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Stock Market & Company

DSEX crosses 7,000pts again, govt-owned cos keep rising

The Newage, January 11, 2022

- Dhaka stocks surged for the second day on Tuesday as investors kept buying shares, especially those of state-run companies. DSEX, the prime index of Dhaka Stock Exchange, advanced by 0.78 per cent, or 54.99 points, to settle at 7,049.15 points on Tuesday after gaining 61.54 points in the previous session.
- The index crossed 7,000 points again after December 7, 2021. The DSEX gained 319 points in the last nine sessions with just one negative session. Share prices of state-run Titas Gas, Eastern Cables, National Tubes, BSC, Usmania Glass Sheet Factory and DESCO hit the upper limit of the circuit breaker on Tuesday. Square Pharmaceuticals, Beximco Pharmaceuticals, BRAC Bank and RAK Ceramics also advanced on Tuesday.
- Out of 378 issues traded, 189 advanced, 146 declined and 43 remained unchanged on the DSE trading floor. The turnover, a crucial indicator of the investors' participation, was Tk 1,976.88 crore on Tuesday, which is 32.9 per cent higher than the previous trading day's Tk 1,487.45 crore.
- Tuesday's turnover was the highest after October 7, 2021 when it was at Tk 2,497.20 crore. The DS30 index comprising of 30 large capitalised companies also gained 20.11 points to finish at 2,626.66 points and the DSE Shariah Index added 15.18 points to close at 1,495.87 points.
- Eastern Cables was the day's best performer, posting a gain of 9.97 per cent, while The Khulna Printing & Packaging was the worst loser, losing 6.89 per cent. Power Grid Company of Bangladesh led the turnover chart with its shares worth Tk 133.6 crore changing hands.
- BEXIMCO, Totas Gas, Fareast Life Insurance Company, Bangladesh Submarine Cables Company, GPH Ispat, Delta Life Insurance Company, LafargeHolcim Bangladesh, GSP Finance and Bangladesh Shipping Corporation were the other turnover leaders.

<https://www.newagebd.net/article/159720/dsex-crosses-7000pts-again-govt-owned-cos-keep-rising>

Many big cos getting ready to come to capital market: says BSEC chief

The Financial Express, January 11, 2021

- The entrepreneurs are showing interest to raise funds from the country's capital market for expanding their business growth. Many big and profitable companies are preparing to come to the market, considering the favorable environment, said Prof. Shibli Rubaiyat-ul-Islam, chairman of Bangladesh Securities and Exchange Commission (BSEC).
- "Several of these companies will come to market in the next two years," said Mr Shilbi during a courtesy call on the newly elected leaders of the Capital Market Journalists Forum (CMF) on Tuesday.
- An eleven-member delegation, led by the newly elected president of CMJF Ziaur Rahman, met him at the BSEC building in the Agargaon area in the capital.
- BSEC Commissioners Sheikh Shamsuddin Ahmed and Md. Abdul Halim, newly elected General Secretary of CMJF Abu Ali, former President Hasan Imam Rubel, former General Secretary Monir Hossain were present, among others.
- The BSEC chairman said they are working to bring multinational companies and also the country's big industrial groups to the capital market. Progress will be visible in near future. He said that these companies can be brought to the market by force or by directive if needed. But BSEC does not want to do that.
- "We are focusing on creating a favorable environment for companies. And when this environment seems attractive, companies will no need any directives to bring," he said. He further said the present commission has started reaping the benefits of the initiatives taken for the reform of law and development of the market. Any initiative takes a little time to get results, he said.

<https://thefinancialexpress.com.bd/stock/many-big-cos-getting-ready-to-come-to-capital-market-says-bsec-chief-1641910253>

BSEC to allow listing of loss-making startups with high business potentials

The Newage, January 11, 2022

- The Bangladesh Securities and Exchange Commission has initiated a move to allow listing of loss-making startups having high growth potentials on the stock market.
- The stock market regulator is working to amend the Qualified Investor Offer by Small Capital Companies Rules, 2018 to allow startups which are now making losses but having high potentials of business growth to be listed on the country's stock exchanges.
- According to the current rules, a company needs to have the net profit after tax at least for preceding two financial years if it offers its securities above par value. It would be the first approach from the BSEC to list loss-making concerns on the country's capital market.
- BSEC commissioner Shaikh Shamsuddin Ahmed told New Age on Monday that the regulator was working to bring to the market startup companies having high business potentials but now are making losses.
- BSEC executive director and spokesperson Rezaul Karim said that the regulator would hold a public hearing on the proposed amendment to the SME rules soon. After the public hearing, it the amendment would be finalised and published, he said.
- In the SME rules, there would be a separate provision for the startups with various exemptions from the current rules and flexibilities for being easily listed, he said.

