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## Stock Market & Company

### Stocks jump on BSEC moves

The Newage, March 09, 2022

- Dhaka stocks soared on Wednesday after a slight gain in the previous session as some investors went for buying shares heavily following the imposition of lower circuit limit at 2 per cent on all listed companies by the Bangladesh Securities and Exchange Commission.
- DSEX, the key index of the Dhaka Stock Exchange, advanced by 2.4 per cent, or 155.73 points, to close at 6,630.02 points on Wednesday after gaining 17.77 points in the previous day. Before the two-day rise, the DSEX had lost 297 points in four sessions.
- Out of the 379 issues traded on Wednesday, 365 advanced, three declined and 10 remained unchanged on the DSE. The turnover on the DSE increased to Tk 773.01 crore on Wednesday compared with that of Tk 746.09 crore in the previous session.
- DS30 index comprising of 30 large capitalised companies went up by 41.52 points to finish at 2,415.59 points and the DSE Shariah index increased by 30.39 points to close at 1,429.47 points. BEXIMCO topped the turnover chart with its shares worth Tk 40.77 crore changing hands.
- Bangladesh Shipping Corporation, Fortune Shoes, Dragon Sweater, Orion Pharma, BRAC Bank, ACME Pesticides, Agni Systems, LafargeHolcim Bangladesh and British American Tobacco were the other turnover leaders.
- Nitol Insurance Company Limited was the day's best performer, posting a gain of 9.95 per cent, while IDLC Finance Limited was the worst loser, shedding 4.87 per cent.

<https://www.newagebd.net/article/164923/stocks-jump-on-bsec-moves>

## New stock circuit breaker raises questions

The Daily Star, March 10, 2022

- Stock market analysts have questioned the market intervention of the Bangladesh Securities and Exchange Commission (BSEC) to stop the freefall of stocks as the decline is not unique to Bangladesh as markets are bleeding across the country due to tensions over the Russian-Ukraine war, runaway oil prices and surging inflation.
- The BSEC lowered the circuit breaker limit to 2 per cent from 10 per cent in order to curb the freefall of the stocks. "With the policy decision, the natural market force faced a disruption. This may create a barrier to easy entry and exit process," said Faruq Ahmad Siddiqi, a former chairman of the BSEC.
- This is because if buyers think that a particular stock should fall further, then the sellers will have to wait since the stock is now allowed to decline slowly. Besides, Bangladesh's economy is not hugely linked with Russia that the index can drop at the same rate as the global markets, Siddiqi said.
- Bilateral trade between Bangladesh and Russia is worth nearly \$1 billion while two-way trade with Ukraine amounts to about \$350 million. "But general investors were panicked. Our investors are driven by greed or panic alternatively," said Siddiqi.

<https://www.thedailystar.net/business/economy/stock/news/new-stock-circuit-breaker-raises-questions-2979576>

## Tax receipts from DSE dip 43pc in February

The Financial Express, March 10, 2022

- The government's revenue earnings from the Dhaka Stock Exchange (DSE) slumped by 43 per cent month-on-month in February as turnover and share sales by sponsor-directors fell drastically. The government bagged revenue worth Tk 225 million in February which was Tk 397 million in January, 2022, according to data from the DSE.
- Of the total earnings in February, Tk 221 million came from the TREC (trading right entitlement certificate) holders' commission, popularly known as brokerage commission, while only Tk 4.0 million from the share sales by sponsor-directors.
- In January, Tk 312 million came from the TREC holders' commission while Tk 85 million from the share sales by sponsor-directors and placement holders, the DSE data shows.
- However, the government has earned Tk 3,011 million in the first eight months (July-February) of the current fiscal year, as against Tk 1,998 million in the same period of the previous fiscal, showing a 51 per cent growth, according to DSE data.
- Of the total earnings, Tk 2,555 million came from the TREC holders' commission while Tk 456 million came from the share sales by sponsor-directors and placement holders during the period under review of the current fiscal year. In FY 2020-21 for July-February, Tk 1,513 million came from the TREC holders' commission while Tk 485 million came from the share sales by sponsor-directors and placement holders.

