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## Stock Market & Company

### Stocks gain in 1st week of new year

The Newage, January 08, 2022

- Dhaka stocks advanced in the past week as a section of investors went for buying shares heavily in the first week of the new year amid optimism, but some others remained worried about the spread of Omicron in the country.
- DSEX, the prime index of the Dhaka Stock Exchange, went up by 3.42 per cent, or 230.79 points, over the past week to close at 6,987.45 points on January 6, the last trading session of the week after gaining 54.05 points in the previous week.
- The market gained in all the trading sessions in the first week of the new year as investors kept buying shares amid expectation of better trend on the market, market operators said.
- The DSEX witnessed 25.1 per cent growth in 2021 after gaining 21.3 per cent in the previous year that drew attention of some investors, the market operators said.



- Among the large capitalised companies, a surge in share prices of LafargeHolcim Bangladesh, British American Tobacco Company, Bangladesh Shipping Corporation, Robi and Power Grid Company contributed most to the rally in the week.
- Share prices of LafargeHolcim Bangladesh soared by 14 per cent over the week as the company disclosed that it recommenced the production and sales of aggregate unit after receiving verdict from the High Court in its favour.
- Bangladesh Shipping Corporation was the week's best performer, posting a gain of 45.48 per cent, while Sonali Paper & Board Mills was the worst loser, losing 20.53 per cent. Average share prices of cement, energy, non-bank financial institution and bank sectors advanced by 10.7 per cent, 7.2 per cent, 4.2 per cent and 3 per cent respectively.

<https://www.newagebd.net/article/159467/stocks-gain-in-1st-week-of-new-year>

### 33 banks stake Tk 29.68b on stocks through new window

The Financial Express, January 09, 2021

- Thirty-three scheduled banks have invested Tk 29.68 billion in stocks and sukus through a special window meant for stimulating Bangladesh's securities-hungry capital market, officials say. The banks channeled the investments into the stock market from a special fund they each formed in line with the central bank's circular issued to support the market with tradable securities as stock traders, in cases, were piling bets on limited issues only to see certain imbalance.
- Bangladesh Bank (BB) officials say those banks invested 53 per cent of the aggregate amount of individual fund, formed on December 31 last. The aggregate amount of the funds so far formed by those banks comes to around Tk 53 billion, according to information from the central bank.
- "The banks formed the special funds each ranging from Tk 800 million to Tk 2.0 billion in line with the BB circular," one BB official says. Some 38 per cent of the Tk 29.68 billion in the market has been invested in units of sukuk—a bond derivative devised under Sharia rules for finance investment, based on profit sharing instead of interest bearing.
- As a result, the amount of the funds injected in the new-comer sukus has stood at Tk 11.27 billion. The banks began investing in sukuk instruments after the central bank had allowed them to invest in a private Green Sukuk bond from their special funds formed for investment in the capital market.
- In February 2020, the BB issued a circular on the formation of the special fund worth Tk 2.0 billion by each bank following the merchant bankers' request to form a Tk 100-billion fund from the government to support the capital market.

<https://thefinancialexpress.com.bd/stock/33-banks-stake-tk-2968b-on-stocks-through-new-window-1641696592>

### BSEC okays 3 more firms for brokerage licence

The Newage, January 08, 2022

- The Bangladesh Securities and Exchange Commission has approved three more companies for trading right entitlement certificates of the Dhaka Stock Exchange, increasing the total number to 58 companies. The BSEC has recently sent a letter to the bourse mentioning the names of the three companies.
- The new three companies which got TREC are Gibson Securities, SQ Wire Cable Company and Fariha Knit Tex. Earlier on August 26, 2021, the BSEC allowed four companies — Gibson Securities, SQ Wire Cable Company, Fariha Knit Tex and CVC Finance — to complete compliance issues by October 14.
- CVC Finance would also be given TREC soon after completion of compliance issues, BSEC officials said. The commission has so far approved 58 firms for TREC of the DSE. In 2021, it approved 30 companies on May 18, 16 companies on June 21 and nine companies on August 26 for the TREC licence of the bourse.
- On September 4, 2021, 52 new brokerage firms joined the DSE as the premier bourse awarded the TREC to them, and they are trying to start business activities soon.

<https://www.newagebd.net/article/159468/bsec-okays-3-more-firms-for-brokerage-licence>

### Foreign investors' selloff reaches record high in 2021

The Business Standard, January 08, 2022

- Like the previous three years, foreign portfolio investors continued their selloff in the Dhaka Stock Exchange in 2021 too. Net selling by foreign investors increased to a historic high of Tk2,648 crore in 2021, following the same of Tk2,606 crore in 2020, according to the DSE data.