<https://www.newagebd.net/article/159629/bsec-to-allow-listing-of-loss-making-startups-with-high-business-potentials>

Union Insurance makes debut on stock market Sunday

The Financial Express, January 11, 2021

- Union Insurance will make its shares trading debut on Dhaka Stock Exchange and Chittagong Stock Exchange on Sunday (January 16) under the settlement category "N". The general insurer makes its trading debut as 53th listed insurer on the Dhaka bourse.
- DSE trading code for Union Insurance Company is "UNIONINS" and DSE company code is 25753, according to a statement. The IPO subscription of Union Insurance took place between December 15 and December 22, 2021, which raised a fund worth Tk 193.60 million from the capital market under the fixed price method.
- The securities regulator --- Bangladesh Securities and Exchange Commission (BSEC) approved the general insurer's IPO proposal on June 23, 2021 to raise Tk 193.60 million by issuing over 19.36 million ordinary shares at an offer price of Tk 10 per share.

- The IPO proceeds will be invested in fixed deposit receipts (FDR), stock market investment, purchase of a floor space and IPO related expenses. According to the financial statements till December 31, 2020, the company's net asset value (NAV) per share stood at Tk 17.39 while the basic earnings per share (EPS) stood at Tk 2.14. Sonar Bangla Capital Management Ltd is acting as the issue manager for the company's IPO process.

<https://thefinancialexpress.com.bd/stock/union-insurance-makes-debut-on-stock-market-sunday-1641895759>

Beximco Green-Sukuk to debut on Thursday

The Business Standard, January 11, 2022

- Beximco Green-Sukuk Al Istisna – the first-ever asset-backed security by a private sector entity in Bangladesh – will make its trading debut on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 13 January. On 23 December, the Central Depository Bangladesh Limited (CDBL) credited the company's primary shares to investors' beneficiary owners (BO) accounts.
- Prime Minister's Private Industry and Investment Adviser Salman F Rahman will be the chief guest at the opening ceremony. Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-Ul-Islam will also be present on the occasion.
- According to the DSE, 20 banks have subscribed to more than 74% of the private placement amount of Tk2,250 crore in the Beximco Green-Sukuk Al Istisna. Brokerage firms, insurance companies, asset management companies, and other corporations subscribed to the rest of the amount.
- The investments have come during 14-15 December 2021. On 23 June last year, Beximco secured the BSEC approval to launch its Tk3,000 crore Sukuk bond for a five-year tenure.

<https://www.tbsnews.net/economy/stocks/beximco-green-sukuk-debut-thursday-356131>

Mamun Agro QIO subscription opens 23 January

The Business Standard, January 11, 2022

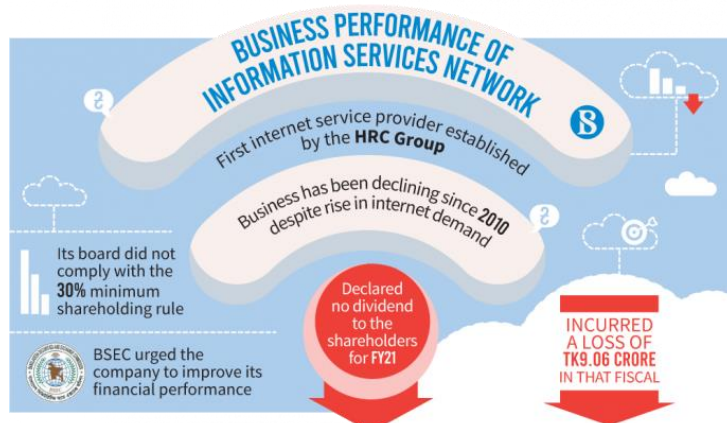
- The subscription of a qualified investor offer (QIO) by Mamun Agro Products will open on 23 January and continue till 27 January. The company received approval from the Bangladesh Securities and Exchange Commission (BSEC) on 28 October 2021 to raise Tk10 crore from the capital market through QIO.
- The company will issue one crore general shares, priced at Tk10 each, and thus join the SME platform of the Dhaka Stock Exchange (DSE). Incorporated in 2003, Mamun Agro Products' principal activities are manufacturing and marketing of agricultural products.
- Only institutional investors can buy the shares of the company. Mamun Agro will use the money to construct a building and as working capital. In the July-March period of FY21, the company's net profit was Tk3.92 crore, which was Tk3.85 crore in the same period of the previous fiscal.

<https://www.tbsnews.net/economy/stocks/mamun-agro-qio-subscription-opens-23-january-356092>

BSEC steps in to strengthen Information Services Network

The Business Standard, January 11, 2022

- In its efforts to protect investors' interest, the securities regulator has issued a set of instructions for the poorly performing Information Services Network, asking for plans on strengthening its financial health. In a recent meeting, the Bangladesh Securities and Exchange Commission (BSEC) has instructed the company, which has not been doing well for the last decade, to submit its plans for the future by 15 January.
- The regulator has also asked the internet service provider (ISP) to declare its interim dividend, ensure 30% shareholding by the board and conduct a



special audit to know the financial status of the company.

