

Key News

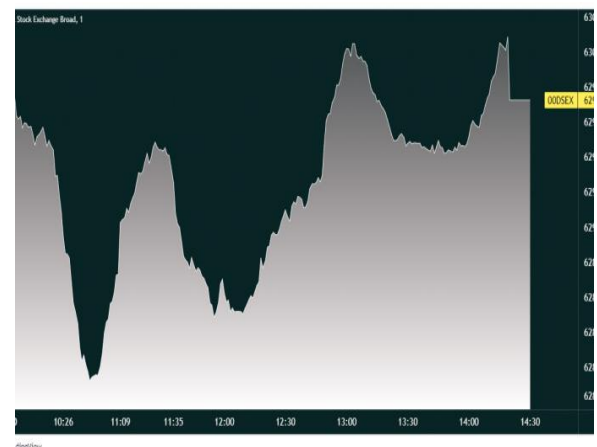
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Stock Market & Company

Sell-off continues, DSEX down to 53-day low

The Business Standard, October 08, 2023

- Sell pressure at both the bourses continued on Sunday as the recent tightening of monetary policy by the central bank added to the investors' woes amid the prevailing economic and political concerns.
- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plummeted by 24.5 points on Sunday and settled at 6,237, which was the lowest since the last 53 days.
- The port-city bourse Chittagong Stock Exchange also settled in the red terrain. The selected indices (CSCX) and All Share Price Index (CASPI) declined by 32.8 and 54.3 points to close at 11,046 and 18,477 respectively.
- Almost all the sectors displayed dismal returns, out of which, general insurance saw the highest price correction of 4.2%, followed by IT losing 2.6%, and services losing 1.6%.

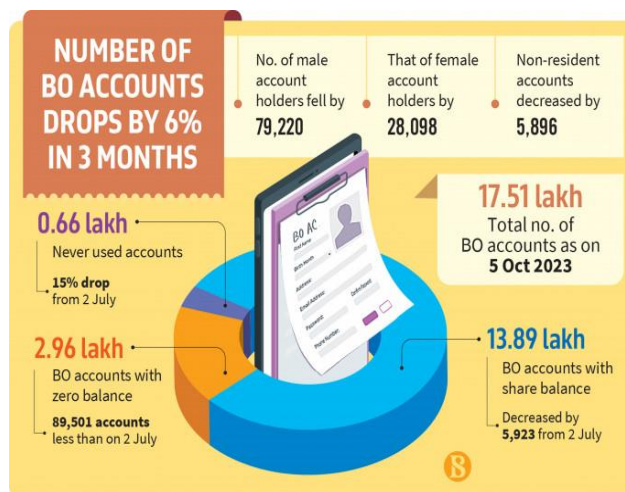


<https://www.tbsnews.net/economy/stocks/sell-continues-dsex-down-53-day-low-714770>

More than one lakh dispirited investors cut ties with the stock market

The Business Standard, October 08, 2023

- Out of the 1.07 lakh BO account holders who exited, 79,220 were male and 28,098 females, and of the total, 5,896 BO accounts belonged to non-resident Bangladeshis.
- Dismayed by various factors, with the floor price mechanism being the primary concern, around 1.07 lakh investors chose to withdraw from the stock market, closing their beneficiary owners (BO) accounts altogether in a mere three months.
- Stockbrokers said because of losses from stock market investments, most investors were reluctant to pay a yearly fee even as small as Tk500 to keep their accounts active. This practice is not new though, as it's persistent since 2015 when the total operable BO accounts peaked at around 32 lakh.
- But due to this floor price, 60% shares became stagnant at a restricted price, making investors unable to trade those shares. In this situation, investors who could somehow manage to sell those shares, opted to do so and eventually closed their accounts.



<https://www.tbsnews.net/economy/stocks/more-one-lakh-dispirited-investors-cut-ties-stock-market-714754>

Not a day trader, be a long-term investor to get good returns: BSEC chairman

The Business Standard, October 08, 2023

- Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat Ul Islam has urged stock market investors to invest for the long term to get good returns from the capital market.
- "If you [investors] want to be a day trader [who executes buy-sell of shares within a short time for securing quick gain] in the market, you cannot expect good returns on investments," he said at a programme titled "Investors Resilience: Initiatives by Regulator" on Saturday.
- The Capital Market Stabilisation Fund (CMSF) organised the event in its office at Motijheel in the capital as a part of celebrating World Investors Week, 2023.
- Referring to the CMSF, Shamsuddin said, "Focus should not be only on fund collection for CMSF but also on the utilisation of funds. This fund should be used to play a role in market stabilisation. Besides, it should also be ensured that returns are given to the shareholders from the income of the CMSF fund."



