividend for their shareholders, other than sponsors and directors, for the fiscal year 2021-22. The decision has taken in a board meeting of the company on Sunday (5 February).
- The sponsors and directors hold 20,133,184 shares out of a total of 67,084,781 shares of the company. General shareholders hold 46,951,597 shares and general shareholders will get a cash dividend of Tk4,695,159. The company has made a loss per share of Tk1.65 and its net asset value per share stood at Tk11.72.

<https://www.tbsnews.net/economy/stocks/oimex-electrode-declares-1-cash-dividend-shareholders-580834>

Midland Bank's IPO subscription begins Feb 16

The Financial Express, February 07, 2023

- The initial public offering (IPO) subscription of Midland Bank is set to begin on 16 February, aiming to raise Tk 700 million under the fixed price method. The minimum required investment for the general public is Tk 50,000 and for non-resident Bangladeshis is Tk 100,000 as on February 8 in matured listed securities for applying IPO shares, according to a stock exchange filing on Monday.
- The minimum required investment amount would be Tk 15 million for approved pension funds, recognised provident funds and approved gratuity funds while other eligible investors shall be Tk 30 million for IPO application.
- Of the IPO proceeds, the bank will invest over Tk 610 million in treasury bonds, Tk 50 million in the listed securities, and the remaining funds for catering the IPO expenses.

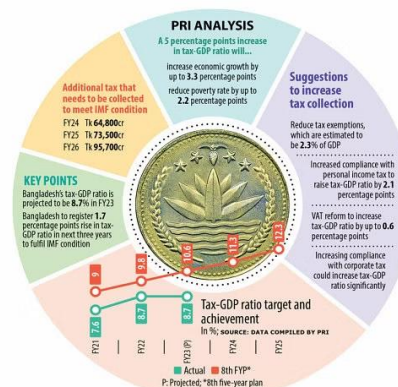
<https://thefinancialexpress.com.bd/stock/midland-banks-ipo-subscription-begins-feb-16-1675739326>

Economy & Industry

Huge tasks ahead for NBR to meet IMF conditions

The Daily Star, February 07, 2023

- Bangladesh will have to collect an additional Tk 234,000 crore in the three years from the current fiscal year in order to meet the International Monetary Fund's conditions tagged with its \$4.7 billion loan approved last month.
- Attaining the target will be very challenging if the National Board of Revenue follows a "business as usual" approach, said the Policy Research Institute (PRI) of Bangladesh, a think-tank based in Dhaka, as it shared the figures yesterday.
- The Washington-based multilateral lender attached conditions that Bangladesh will have to increase the tax-to-GDP ratio by 1.7 percentage points to 9.5 per cent at the end of the fiscal year of 2025-26, from 7.8 per cent currently.
- The country will have to raise the tax-to-GDP ratio by 0.5 percentage points by FY24 with a subsequent hike of 0.5 percentage points in FY25 and 0.7 percentage points in FY26. The NBR on average registered around 12 per cent annual growth in tax collection from FY19 to FY23. In order to achieve the target set by the IMF, the tax revenue growth needs to be around 18 per cent in FY24, he said.



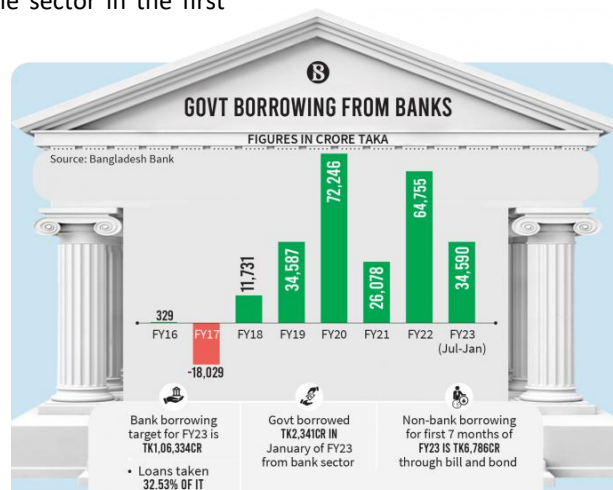
- The IMF projects that the NBR would collect Tk 345,600 crore during the current fiscal year, ending in June. The tax authorities logged Tk 294,314 crore in revenue in 2021-22, according to finance ministry data.

<https://www.thedailystar.net/business/economy/news/huge-tasks-ahead-nbr-meet-imf-conditions-3241081>

Govt borrowing from commercial banks surges

The Business Standard, February 06, 2023

- The government borrowed Tk2,341 crore from the scheduled banks in January this year, up from Tk863 crore in the previous month. With the latest addition, the borrowing from the sector in the first seven months of FY23 rose to Tk34,590 crore.
- According to the Bangladesh Bank data, the government loans from commercial banks were Tk2.02 lakh crore at the end of January last, which was Tk1.81 lakh crore in December, meaning that the government borrowed some Tk21,000 from the sector in a month.
- With the amount, it provided the central bank with Tk19,000 crore in loan repayment aiming at tackling inflation, the data said. With the loan repayment, the government debts to the central bank fell to Tk1.02 lakh crore in January from Tk1.21 lakh crore in December. In the first seven months of FY23, the government borrowed Tk46,048 crore in total from the central bank and some Tk11,089 crore of the amount went to the country's money circulation system in the name of loan repayments to commercial banks.
- The government set a target of borrowing Tk1.06 lakh crore from the banking sector to meet the budget deficit for FY23. At the end of January, it borrowed 32.53% of the target.



<https://www.tbsnews.net/economy/banking/govt-borrowing-commercial-banks-surges-581090>

International

Adani shares dive again

The New Age, February 06, 2023

- Investors dumped more Adani stock on Monday as India's opposition staged protests calling for a full inquiry into allegations of major accounting fraud at the country's biggest conglomerate. The group owned by tycoon Gautam Adani has lost around \$120 billion in value since the claims were levelled by short-seller US investment group Hindenburg Research on January 24.
- Trading in Adani Total Gas, in which French oil giant TotalEnergies owns a 37.4-per cent stake, and in Adani Power was again suspended on Monday after the stocks fell five per cent. Shares in flagship Adani Enterprises, which before the rout had gained more than 1,000 per cent in five years, closed 0.7 per cent lower, having been off almost 10 per cent in volatile early trade.
- The slide has raised concerns about the group's ability to raise fresh financing to pay down its debts. It cancelled a share sale, and reportedly also a bond issue, last week. Adani said Monday it was prepaying loans worth \$1.1 billion, taken against shares for three of its companies, ahead of their maturity in September 2024. Analysts said the move was meant to reassure investors.

<https://www.newagebd.net/article/193729/adani-shares-dive-again>

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