- A senior official at the BSEC said the board was called to the commission to learn about the latest status of the company, which failed to pay dividends to its shareholders in the last fiscal year.
- The commission has also instructed the board to bring the company back to business. HRC Group and Ispahani Group jointly set up the company in 1996 as the country's first internet service provider. Later, Ispahani withdrew its stake.
- The ISP got listed on the capital market in 2002 and is currently traded under the "B" category on the Dhaka Stock Exchange (DSE). The company initially ran well, but it lost its business to competitors due to a lack of modernisation and skilled employees. It has experienced trouble with its business since 2003.

<https://www.tbsnews.net/economy/stocks/bsec-steps-strengthen-information-services-network-356179>

Economy & Industry

Bangladesh's economic growth expected to be 6.4% in 2021-22: World Bank

The Business Standard, January 11, 2022

- Bangladesh's economy is expected to grow at 6.4% in 2021-22, according to the World Bank's "Global Economic Prospects" report released on Tuesday (11 January). The World Bank report also added that the country's economy is expected to see a 6.9% growth in 2022-23.
- Neighbouring India's economic growth is expected to be 8.3% in the current financial year and 8.7% in 2022-23, the report added. Nepal's growth is expected to be at 3.9% this fiscal and at 4.7% in the next financial year.
- Pakistan's economy will grow by 3.4% in the current fiscal and at 4% in 2022-23, the report added. Global economic growth though, the World Bank report said, will "decelerate markedly" this year as coronavirus outbreaks and supply chain snarls persist.
- At the same time, the support programmes unveiled by several governments are about to end, it added. It predicted further that global growth will slow down to 4.1% this year from an estimated 5.5% in 2021, but warned "Omicron-related economic disruptions could substantially reduce growth" to as low as 3.4%.

<https://www.tbsnews.net/economy/bangladeshs-economic-growth-expected-be-64-2021-22-world-bank-356272>

Recovery strong, but macro-economy under strain: analysts

The Daily Star, January 12, 2021

- Bangladesh is staging a strong economic recovery from the coronavirus pandemic but the government should be cautious about tackling the pressures building up in some macro-economic indicators, said economists yesterday.
- The government needs to be careful about the indicators such as the balance of payments, budget financing, and inflation, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh (PRI). "Otherwise, things can go out of control."
- His comments came at a webinar styled "After the Pandemic Onslaught – Economy on Strong Recovery Path" organised by the PRI.
- There is an emerging pressure involving the balance of payments as import growth has exceeded export growth amid slowdown in remittance inflows.
- The current account balance is already in deficit by around \$6 billion, so if the trend continues, it would be much higher, he said.
- On the expenditure side, subsidy bills have surged. As a result, an additional Tk 70,000 crore will be needed beyond the budgetary plan. Another challenge for the country is the entire annual development programme is being funded by borrowing, either through domestic loans or external loans.
- Inflation is rising. General inflation rose to a 14-month high of 6.05 per cent in December last year, with non-food inflation reaching 7 per cent, a six-year high, and food-inflation to 5.46 per cent, the highest in six months.



- "It is a difficult to curb inflation in an economic reality when global inflation is also going up," said the former official of the International Monetary Fund. Due to lower revenue collection, financing government expenditure would be challenging as it went up multiple times during the pandemic, according to Rizwan Rahman, president of the Dhaka Chamber of Commerce & Industry.

<https://www.thedailystar.net/business/economy/news/recovery-strong-macro-economy-under-strain-analysts-2937446>

International

Markets mostly up

The Daily Star, January 11, 2021

- Most Asian and European markets rose Monday as traders brushed off another negative performance on Wall Street as US data showed fewer new jobs than expected were created last month but that wages saw a strong gain, keeping pressure on the Federal Reserve in its battle against inflation.
- Traders will be keeping a watch on inflation readings out of the United States and China this week as they try to assess the outlook for the global economy with rocketing energy costs and supply snarls compounding problems caused by the fast-spreading Omicron Covid variant.
- The closely watched non-farm payrolls figure on Friday came in well short of forecasts, marking a disappointing end to the year, while wage growth beat estimates.
- Fed officials are now faced with the problem of having to adjust monetary policy to rein in prices while at the same time avoid damaging the economic recovery and causing a panic on markets as the cheap cash that has fuelled a near-two year rally is removed.
- The bank has already started tapering its vast bond-buying programme put in place at the start of the pandemic and has signalled it could start lifting interest rates from record lows from March, with some observers predicting three hikes this year.
- There were also indications officials were considering reducing its massive bond holdings, putting further upward pressure on lending costs. The yield on 10-year Treasuries, a key indicator of future interest rates, climbed last week at its fastest pace in almost a year.
- Meanwhile, the International Monetary Fund warned Monday that emerging economies should prepare for possible rough times as the Fed prepares to hike rates and Covid hits global growth.

<https://www.thedailystar.net/business/global-economy/news/markets-mostly-2936696>

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