- The foreigners' continuing selloff in the bull market and despite the securities regulator's all-out efforts to attract foreign and non-resident Bangladeshi investors' funds into the bourses of Dhaka and Chattogram frustrates market observers. They said, some fundamental frustration discouraged the foreign investors who seriously look for their freedom to enter into and exit from any position in listed company stocks.
- Stock market's shutdown for more than two months during the first wave of the Covid-19 in 2020 and the then-imposed floor prices to arrest the market fall, both criticized as to have been against the free market spirit, discouraged them in the Bangladesh market. Foreign investors, especially the institutional ones, need their timely exit from any securities or market regardless of the price, they said.
- Also, the interest rates capping by the central bank was not a move the free-market fans appreciate. On top of that, motivated disclosures and improper accounting by some listed firms had long been a discouraging factor to the foreign investors and the recent developments including push for more transparency in disclosures, accounts, corporate governance are yet to bear any fruit for the market in terms of attracting foreign investors.

<https://www.tbsnews.net/economy/stocks/foreign-investors-selloff-reaches-record-high-2021-354964>

## Pacific Denims' three directors to sell 15.50 lakh shares

The Business Standard, January 08, 2022

- Two sponsor directors, and one corporate director of the Pacific Denims Ltd — a concern of the Pacific Group — have expressed their intention to sell a small portion from their holding shares. As per disclosure by the company on Thursday, Shafiqul Azam and Shadequul Alam, the sponsor directors, will sell 8.5 lakh and 5.4 lakh shares respectively, and the Corporate Director Disney Properties Ltd will sell 1.6 lakh shares.
- The said shares will be sold in the public market through the Dhaka Stock Exchange (DSE) within the next 30 working days. On Thursday, the last trading day of the week, the share price was Tk12.30 each.
- Now, Shafiqul Azam holds around 2.63 crore shares and Shadequul Alam 1.53 crore, while Disney Properties holds 42.77 lakh shares. Pacific Denims collected Tk75 crore through an initial public offering (IPO) from the capital market for business expansion, repayments of loans and bearing the cost of public offering.

<https://www.tbsnews.net/economy/stocks/pacific-denims-three-directors-sell-1550-lakh-shares-354931>

## 4 listed sick firms must submit comeback plans

The Business Standard, January 08, 2022

- Jute Spinners and RSRM Steel are out of production while production at Aziz Pipes and Central Pharma remain halted now and then. None of the four companies was able to pay dividends due to losses in the 2020-21 fiscal year. Except for Jute Spinners, the boards of the other companies are not holding 30% shares required by the securities regulator.
- BSEC Spokesperson and Executive Director Rezaul Karim told The Business Standard, the commission is holding meetings regularly with weak and loss-making listed companies.
- "Discussions are going on about what to do to change their situation. As part of this, the four companies have been asked to submit in writing their plans to improve the situation," he added.
- Officials of the companies said that they also want to do good business and how this can be done is being planned in consultation with directors of their companies.
- The plans will be submitted to the commission in due course, they added. Of these four companies, Jute Spinners is in the most vulnerable situation. With a paid-up capital of only Tk1.70 crore, the company has not been in production for a long time. The last time it paid dividends to its shareholders was in 2012.



<https://www.tbsnews.net/economy/stocks/4-listed-sick-firms-must-submit-comeback-plans-354913>

## JMI Hospital's IPO bidding starts Sunday

The Business Standard, January 08, 2022

- Price-bidding to fix the share price of JMI Hospital Requisite Manufacturing Limited's initial public offering (IPO) is scheduled to begin at the Dhaka Stock Exchange at 5pm on Sunday. Based on the book building method, the bidding will continue until 12 January.
- Earlier, the modern medical instrument and hospital equipment manufacturer received approval from the Bangladesh Securities and Exchange Commission (BSEC) to raise Tk75 crore from the capital market. It will spend the fund for purchasing machinery, land and for loan repayment.
- Institutional investors will determine the cut-off price of its shares, after which the company will issue shares to the general public at a 20% discount on the price. The cut-off price is the price point where institutional investors absorb all the primary shares allocated for them in an IPO under the book building method.
- Besides, the Investment Corporation of Bangladesh (ICB) invested Tk81 crore as a placement share of JMI, which was bought at a premium. ICB Capital Management and Janata Capital and Investment Limited were the issue managers of the company.
- As of 30 June 2020, the net asset value per share of the company was Tk27.78 without revaluation and Tk29.99 with revaluation. Its paid-up capital is Tk90 crore.

