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Stock Market & Company

Stocks break six-day rally on Omicron fear

The Financial Express, January 09, 2021

- Stocks slumped on Sunday, snapping a six-day rally, as cautious investors opted for booking profit on quick stocks due to Omicron worries. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 54.83 points or 0.78 per cent to settle at 6,932, after gaining 256 points in the past six consecutive sessions.
- Turnover, a crucial indicator of the market, also dropped to Tk 14.61 billion, which was 13.2 per cent lower than the previous day's tally of Tk 16.83 billion.
- Two other indices also ended lower with the DS30 index, comprising blue chips, shedding 23.96 points to finish at 2,579 and the DSE Shariah Index lost 4.01 points to close at 1,468.
- The top negative index contributors were Robi, BATBC, Beximco, ICB, and BRAC Bank, jointly contributing 31 points to the DSEX, according to amarstock.com, a market data analyst.
- Losers took a strong lead over the gainers as out of 378 issues traded, 248 declined, 98 advanced and 32 remained unchanged on the DSE trading floor.
- A total number of 234,124 trades were executed in the day's trading session with a trading volume of 311.52 million shares and mutual fund units.
- Beximco topped the turnover list with shares worth Tk 1.04 billion changing hands, followed by Bangladesh Shipping Corporation (Tk 805 million), Delta Life Insurance (Tk 602 million), LafargeHolcim (Tk 554 million), and Power Grid Company (Tk 493 million).



- Khulna Printing & Packaging was the day's best performer, posting a gain of 10 per cent while Shyampur Sugar Mills was the worst loser, losing 7.25 per cent.
- The Chittagong Stock Exchange (CSE) ended lower with its All Shares Price Index (CASPI)—shedding 183 points to close at 20,311 while the Selective Categories Index – CSCX losing 112 points to close at 12,198. The port city bourse traded 13.47 million shares and mutual fund units with a turnover value of more than Tk 405 million.

<https://thefinancialexpress.com.bd/stock/stocks-break-six-day-rally-on-omicron-fear-1641722712>

SME, debt boards on DSE fail to get bright start

The Newage, January 09, 2022

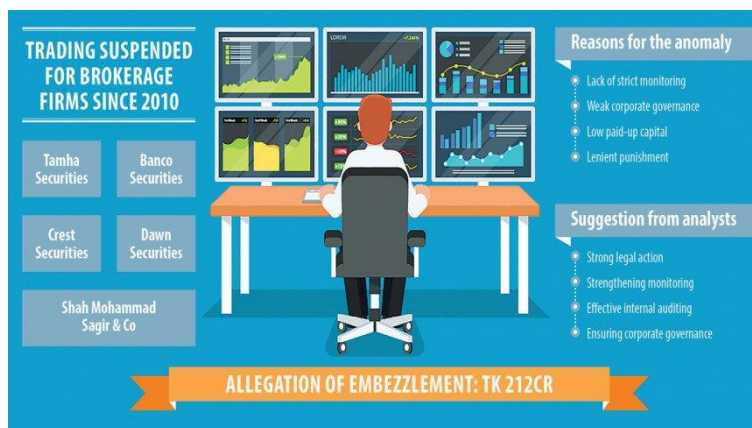
- The small and medium enterprise board and the debt securities board on the Dhaka Stock Exchange have failed to get a bright start as investors are reluctant to participate in trading on the boards.
- Market experts said that regulations restricting small-scale investors to trade on the SME board, absence of confidence and awareness about the new boards and absence of interest and knowledge about debt securities were the key reasons for the low trading activities on the boards.
- On Sunday, shares worth only Tk 8 lakh were traded on the SME board and shares of four companies out of the eight companies on the board were untraded. On the debt securities board, securities worth Tk 5 lakh in four bonds were traded on Sunday.
- Trading on the SME board on the DSE began on September 30, 2021 with six companies. The SME board was rolled out on April 30, 2019 with a view to facilitating finance for SMEs from the stock market.
- The resigned debt securities board was launched a few months ago. Trading of IBBL 2nd Perpetual Mudaraba Bond of Islami Bank Bangladesh Ltd commenced on December 23, 2021 and that of SJIBL Mudaraba Perpetual Bond of Shahjalal Islami Bank Ltd on December 26.

