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## Stock Market & Company

### Stocks slide after two-day sharp rise

The Financial Express, January 12, 2021

- Stocks plummeted on Wednesday, snapping a two-day sharp rise, as the risk-averse investors opted for booking profit on quick-gaining shares. Following the previous two days' gain, the market opened higher but profit booking sell-off on sector-wise large-cap stocks eroded the initial gains.
- The DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 53.08 points or 0.75 per cent to 6,996, after gaining more than 117 points in the past two consecutive sessions.
- Turnover, a crucial indicator of the market, stood at Tk 16.64 billion, which was 16 per cent lower than the previous day's tally of Tk 19.76 billion.
- The risk-averse investors booked profit on major sector stocks as the key index crossed the 7000-mark in the previous day.
- Two other indices also ended lower. The DSE 30 Index, comprising blue chips, fell 19.87 points to finish at 2,606 and the DSE Shariah Index (DSES) lost 1.09 points to close at 1,494.
- Fortune Shoes, which gained 5.57 per cent, was the most traded stock with shares worth Tk 1.01 billion changing hands, closely followed by Beximco (Tk 982 million), Bangladesh Shipping Corporation (Tk 964 million), Power Grid Company (Tk 778 million), and RAK Ceramic (Tk 682 million).



- Lovello Ice Cream was the day's highest gainer, gaining 9.95 per cent while Bangladesh Shipping Corporation was the day's worst loser, losing 9.98 per cent, after soaring 162 per cent in the past one month.
- The Chittagong Stock Exchange (CSE) also ended lower with the CSE All Share Price Index – CASPI –losing 170 points to settle at 20,497 and the Selective Categories Index – CSCX—shedding 103 points to close at 12,313.

<https://thefinancialexpress.com.bd/stock/stocks-slide-after-two-day-sharp-rise-1641982749>

## Vendors must ensure back-office software gives actual data: DSE

The Newage, January 12, 2021

- The Dhaka Stock Exchange has taken an initiative to bring back-office software providers of brokerage houses under regulations for ensuring that the brokerage houses do not manipulate data they submit to the bourse. The vendors have to take licence from the DSE to provide software to the brokerage houses.
- There are six to seven vendors who are providing back-office software to the firms. DSE officials said that the bourse drafted rules for the software providers to ensure transparency. They said that the vendors must comply with the rules while providing services to the brokerage houses.
- The vendors must check time to time whether the brokerage houses make any illicit move, including duplication of data, and they must report any such move to the DSE and the Bangladesh Securities and Exchange Commission, they said.
- The vendors will have make mechanism in the back-office software, which will warn them immediately after any manipulative action is made by the house, they said. If the vendors fail to comply with the rules, it could be banned from the stock market or face monetary penalty, the DSE officials said.
- The DSE has made the move as scams have been detected in a number of brokerage houses. On December 9, 2021, the DSE suspended trading operation of Tamha Securities on allegations of embezzling around Tk 90 crore of investors' money.
- The brokerage firm illegally used two back-office accounting software procedures – one for the regulator and stakeholders, and the other for its clients, to provide misleading information, a BSEC investigation committee found.

<https://www.newagebd.net/article/159811/vendors-must-ensure-back-office-software-gives-actual-data-dse>

## Each general investor gets minimum 26 shares of BD Thai Food

The Financial Express, January 13, 2021

- Each general investor will get a minimum 26 IPO shares of BD Thai Food & Beverage while non-resident Bangladeshi investors will receive 20 shares against application of Tk 10,000. The Dhaka Stock Exchange (DSE) on Tuesday formally allocated the IPO shares of BD Thai Food, under the newly introduced pro-rata basis which allows every applicant to get shares, DSE said in a statement.
- BD Thai Food, which received regulatory approval from the Bangladesh Securities and Exchange Commission on October 3, raised Tk 150 million from the capital market under the fixed price method.
- The company offloaded 15 million ordinary shares at an offer price of Tk 10 each. Its IPO subscription was held between December 23 and December 30, 2021. The investors applied for 29.09 times higher applications than the IPO shares offered by the company, according to the DSE statement.
- According to the financial statement ended on June 30, 2020, the company's net asset value (NAV) per share (NAV without revaluation) was Tk 12.82 and (NAV with revaluation) of Tk 14.23, the weighted average earnings per share (EPS) for the last five years stood at Tk 0.63.