<https://www.tbsnews.net/economy/stocks/jmi-hospitals-ipo-bidding-starts-sunday-354904>

## LafargeHolcim resumes aggregates business right after securing HC judgment

The Business Standard, January 06, 2022

- LafargeHolcim Bangladesh Ltd (LHBL) resumed its aggregates business on Wednesday, immediately after winning its legal battle against the Ministry of Industries. The company informed about continuing with its business of crushing and selling aggregates with a disclosure on the Dhaka Stock Exchange (DSE) website on Thursday.
- Following the full hearing, the High Court (HC) Bench made the 11 October ruling against the ministry absolute, the cement-maker added, in the disclosure.
- The legal battle: In mid-September 2021, the Ministry of Industries directed LHBL to stop its aggregates business citing lack of the needed approval.
- The company challenged the legality of the ministry's directive and on 11 October, the HC issued a rule against the ministry.
- On 16 November, the Division Bench heard the matter and passed a one-month stay order against the ministry's directive.
- The company started its aggregates business once again after the stay order. But on the next day, the ministry went to the Appellate Division. A Chamber Bench, upon hearing the parties, again stayed the Division Bench's stay order for two weeks. The company once again had to stop its aggregates business.
- Eventually LafargeHolcim won the HC judgment on Wednesday and its aggregates business will continue unless the Industries Ministry goes for an appeal petition.



<https://www.tbsnews.net/economy/stocks/lafargeholcim-resumes-aggregates-business-right-after-securing-hc-judgment>

## Shanta Amanah Shariah Fund declares 10% dividend

The Business Standard, January 06, 2022

- Shanta Amanah Shariah Fund (SASF) has declared a 10% cash dividend (Tk1 per unit) for the year that ended on 31 December 2021 for its esteemed investors. Earnings Per Unit (EPU) of the fund stood at Tk1.33, implying that the fund disbursed 75.2% of its earnings to its well-deserved investors, read a press release.
- Shanta Asset Management Limited (SAML), sponsor and asset manager of the fund, informed that shareholders who held units on 31 December 2021 would be entitled to the declared dividend. The fund has generated a 16.4% return against a

15.2% surge of the DSE Shariah Index (DSES). Moreover, SASF has become one of the top performers among all the other Shariah-compliant open-end mutual funds in Bangladesh.

- The investors have gained their confidence in this well-governed fund of Shanta Asset Management Limited, which has been reflected in the tremendous increase of the said fund's Asset Under Management (AUM). In 2021, the total AUM of SASF has increased more than two-fold and reached around Tk47 crore.

<https://www.tbsnews.net/economy/corporates/shanta-amanah-shariah-fund-declares-10-dividend-354055>

## Delta Life administrator declared illegal, board reinstated

The Financial Express, January 08, 2021

- The High Court has declared illegal the insurance regulator's appointment of administrator in Bangladesh's biggest private life insurer, Delta, and also ordered its previous board to be reinstated. The Insurance Development and Regulatory Authority (IDRA) earlier had appointed administrator to the Delta Life firm on allegations of evasion of taxes and not settling claims of the policyholders.
- Sources say in appointing administrator in February in 2021 the IDRA held the view that it would protect policyholders' interests. The VAT Audit, Intelligence and Investigation Directorate filed a case against the Delta management under the VAT Act on a charge that it had evaded paying Tk 351.8 million in VAT.
- The writ petitioner challenged the insurance regulator's moves on the company's board suspension, administrator appointment for four months, and time extension for the administrator. "The previous board of directors was restored through the High Court judgment," says a press statement issued from Delta Life.
- In February last year, the regulator suspended the insurer's board by citing irregularities, and appointed a former IDRA member as administrator for four months.

<https://thefinancialexpress.com.bd/stock/delta-life-administrator-declared-illegal-board-reinstated-1641611286>

## Pran-RFL going for Tk 1,700cr expansion

The Daily Star, January 07, 2022

- Pran-RFL Group, one of the country's leading industrial houses, plans to invest Tk 1,700 crore to expand its footprint in consumer goods, poultry, and mobile assembling, the group said yesterday. "Bangladesh has a large consumer product market, with the majority of products being edible oil, flour, lentil, salt, and so on," said Kamruzzaman Kamal, director (marketing) of Pran-RFL Group.
- "We plan to manufacture a wide range of sugar-free consumer goods and will build a factory in Gazipur to do so," he said at a briefing with journalists at a hotel in Cox's Bazar. "Besides we are investing in some other sectors including footwear, glassware and poultry industry," he said, adding that the expansion would create about 20,000 new jobs.
- The group said it was establishing an agro processing park at Muktarpur in Gazipur to establish a seed crushing mill to extract edible oil. The 180-bigha area will also have flour, salt and pulse and feed mills, all set up with an investment of Tk 1,500 crore. Production could begin at the end of the year, it said.
- Operating in diversified areas ranging from agro-processing, dairy, plastics, electrics to furniture, Pran-RFL has 23 factories and employs nearly 129,000 people to market its products locally and globally. The group exported nearly \$420 million-worth products in fiscal year 2020-21, it said.