<https://www.newagebd.net/article/159538/sme-debt-boards-on-dse-fail-to-get-bright-start>

Investors pay the price for brokerage houses' forgery

The Daily Star, January 10, 2022

- Amran Hossain, a private service-holder, invested around Tk 8 lakh in the stock market through Dawn Securities in 2009. On a morning in 2010, he suddenly came to know that the brokerage firm's trading was halted for fraudulence. He rushed to the office of the company only to find that his shares were sold without his consent and the money was siphoned off.
- Rahman turned to the Dhaka Stock Exchange (DSE) and the Central Depository Bangladesh Limited to get back his hard-earned money.
- After much effort, the DSE refunded him Tk 2 lakh in 2021. But he was frustrated at the handling of the matter by the stock market and its regulators.
- Many investors lost money in the last 12 years from the closure of at least five brokerage houses for selling off investors' shares and not carrying out buy orders despite accepting funds. Embezzlement of funds has intensified in recent years.
- Three brokerage houses – Banco Securities, Crest Securities and Tamha Securities—were shut in the last two years for allegedly embezzling around Tk 200 crore of general investors.
- The financial crime took place because of the absence of a lack of strict monitoring on the part of the DSE and the Bangladesh Securities and Exchange Commission (BSEC) as well as low paid-up capital and a lack of corporate governance at the firms, market participants and analysts say.

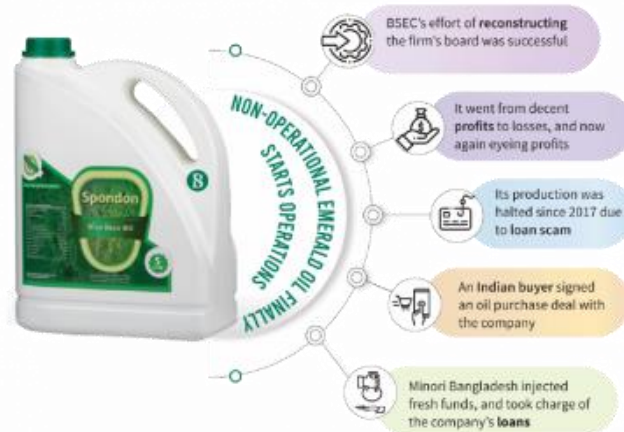


<https://www.thedailystar.net/business/economy/industries/investments/investors-pay-the-price-brokerage-houses-forgery>

Emerald Oil, a comeback story

The Business Standard, January 09, 2022

- After a hiatus of four years, Emerald Oil has successfully returned to full-fledged production thanks to fresh investment, nearly a year of hard work by the reconstructed board and the help of the stock market regulator.
- The investment, which came from Minori Bangladesh, a subsidiary of Japanese farming company Minori Co Limited, has brought hope among the shareholders, who are now hoping to get good returns from their investments.
- Upon resuming commercial production, the company published a disclosure on the stock exchanges on Sunday.
- With its signature product – the rice bran edible oil, branded as Spondon, Emerald Oil has been a profitable firm until 2016. The following year, when a loan scam of its founder came to light, the company started losing business and operation was halted due to a shortage of working capital.
- Facing corruption charges, the founder fled the country and it was the shareholders who suffered the effects of a share price drop. However, after the reconstruction of its board at the beginning of last year, the share price of the company soared by 281% in six months from Tk11 to Tk42 in September.



<https://www.tbsnews.net/economy/stocks/emerald-oil-comeback-story-355318>

Coppertech to supply copper wires to Mohammadi Electric

The Business Standard, January 09, 2022

- Publicly listed Coppertech Industries Ltd – a copper pipe, tube, bus bar, strip, and wires producer in the country – will supply copper wires to Mohammadi Electric Wires and Multi Products Limited - an electric accessories and cables manufacturer.
- The companies have signed a deal where Coppertech will earn a minimum of Tk52 crore annually, based on the prevailing market price of copper wires, until the agreement expires. Coppertech disclosed the news on the Dhaka Stock Exchange (DSE) website on Sunday as price-sensitive information.
- But the disclosure failed to attract investors and the company's share price went down by 0.25% to close at Tk39.4 on Sunday, compared to the previous trading session. However, from 26 December to 5 January, its share price jumped 26% based on a rumour that the company was going to sign a big business deal of supplying products to cable wire companies.
- The rumour turned out to be true on 28 December when Coppertech announced the signing of a deal with the state-owned PVC cable company – Eastern Cables – to supply 100 tonnes of finished copper wire worth Tk11.27 crore.

<https://www.tbsnews.net/economy/stocks/coppertech-supply-copper-wires-mohammadi-electric-355303>

Trading of Premier Bank's perpetual bond begins Monday

The Business Standard, January 09, 2022

- The trading of Premier Bank's perpetual bond, the fifth listed on the Dhaka Stock Exchange (DSE) debt board, is scheduled to begin in the capital market from Monday (9 January). Of the remaining perpetual bonds – two issued by the Islami Bank and one each by the Shahjalal Islami Bank and the Al-Arafah Islami Bank are also being traded on that board.
- Earlier, in November last year, the securities regulator approved the Premier Bank to raise Tk200 crore through issuing the perpetual bond. The listed commercial bank will strengthen its additional Tier-1 capital base with the money collected this way, according to the Bangladesh Securities and Exchange Commission (BSEC).
- Local institutional investors and high-net-worth individuals bought 90% of the bond through a private placement. General investors got the rest of the units through a public offering.