<https://www.tbsnews.net/economy/stocks/not-day-trader-be-long-term-investor-get-good-returns-bsec-chairman-714166>

Stocks tumble under selling pressure

The Business Standard, October 08, 2023

- The loss-making Libra Infusions has been flying high on the Dhaka Stock Exchange (DSE) at a time when many
- The indices of both the stock exchanges experienced a significant decline on Sunday (8 October), owing to the massive selling-off of shares.
- DSEX, the Dhaka Stock Exchange (DSE) benchmark, consequently plummeted by 23.36 points to 6,238 points by 1:30 pm.
- Meanwhile, the port city bourse Chittagong Stock Exchange (CSE) observed a dip in its all-share price index, CASPI, losing 44 points and settling at 18487 points during the session.
- Despite the market's subdued conditions, Central Pharmaceutical emerged as the top gainer, marking a 9% increase to Tk12.1 each. Following closely were Emerald Oil Industries, gaining 5.31% at Tk117 each, and Crystal Insurance with a 1.15% increase to Tk105 each.



<https://www.tbsnews.net/economy/stocks/stocks-tumble-under-selling-pressure-714390>

Shahjibazar Power subsidiary inks deal with Mongla Port for 13-acre land lease

The Business Standard, October 08, 2023

- Petromax Refinery Ltd — a subsidiary of the publicly listed Shahjibazar Power Company Ltd — has recently signed an agreement with Mongla Port Authority for leasing a 13-acre land for business expansion.
- Shahjibazar Power got listed on the stock market in 2014. According to its un-audited financial statement, the company's revenue grew 7.65% year-on-year in the first nine months of the fiscal 2022-23.
- Despite seeing higher revenue, the company reported a whopping 95% year-on-year decline in profit to Tk4.31 crore.
- In the last 2021-22 fiscal, the company has paid a 16% cash and 4% stock dividends to its shareholders.
- Its shares are stuck at the floor price of Tk65.5 each on the Dhaka Stock Exchange.



<https://www.tbsnews.net/economy/stocks/shahjibazar-power-subsiidiary-inks-deal-mongla-port-13-acre-land-lease-714766>

Economy & Industry

IMF mission worried about state banks' default loans

The Daily Star, October 09, 2023

- The visiting IMF staff mission yesterday raised questions about the swelling of defaulted loans in the state-run banks in their meeting with the financial institutions division.
- At the end of June, the six banks' classified loans stood at Tk 74,454 crore, which is 25 percent of total outstanding loans, according to the central bank's latest published data. Six months earlier, it was Tk 56,460 crore, which is 20.28 percent of their total credit.
- The central bank is evaluating their performance on the basis of the targets every three months and has appointed observers in most of the state-run banks.
- Inflation averaged 9.75 percent in the first three months of the fiscal year, according to data from the Bangladesh Bureau of Statistics.
- The mission sat with the senior officials of the commerce ministry, where they wanted to know the update of tariff policy. In response, the officials informed that the government will adjust the tariff policy gradually.



<https://www.thedailystar.net/news/bangladesh/news/imf-mission-worried-about-state-banks-default-loans-3438266>

BB now hikes interest rates for NBFIs

The Daily Star, October 09, 2023

- Bangladesh Bank yesterday hiked the interest on deposits with non-bank financial institutions (NBFIs) to 9.70 percent and the lending rate to 12.70 percent to help ease the country's inflationary pressure.
- Average inflation rose to 9.63 percent in September, which is significantly higher than the government's target of 6 percent for the current fiscal year.
- The central bank's decision to expand the interest margin in the NBFI sector follows a similar decision taken last week, when new lending rates were set for commercial banks.
- As per the decision, NBFIs now can add a 2.5 percent margin with the reference rate, also known as SMART, which stands at 7.20 percent for collecting deposits.
- Bangladesh Bank had announced a hike in the policy rate -- which is used by the central bank to implement or signal its monetary policy stance -- by 75 basis points to 7.25 percent.