<https://www.thedailystar.net/business/organisation-news/news/pran-rfl-going-tk-1700cr-expansion-2934236>

## Economy & Industry

### Dyeing sector can't keep up with robust apparel

The Daily Star, January 09, 2022

- No new dyeing factory was set up in Bangladesh last year although the segment is crucial to supporting the roaring apparel sector looking to double its exports. As local exporters are increasingly embracing man-made fibres and producing high-end items, the country will need more dyeing facilities and high-quality textile clothing chemicals to cater to demand in the coming years.

- Industry people say entrepreneurs, however, are not interested in pouring money in the dyeing industry because of complicated production process, large investment requirement, dearth of local experts, and lower demand from weavers and spinners. Dyeing is a critical process to colour fabrics and yarn for finished garment items. It involves a lot of technical people and expensive chemicals.
- The group runs one of the biggest dyeing units in Bangladesh. It can dye 30 lakh metres of fabrics a month, which includes 15 tonnes of yarn a day. There are 70 large dyeing units in Bangladesh with Tk 400 crore investment in each factory, according to the Bangladesh Dyed Yarn Exporters Association.
- Annual consumption of clothing chemical is growing at 30 per cent as local dyers use more chemicals adding more value to export-oriented garment items, according to Syed Mohammad Ismail, country manager of Archroma (Bangladesh) Ltd, a US multinational chemical company. Archroma (Bangladesh) has a market share of 12.5 per cent.

<https://www.thedailystar.net/business/economy/news/dyeing-sector-cant-keep-robust-apparel-2935276>

## TIB criticises BB for allowing Padma Bank to erase accumulated loss

The Business Standard, January 08, 2021

- Transparency International Bangladesh (TIB) expressed concern over the Bangladesh Bank's approval to conceal the information of accumulated losses of Padma Bank from its financial statement on the condition of getting a foreign loan.
- Terming this type of advantage as unethical and fraudulent, TIB warned BB saying this action may worsen the faith of the regulator in its role in establishing discipline and good governance in the financial sector along with creating the risk of tarnishing the country's image abroad, TIB said Saturday in a media statement.
- According to the media reports, BB has agreed to create a separate account by hiding the information on losses as per the condition of the problematic Padma bank's consultancy firm DelMorgan which would bring a \$70 crore foreign loan. Terming BB's unethical step as unprecedented in the country's banking sector, TIB executive director Iftekharuzzaman said that the finance ministry and Bangladesh Bank have been supporting the Padma Bank by relaxing various rules like providing Tk700 crore capital from the four public banks and ICB, exemption of statutory liquidity ratio or SLR and other policy support to save the bankrupt Farmers Bank (now named Padma Bank) which was on the verge of ruin due to the enormous corruption, and financial irregularities of the entrepreneurs and directors.

<https://www.tbsnews.net/economy/banking/tib-criticises-bb-allowing-padma-bank-erase-accumulated-loss-354901>

## International

### Hard times loom for US economy

The Daily Star, January 09, 2021

- The US economy ended 2021 on a sour note with a worse-than-expected employment report that underscored the challenges awaiting President Joe Biden in the new year as the Omicron variant runs rampant and his legislative agenda stalls. The world's largest economy gained only 199,000 jobs in the final month of the year, the Labor Department said Friday, defying expectations for an increase of hundreds of thousands of positions fueled by the recovery from Covid-19.
- Though a drop in the unemployment rate to 3.9 per cent was welcome news, analysts warn the labor market may be in for some rough months to come as cases caused by the new variant surge and again complicate daily life. "All of this is before Omicron, which is making lots of people sick and disrupting lots of businesses," Mark Zandi of Moody's Analytics tweeted, noting that the survey was based on data collected before the recent spike in infections.
- "The report was the latest setback for Biden after his marquee spending plan called Build Back Better was put on hold in Congress due to the opposition of a key lawmaker in his Democratic Party, and as a wave of price increases shows no sign of abating.
- The most potent actor against inflation is the Federal Reserve, and although analysts say there was enough good news in this report for it to move closer to increasing interest rates as soon as March, the expected damage from Omicron could complicate the situation.

<https://www.thedailystar.net/business/global-economy/news/hard-times-loom-us-economy-2935236>

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