- The coupon rate has been set at 6%-10% of the bond. The minimum subscription amount of the bond, both private placement and public offer, was Tk5,000. Local merchant bank MTB Capital Ltd will act as the trustee of the bond, while another investment bank UCB Capital Limited will act as issue manager, an underwriter of the bond.

<https://www.tbsnews.net/economy/stocks/trading-premier-banks-perpetual-bond-begins-monday-355306>

Economy & Industry

Excess liquidity in banks drops by Tk 14,000cr in 4 months

The Newage, January 09, 2022

- The amount of excess liquidity in the country's banking sector has dropped marginally due to Bangladesh Bank's policy measures. The amount of excess liquidity in the country's banking sector was Tk 2.31 lakh crore at the end of July 2021 and the amount dropped to Tk 2.18 lakh crore at the end of November of the year.
- In August-November in 2021, the central bank's policy measures managed to contain the supply of excess liquidity by Tk 14,000 crore. After the announcement of the monetary policy statement for the year 2021-2022, the central bank from August started auction of Bangladesh Bank bills with a view to contain growing volume of excess liquidity.
- A BB data showed that the amount of liquid assets in the country's banking sector stood at Tk 4.47 lakh crore at the end of November 2021. The banks were supposed to keep Tk 61,185 crore as cash reserve ratio and another Tk 1,67,838 crore as statutory liquidity ratio.
- The amount of excess liquidity grew significantly after the Covid outbreak when the central bank reduced the CRR ratio along with injection of currency in the banking sector against the implementation of the refinance schemes, BB officials said.

<https://www.newagebd.net/article/159536/excess-liquidity-in-banks-drops-by-tk-14000cr-in-4-months>

December logs highest 6.05% inflation

The Business Standard, January 07, 2021

- Bangladesh inflation surged to 6.05% year-on-year in December, shows data published Thursday, amid spiralling prices of food and other essentials. In other words, people had to pay Tk106.05 for a product or service in December last year which was at Tk100 in December 2020.
- According to data published by the state-run Bangladesh Bureau of Statistics (BBS), the spike is the highest in December 2021, while inflation in the previous year was 5.29%. The average inflation of 2021 stands at 5.54% – less than 5.69% in the previous year. Though the average inflation last year dropped compared to the previous year, there is uncertainty whether the rate will remain within the 5.30% government ceiling at the end of the fiscal 2021-22.
- Inflation surpassed the 5% target in FY2020-21 too. According to BBS data, November inflation was 5.98% while it was 5.70% in October last year.
- Inflation has been on the rise since August 2021. Surge in prices in that month scored 5.36% inflation that now crosses the 6%-mark. In December, food prices rose 5.46% and non-food items 7%. The figures were at 5.34% and 5.21% respectively in 2020.

<https://www.tbsnews.net/economy/december-logs-highest-605-inflation-354145>

International

Oil prices jump over Kazakhstan unrest

The Daily Star, January 10, 2021

- Unrest in OPEC+ member Kazakhstan has pushed up oil prices as investors fear supply interruptions, but the uranium market appears less affected despite the Central Asian country being the world's second largest producer. "Riots obviously can stop production and exports," said Bjarne Schieldrop, an analyst at Swedish bank SEB.
- Over the week, crude prices gained about five percent and on Friday Brent exceeded \$83 per barrel, "putting it at its highest level since the price slide triggered by the first appearance of the Omicron variant in late November," said Carsten Fritsch, commodities analyst at Commerzbank.
- Protests spread across the country of 19 million this week in outrage over a New Year increase in prices for liquid petroleum gas (LPG), which many use to fuel cars. Thousands took to the streets in Almaty and in the western province of Mangystau in protests that broadened to include anti-government slogans.
- Violence erupted when police fired tear gas and stun grenades at thousands protesting in Almaty on Tuesday. The next day protesters stormed government buildings, setting them ablaze, and a nationwide state of emergency was declared.
- Kazakh president Kassym-Jomart Tokayev on Friday rejected calls for talks with protesters after days of unprecedented unrest, authorising his forces to shoot to kill without warning. The country is the largest oil producer in central Asia with a twelfth of the world's proven reserves, according to the US Energy Information Administration (EIA). Kazakhstan produced around 1.8 million barrels a day in 2020.
- The country is also the second largest oil producer in the OPEC+ group of top oil producers, behind Russia.

<https://www.thedailystar.net/business/global-economy/news/oil-prices-jump-over-kazakhstan-unrest-2936001>

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