<https://thefinancialexpress.com.bd/stock/each-general-investor-gets-minimum-26-shares-of-bd-thai-food-1642044691>

## Southeast Bank fined again

The Daily Star, January 13, 2021

- The Bangladesh Bank has imposed a fine of Tk 21.50 lakh on Southeast Bank after it failed to bring down its excessive investment in a single stock within the regulatory limit. The fine was imposed in the last week of December. This is the second time the private commercial lender was slapped with a fine in the last four months. It was fined Tk 10 lakh in October.

- The fine came as Southeast Bank parked 22.05 per cent of its paid-up capital with National Life Insurance Company Ltd (NLICL), in a clear violation of the Bank Company Act 1991, according to a probe carried out by the central bank in August last year.
- A lender is allowed to invest a maximum 10 per cent of its paid-up capital and 5 per cent of the total capital in a single stock. The investment made by the bank in NLICL was 9.83 per cent of the total capital, said the report. The paid-up capital of the bank stood at Tk 1,188 crore in August.
- The BB asked the lender on November 7 to cut the excessive investment within 30 working days. But the lender has failed to carry out the order. A high official of Southeast Bank says it was difficult to bring down the amount of shares in a month.
- The Bangladesh Securities and Exchange Commission would have sought explanation had the bank tried to cut the single stock exposure ceiling overnight, he said. It might have created an adverse impact in the capital market, he said, adding that the bank was now selling 3,000-4,000 shares per day.
- The ratio of investment at NLICL now stands at around 13 per cent of the paid-up capital and 6 per cent of the total capital, said the official, who is not authorised to speak to the media. The higher-ups of Southeast Bank and NLICL had colluded with each other, the BB probe report said in August.

<https://www.thedailystar.net/business/economy/banks/news/southeast-bank-fined-again-2938281>

## Corporate director to sell BBS Cables shares

The Business Standard, January 12, 2022

- The Bangladesh Building Systems, a corporate director of BBS Cables, has declared to sell 11 lakh shares of BBS Cables out of its holding of 2.84 crore shares in the company. The company made the announcement on the Chittagong Stock Exchange (CSE) website on Wednesday.
- The shares will be sold at prevailing market price through CSE within the next 30 working days. Earlier, the corporate director sold 25 lakh shares of BBS Cables the same way. As on 30 November 2021, the sponsors and directors jointly held 32.76%, institutions 18.88%, foreign investors 0.15%, and general investors 48.21% shares of BBS Cables.
- From July to September of 2021, the earnings per share of the company stood at Tk1.39, which were Tk1.41 in the same period of 2020. BBS Cables paid 10% cash and 5% stock dividends to its shareholders for fiscal 2020-21.

<https://www.tbsnews.net/economy/stocks/corporate-director-sell-bbs-cables-shares-356626>

## Union Bank primary shares draw 3.62 times higher offers

The Business Standard, January 12, 2022

- Against its Tk428 crore primary shares, Union Bank has received offers of Tk1,548 crore from investors which is 3.62 times higher than the initial public offering (IPO) size. On Sunday, the Dhaka Stock Exchange (DSE) will hold an allotment of primary shares of the new generation private sector lender among successful applicants.
- Earlier, the country's premier bourse completed its eligible investors' portion on an electronic subscription system. The IPO subscription was held from 26-30 December last year.
- Earlier, the Bangladesh Securities and Exchange Commission allowed Union Bank to raise Tk428 crore from the capital market upon two conditions. First, the bank must invest Tk200 crore in the capital market in 2021 as per Bangladesh Bank's circular. At the end of 2020, the lender had an investment of Tk4 crore in the capital market.
- The other condition stipulates that until being listed on the capital market, the private sector lender may not declare any dividends for its shareholders. The shares will be offered to the public at a face value of Tk10 each.
- Of the total funds raised, the bank will invest Tk271.50 crore in SMEs and project financing, Tk100 crore in government securities, and Tk50 crore in the share market. The rest will cover IPO expenses.

