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Stock Market & Company

Stocks return to negative zone

The New Age, May 08, 2023

- Dhaka stocks dropped on Monday after gaining slightly in the previous day as a section of investors went for selling shares to book some profits while the others remained on the sideline, market operators said.
- DSEX, the key index of the Dhaka Stock Exchange, lost 7.71 points, or 0.12 per cent, and settled at 6,261.62 points after gaining 0.18 points in the previous trading session.
- The turnover on the bourse decreased to Tk 759.51 crore on Monday compared with that of Tk 846.21 crore on Sunday. Out of the 364 issues traded, 74 advanced, 65 declined and 225 remained unchanged on the day.
- The DS30 index also decreased by 7.56 points to finish at 2,196.37 points and the DSE Shariah index declined by 0.61 points to close at 1,367.53 points on the day. Paramount Textile topped the turnover chart with its shares worth Tk 38.63 crore changing hands.

<https://www.newagebd.net/article/201173/stocks-return-to-negative-zone>

Brac Bank's profit jumps 25% in Jan-Mar

The Daily Star, May 09, 2023

- Brac Bank Limited posted a nearly 25 per cent year-on-year increase in profit in the January-March quarter of 2023. Its consolidated earnings per share stood at Tk 0.96 in the first quarter of the financial year against Tk 0.77 in the same quarter in 2022, according to the unaudited financial statements.
- The consolidated net operating cash flow per share dipped to Tk 1.85 from Tk 7.20, due to higher loan disbursements, said the private commercial bank in a filing on the Dhaka Stock Exchange.
- The consolidated net asset value per share rose to Tk 41.86 on March 31 this year from Tk 38.94 on the same day last year. In another filing, Brac Bank said it has received consent from the Bangladesh Securities and Exchange Commission (BSEC) to give a 7.5 per cent stock dividend for 2022.

<https://www.thedailystar.net/business/economy/news/brac-banks-profit-jumps-25-jan-mar-3314726>

Quasem Industries posts 20% decline in profit in Q3

The Daily Star, May 09, 2023

- Quasem Industries Ltd reported a 20 per cent year-on-year decline in profit to Tk 87.27 lakh in the third quarter of the current financial year owing to a rise in the cost of production and expenses.
- The battery manufacturer made a Tk 1.09 crore profit in January-March of the previous financial year of 2021-22. Its earnings per share rose to Tk 0.12 in the January-March quarter of 2022-23 against Tk 0.15 in the similar quarter a year earlier, according to the unaudited financial statements.
- Quasem Industries suffered a loss of Tk 50.91 lakh in the July-March period of 2022-23. It made a profit of Tk 2.39 crore in the same nine-month period of 2021-2022. The net operating cash flow per share (NOCFPS) declined to Tk 0.51 in July-March of FY23 against Tk 0.97 in FY22.

<https://www.thedailystar.net/business/economy/news/quasem-industries-posts-20-decline-profit-q3-3314716>

Green Delta Insurance's profit falls 58% in Q1

The Daily Star, May 09, 2023

- Green Delta Insurance Ltd reported a 58 per cent year-on-year decline in profit to Tk 7.41 crore in the first quarter of 2023. The profit stood at Tk 17.83 crore in the identical January-March quarter of 2022.
- The insurer said its consolidated earnings per share were Tk 0.74 in the quarter, down from Tk 1.78 in January-March a year earlier. The consolidated net operating cash flow per share plummeted to Tk 0.02 from Tk 0.67.
- Green Delta's consolidated net asset value per share rose to Tk 69.94 on March 31 from Tk 68.96 on December 31. Shares of the insurance company traded at Tk 65.10 on the Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/economy/news/green-delta-insurances-profit-falls-58-q1-3314696>

Dilwar H Choudhury re-elected board audit committee chairman of Bank Asia

The Daily Star, May 09, 2023

- Dilwar H Choudhury has been re-elected as the chairman of the board audit committee of Bank Asia Limited at a meeting of the Board of Directors recently. Choudhury had been a career banker with 35 years of experience in eight countries in Asia, Africa and Europe.
- In the last leg of his career, he was the managing director (current charge) of City Bank Limited, said a press release. Previously, he managed three full-fledged banking operations as the chief executive officer in Turkey, Pakistan and Bangladesh.

- He was also a banking consultant for KPMG Bangladesh, a global network of professional firms providing audit, tax and advisory services, in 2004-2005. Currently, Choudhury offers freelancing service in the areas of merger and acquisition, organisational development and credit portfolio audit of banks.