### Revenue earnings trend from DSE

Fiscal Year (FY) 2021-22		Fiscal Year (FY) 2020-21	
July	Tk 289m	July	Tk 188m
August	Tk 502m	August	Tk 246m
September	Tk 520m	September	Tk 275m
October	Tk 407m	October	Tk 216m
November	Tk 342m	November	Tk 183m
December	Tk 329m	December	Tk 343m
January	Tk 397m	January	Tk 391m
February	Tk 225m	February	Tk 156m
Total	Tk 3011m	Total	Tk 1998m

Source: DSE

<https://thefinancialexpress.com.bd/stock/tax-receipts-from-dse-dip-43pc-in-february-1646881071>

## Smart Share & Securities launches OMS in share transactions

The Financial Express, March 09, 2022

- Smart Share & Securities Ltd., a concern of Smart Group, is going to launch its Order Management Systems (OMS) in share transactions. In this regard, an agreement was signed between Smart Share & Securities Ltd and Quant FinTech Ltd at KM Tower in Agrabad of Chittagong on Wednesday, says a press release.

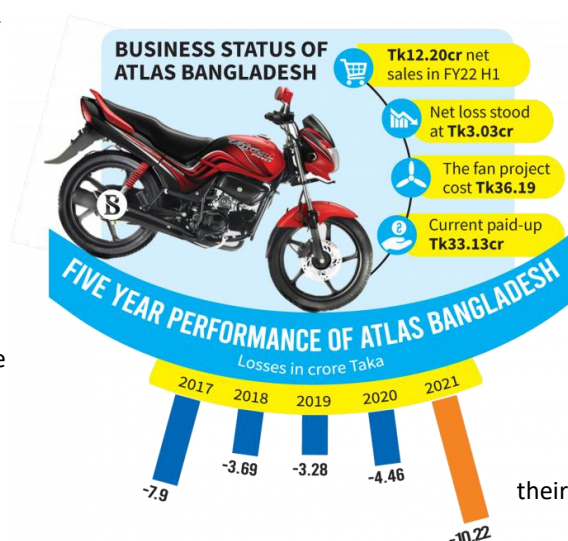
- Under the agreement, Smart Share & Securities will provide Q-Trader system orders to its customers to facilitate their use of the automated trading platform for executing transactions on the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).
- As a result, customers of Smart Shares & Securities Ltd will be able to trade directly on stock exchanges from anywhere in the world. Smart Share & Securities has become a TREC holder of both the stock exchanges by acquiring new TREC from the DSE.

<https://thefinancialexpress.com.bd/stock/smart-share-securities-launches-oms-in-share-transactions-1646834789>

## Atlas seeks BSEC approval to issue new shares for increasing paid-up capital

The Business Standard, March 09, 2022

- Atlas Bangladesh Ltd sought the approval of the Bangladesh Securities and Exchange Commission (BSEC) for issuing new ordinary shares worth Tk11.48 crore to increase its paid-up capital. The company applied to the BSEC last week and will proceed with its plan upon securing the approval.
- In August 2019, the planning commission approved Atlas BD's plan of producing power-saving ceiling fans. The estimated cost of the project was Tk36.19 crore. Of the amount, Atlas will pay Tk7.5 crore and the remaining Tk28.69 crore will be financed by the government.
- Of this Tk28.69 crore, Tk17.22 crore will be considered as a term loan which Atlas will repay to the government at 5% interest within 20 years. The remaining Tk11.48 crore will be converted into ordinary shares.
- A top official of the company seeking anonymity said Atlas made this decision to diversify its business and minimise consecutive losses. If the securities regulator approves the company's proposal, then the government's stake will increase from the existing 51%, he added.
- In 2016, the company entered into a two-year contract with the Chongqing Zongshen group, one of the top five two-wheeler manufacturers in China, for importing, assembling, and marketing motorcycles.