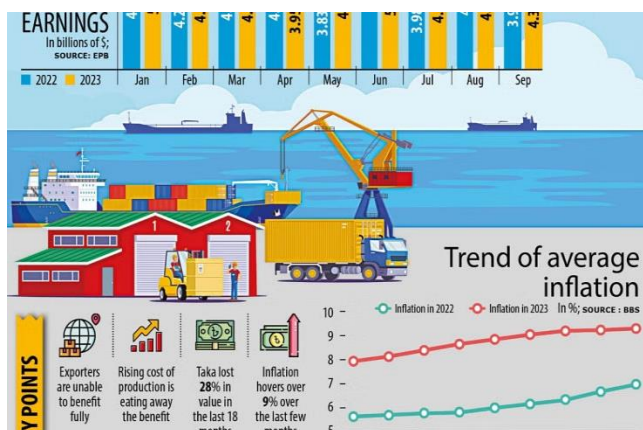


<https://www.thedailystar.net/business/economy/news/bb-now-hikes-interest-rates-nbfis-3438146>

Exporters unable to fully benefit from taka devaluation

The Daily Star, October 09, 2023

- Exporters in Bangladesh are unable to take the full benefit of the devaluation of the taka against the US dollar amid ongoing inflationary pressure and rising production costs, according to industry people.
- The devaluation of a country's currency can increase its export earnings as manufacturers can take orders even though buyers offer lower rates than in the past, making them more competitive on the global market.
- The exchange rate between the taka and the US dollar was around Tk 85 up till January last year, after which the local currency began its steep descent into the current range, as per central bank data.
- Bangladesh's taka has been facing volatility for more than one-and-a-half years as external payment pressure continued to grow while export and remittance did not grow as required.
- Exporters said the cost of doing business and production rose as prices of raw materials, transport and fuel rose by nearly 100 percent each, alongside the increasing price of food in the domestic market.
- CPD Research Director Khondaker Golam Moazzem acknowledged that cost of production has increased due to higher fuel, energy and other costs. Even after that, overall earnings of exporters have increased, which is why they are able to accept fresh orders by covering additional expenses, he said.



<https://www.thedailystar.net/business/economy/news/exporters-unable-fully-benefit-taka-devaluation-3438141>

International

Oil prices soar after Hamas assault on Israel

New Age, October 09, 2023

- In a new front in the US-China tech war, President Joe Biden's administration is facing pressure from some lawmakers to
- Oil prices soared more than four per cent on Monday after Hamas launched an attack on Israel at the weekend, sparking concerns about possible supply shocks from the crude-rich region.
- Brent jumped 4.7 per cent to \$86.65 and West Texas Intermediate was up 4.5 per cent at \$88.39 in early Asian business.
- The surprise attack and Israel's declaration of war in response to it have left more than 1,100 dead and raised concerns that a potential broadening of the conflict could draw in the United States and Iran.



<https://www.newagebd.net/article/214481/oil-prices-soar-after-hamas-assault-on-israel>

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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).

BASL Research Team

Mr. Shariful Alam Chowdhury
Head of Research & Investments

tushar@basl-bd.com

Mr. Shohidul Islam
Research Analyst

shohidul@basl-bd.com

BASL Networks

Head Office

Hadi Mansion (2nd Floor)
2, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone: +88-02-9515826-28
E-mail: info@basl-bd.com

Dhanmondi Branch

Meher Plaza (1st Floor),
House # 13/A, Road # 05
Dhanmondi, Dhaka - 1207
Phone: +8802-44611923-24

Mirpur Branch

Nishi Plaza, plot # 01,
Avenue-04, Section-06, Block-C
Mirpur, Dhaka - 1216
Phone: +8802-58055449, 48032449

Uttara Branch

House # 79/A, (4th Floor),
Road # 07, Sector # 04
Uttara Model Town, Dhaka-1230
Phone: +88-02-48958389, 48958371

Banani Branch

Nur Empori, Plot # 77 (1st Floor),
Road No # 11, Banani,
Dhaka-1213
Phone: +88028836155, 8836849

Nikunja Branch

DSE Tower, Level 10, Room# 200,
Nikunja, Dhaka-1229
Phone: +8809666702070Beraid

Bijoy Nagar Extension

Prime Tower (3rd Floor), 180-181
Dhaka-1213
Phone: +880248318685

Khulna Branch

28, Sir Iqbal Road (1st Floor)
Khulna
Phone: +88-041-731208-9

Chattogram Branch

Bank Asia Bhaban (3rd Floor)
39, Agrabad Commercial Area
Chattogram-4001
Tel : +8801730338091

Badda Digital Booth

Digital Booth (Beraid Badda)
Chairman Building (Ground Floor),
390, Bhuyian Para (Beraid Bazar),
Badda, Dhaka-1212.

Rajshahi Digital Booth

Chamber Bhaban (2nd Floor),
Station Road,
Alokar Moor,
Rajshahi – 6100,
Phone: 0088 02-088852318-9

Bogura Digital Booth

Jamil Shopping Center (3rd Floor),
288/325 Rangpur Road, Bogura Poura
shava
Bogura Sadar, Bogura. 5800
Mobile#01739872483

For International Trade & Sales, please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.