<https://www.thedailystar.net/business/economy/dilwar-h-choudhury-re-elected-board-audit-committee-chairman-bank-asia>

4 banks must pay Tk26.12 crore in penalty for violating SEC rules

The Business Standard, May 08, 2023

- Four banks are facing a penalty of Tk26.12 crore for not providing cash dividends, instead giving bonus dividends only, which is a violation of the rules of the stock market enlistment. The banks are Arab-Bangladesh Bank or AB Bank, Mutual Trust Bank, One Bank, and First Security Islami Bank Limited.
- According to the law, AB Bank will have to pay Tk1.72 crore, Mutual Trust Bank Tk8.94 crore, One Bank Tk5.0 crore, and First Security Islami Bank Tk10.46 crore.
- According to the law, listed companies must pay cash dividends at least equal to bonus dividends. If the bonus amount is more than cash, the entire bonus share will be taxed at the rate of 10%.
- As such, the banks will have to suffer the penalty of additional income tax. This Act was enacted in FY2018-19. The authorities of four banks say that bonus shares are given as dividend profit and this decision has been taken to increase the paid-up capital of the banks. The profit money will further strengthen the bank's capital.

<https://www.tbsnews.net/economy/stocks/4-banks-must-pay-tk2612cr-penalty-violating-sec-rules-628434>

Robi's revenue, profit surge in March quarter

The Business Standard, May 08, 2023

- Robi Axiata Limited – the country's second largest mobile network operator – has reported growths in both its revenue and profit in the January to March quarter of the ongoing 2022-23 fiscal year, compared to the same quarter of the previous fiscal.
- According to its un-audited financial statement for the March quarter, that the company revealed after its board meeting on Monday, its mobile services revenue including voice, non-voice traffic, data, subscriptions and connection fees surged by 17.64% to Tk2,171 crore. And, its net profit grew by 5.49% to Tk42 crore.
- Its interconnect services increased by 13% to Tk131 crore. However, its revenue from the sale of devices declined by 73% to Tk2.65 crore, and other revenue like commission, IT professional services and digital services revenue declined by 14% to Tk29.40 crore.
- Robi's consolidated earnings per share stood at Tk0.08, net asset value per share at Tk12.90, and net operating cash flow per share at Tk1.83 at the end of March 2023.

<https://www.tbsnews.net/economy/stocks/robi-posts-tk41-crore-profit-january-march-628254>

Regulator approves Savar Refractories' exit plan

The Financial Express, May 09, 2023

- Savar Refractories reached an advanced stage of its exit plan of purchasing shares back from institutions and general shareholders. The Bangladesh Securities and Exchange Commission (BSEC) on Sunday gave its consent in principal.
- The company's offer price of Tk 95.52 per share has been approved at the annual general meeting (AGM), said company secretary Md. Belayet Hossain Khan.

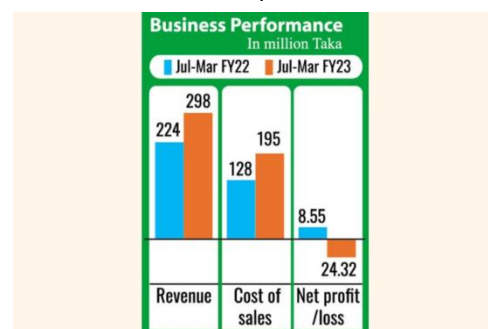
- To exit the stock market, a company has to purchase shares from all investors other than the sponsor-directors. Institutes held 7.15 per cent or 100,003 shares of Savar Refractories while general investors 42.14 per cent or 586,925 shares until April. The company's sponsor-directors hold 50.68 per cent shares.
- Therefore, the company will have to purchase 686,929 shares at more than Tk 65.61 million to be paid to institutes and general investors. In compliance with a regulatory directive, trading of Savar Refractories was suspended on Monday.

<https://thefinancialexpress.com.bd/stock/bangladesh/regulator-approves-savar-refractories-exit-plan>

Peninsula Chittagong in the red in July-Mar FY23

The Financial Express, May 09, 2023

- The Peninsula Chittagong's profit dropped 37.5 per cent year-on-year to Tk 5.93 million in January-March of the current financial year mainly for higher cost of sales.
- As a result, the earnings per share came down to Tk 0.05 in the third quarter from Tk 0.08 in the same quarter of the previous fiscal year, according to the unaudited financial statements.
- However, the company remained in the red in the nine months through March for making a huge loss in the first quarter ended in September last year. It could not offset the loss with the profits in Q2 and Q3.
- In its earnings disclosure, the company said the EPS fell for an increase in the cost of sales, import bills, and selling and distribution expenses and reduced non-operating income.