<https://www.tbsnews.net/economy/stocks/atlas-seeks-bsec-approval-issue-new-shares-increasing-paid-capital-382465>

## RN Spinning to hold EGM on merger

The Business Standard, March 09, 2022

- RN Spinning Mills – a listed firm belonging to FAR Group – will hold an extra general meeting (EGM) on amalgamation with its sister concern. According to a stock exchange filing on Wednesday, the company will organise the meeting on 21 April at Jam Jam Hotel and Resort Hall in Shankarpur, Cumilla.
- It has set 30 March for identifying the shareholders of the company for the EGM. Early in January, the company had disclosed that its board had decided to merge with Samin Food and Beverage Industries and Textile Mills, another non-listed firm of the group.
- RN Spinning, a Cumilla-based spinner, could not get back to production after a massive fire incident in 2019. It raised Tk30 crore through an initial public offering (IPO) in 2010.
- Two years later, it raised an additional Tk278 crore by issuing the right shares to enhance its production capacity through the installation of new machinery. The company was in profit in the 2016-2017 and 2017-2018 fiscal years. But in the following fiscal year, it incurred a loss of Tk607.11 crore due to the fire incident. The firm continued to incur losses in the following years. In the last fiscal, its cumulative loss stood at Tk446.68 crore.

<https://www.tbsnews.net/economy/rn-spinning-hold-egm-merger-382477>

## Economy & Industry

### Deposits still 37pc lower than pre-Covid

The Newage, March 09, 2022

- The amount of deposits in hard-core poor's bank accounts in December 2021 remained 37.36 per cent lower than the pre-Covid levels despite resumption of economic activities.
- Even after an increase of Tk 13.67 crore in deposits in the October-December quarter, the hard-core poor's deposits in bank accounts stood at Tk 229 crore at the end of December 2021 against Tk 365.59 crore at the end of December 2019, according to Bangladesh Bank data.
- Under the BB's financial inclusion programme, the marginalised people are allowed to open bank accounts with Tk 10, Tk 50 and Tk 100 as deposit. The BB allows opening such accounts so that they can safely keep their money in bank accounts without any charges.
- However, the number of bank accounts of such poor people increased by 8.25 lakh in the period from January 2020 to December 2021. Hard-core poor's bank accounts increased to 34.87 lakh at the end of December 2021 from 26.62 lakh at the end of December 2019.
- As of December 2021, the cumulative deposits in bank accounts opened with Tk 10, Tk 50 and Tk 100 deposit for different purposes stood at Tk 2,957.99 crore from Tk 2,343.40 crore a year ago.

<https://www.newagebd.net/article/164915/deposits-still-37pc-lower-than-pre-covid>

### LDC transition may not be smoother anymore

The Business Standard, March 09, 2022

- Bangladesh will face the inflationary effect of US sanction on Russian oil as the effects will trickle down to the internal economy.
- Freight costs will go up as well as raw materials in industries where petro products are used. Fertiliser costs will go up that in other words will force the government to give further subsidies. Otherwise, the spiralling prices of food items and vegetables will skyrocket. Industries that use electricity and gas will also suffer because of the same issue. Our cost of production will significantly go up.
- This will hurt our exports in terms of competitiveness as our market peers such as Turkey, Pakistan and India have devalued local currencies against US dollar significantly. The coming years are crucial to build a competitive industry due to graduating from LDC status. This will make it harder to have a smooth transition. Our mega projects may get affected too, as the government has to provide more support to the ongoing schemes now.

<https://www.tbsnews.net/economy/lcd-transition-may-not-be-smoother-anymore-382528>

## International

### Oil prices surge as US bans Russian oil imports

The Daily Star, March 10, 2022

- Crude prices surged Tuesday as the US banned Russian oil imports, while nickel prices rocketed to a record peak on Russian supply fears. While remaining below Monday's peak of \$139.13 per barrel, the main international oil contract, Brent, jumped 6.8 per cent to \$131.63.
- The main US contract, WTI, rose by 6.7 per cent to \$127.44 per barrel. President Joe Biden announced a ban on US imports of Russian oil while Britain said it will phase them out by the end of the year.
- EU nations, which receive roughly 40 per cent of their gas imports and one quarter of their oil from Russia, instead opted to set a goal of cutting their Russian gas imports by two-thirds. Meanwhile, Moscow warned earlier that in retaliation for sanctions imposed on it for the invasion, it could cut off natural gas supplies to Europe via the Nord Stream 1 pipeline.
- The Ukraine crisis comes just as uncertainty was rising owing to surging prices caused by a spike in demand for oil, tight supplies and pandemic-induced supply chain snarls, among other things.

<https://www.thedailystar.net/business/global-economy/europe/news/oil-prices-surge-us-bans-russian-oil-imports-2979531>

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## About Bank Asia Securities Ltd

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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