<https://thefinancialexpress.com.bd/stock/bangladesh/peninsula-chittagong-in-the-red-in-july-mar-fy23>

ADN Telecom, City Bank, City Bank Capital announce syndicated loan arrangement

The Financial Express, May 08, 2023

- ADN Telecom Limited, The City Bank Limited, and City Bank Capital have announced a syndicated loan arrangement for building construction and business expansion, amounting to Tk 1,200 million.
- The syndicated loan will be used to fund ADN Telecom Limited's new building construction and business expansion plans, and it will be jointly arranged by The City Bank Limited and City Bank Capital, according to a press release.
- The loan agreement was signed by Chairman of ADN Telecom Limited Asif Mahmood, CEO of City Bank Capital Ershad Hossain and Head of Structured Finance of The City Bank Limited Mahbub Jamil.

<https://thefinancialexpress.com.bd/stock/adn-telecom-city-bank-city-bank-capital-announce-syndicated-loan-arrangement>

Economy & Industry

Forex reserves fall to \$29.77b after ACU payments

The Daily Star, May 09, 2023

- The country's foreign exchange reserves have fallen to \$29.77 billion as Bangladesh Bank cleared import bills to the tune of \$1.18 billion through Asian Clearing Union (ACU). The reserves stood at \$42.20 billion in May last year, meaning that the amount decreased by 29.45 per cent over the past year, showed central bank data.
- With Bangladesh Bank having made the payment to the ACU last week, the funds were adjusted from the country's foreign exchange reserves on Sunday.

- Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said neither the central bank nor government took effective measures in recent times, which was why the reserves have been declining.
- The reserves stood at \$42.20 billion in May last year, meaning that the amount decreased by 29.45 per cent over the past year, showed central bank data
- The central bank recently announced that it would issue policies on implementing a market-based interest rate on loans and floating exchange rates. It seems Bangladesh Bank will try to control the interest rate on loans as well as the exchange rate as it has already hinted, said Mansur, also a former official of International Monetary Fund.

<https://www.thedailystar.net/business/economy/news/forex-reserves-fall-2977b-after-acu-payments-3314746>

Interbank dollar rate hits record Tk108, but transactions poor

The Business Standard, May 08, 2023

- The interbank dollar rate, at which one bank sells dollars to another, rose to a record Tk108, but transactions on the platform were poor due to a shortage of greenbacks in the country.
- And the country's foreign currency reserves have dipped to \$29.78 billion. According to data from the central bank, banks on Sunday transacted dollars among themselves between Tk107.30 and Tk108.
- The interbank dollar rate had risen to Tk107.65 at its highest earlier. According to bankers, the interbank dollar rate has risen mainly due to an increase in remittance rates.
- Earlier on 30 April, the Association of Bankers Bangladesh (ABB) and Bangladesh Foreign Exchange Dealers' Association (Bafeda) raised the dollar rate by Tk1 to Tk108 for remitters.

<https://www.tbsnews.net/economy/banking/interbank-dollar-rate-hits-record-tk108-transactions-poor-628514>

International

Europe stocks tread water before US rate clues

The New Age, May 08, 2023

- Stock markets in Europe edged up slightly in light trading Monday as investors eyed a new round of US inflation data this week that could determine the prospect for interest rates in the world's largest economy.
- Asian markets rallied, tracking the strong gains on Wall Street last Friday after another forecast-busting US jobs report and a rebound in regional banking stocks that had sparked fears of wider financial industry fragility.
- The strong labour market fuelled hopes the Federal Reserve would succeed in its quest to curb inflation while avoiding a 'hard landing' or even recession, whose effects would be felt worldwide.
- Both the Fed and the European Central Bank raised benchmark rates by 25 basis points last week, and both US consumer and producer inflation data are due starting Wednesday.
- For analysts at ING, the data 'should all show that the disinflation trend is now firmly in place'. But Ipek Ozkardeskaya, a senior analyst at Swissquote Bank, cautioned that 'any upside surprise in inflation figures would bring the Fed hawks back to the market', potentially weighing on stocks.
- Investors also remain wary of any further upheaval in the US financial system following last week's turmoil that saw the sale of the embattled First Republic Bank to JPMorgan Chase. That followed the collapse in March of three other banks and the takeover of Credit Suisse by UBS, which sparked panic on trading floors.

<https://www.newagebd.net/article/201193/europe-stocks-tread-water-before-us-rate-clues>

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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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