<https://www.tbsnews.net/economy/stocks/union-bank-primary-shares-draw-362-times-higher-offers-356602>

## Bashundhara Paper Mills stocks post 58% price rise in eight days

The Business Standard, January 11, 2022

- Publicly listed Bashundhara Paper Mills Ltd posted a 58% share price hike in eight trading days at the Dhaka Stock Exchange (DSE). The company's stock price reached Tk68 per share on Tuesday, which was Tk43.1 on 30 December last year.
- But its share price declined 4.85% on Wednesday after the DSE sent a query letter to the company seeking an explanation regarding the unusual price hike. Bashundhara Paper Mills replied there is no undisclosed price sensitive information (PSI) for the recent increase in share price.
- The net profit of the company increased 45% in fiscal 2020-21 compared to the previous year, thanks to an increase in demand for its products, both in local and international markets. In that fiscal year, the company registered Tk928 crore in annual revenues, an 8% growth from the previous year's Tk854 crore.
- In the first quarter of the current fiscal year, its revenue increased about a meager 1%, compared to the same time in the previous fiscal year, but its net profits rose 31%.

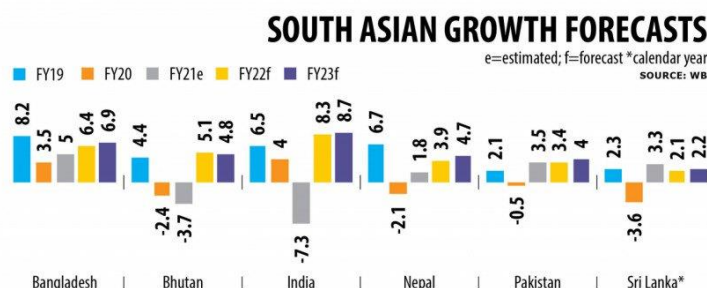
<https://www.tbsnews.net/economy/stocks/bashundhara-paper-mills-stocks-post-58-price-rise-eight-days-356572>

## Economy & Industry

### Economy to grow 6.9pc next fiscal year: WB

The Daily Star, January 13, 2021

- Bangladesh's economy is projected to grow 6.9 per cent in fiscal year 2022-23 thanks to strong export growth and a rebound in domestic demand, the World Bank (WB) said in its Global Economic Prospects released on Tuesday.
- "In Bangladesh, strong export growth, supported by returning garment demand from abroad, and a rebound in domestic demand -- with improving labour income and remittance inflows -- supported the recovery," the WB said.
- The multilateral lender forecasted that gross domestic product (GDP) would expand 6.4 per cent in the current fiscal year of 2021-22, up 1.3 percentage points from its June projection of 5.1 per cent for the fiscal.
- For the next fiscal year 2022-23, it raised the forecast for Bangladesh by 0.7 percentage points from 6.2 per cent.
- "Both Bangladesh and Pakistan saw their goods trade deficit widen to record levels on strong domestic demand and rising energy prices," said the WB, adding that private consumption, the main engine of growth, supported by rising services activity and firming exports of garments improved the outlook for Bangladesh.
- It said output in South Asia is projected to expand by 7.6 per cent in 2022, accelerating from 7 per cent the previous year, as Covid-19 vaccination progresses and contact-intensive sectors recover. Growth prospects have improved in the region since June 2021, reflecting forecast upgrades for Bangladesh, India and Pakistan.
- The WB, however, said following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from Covid-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies.



<https://www.thedailystar.net/business/economy/news/economy-grow-69pc-next-fiscal-year-wb-2938251>

## Banks asked to keep foreign exchange rates rational

The Business Standard, January 12, 2022

- The Bangladesh Bank has called on bankers to keep their foreign exchange rates rational as different rates are causing problems for some banks. The central bank Governor Fazle Kabir made the call during a meeting with the Association of Bankers Bangladesh (ABB) on Wednesday.
- People familiar with the discussion said different banks collect remittances at different prices with the average rate for most banks being Tk86-Tk88 per dollar. But many banks have to buy dollars from the domestic market at a higher price causing them to suffer losses.
- The central bank governor called on ABB and Bangladesh Foreign Exchange Dealers Association (BAFEDA) to take policy decisions to resolve these problems. He also assured all kinds of support from the Bangladesh Bank in this regard.
- According to central bank data, the central bank has sold about \$2.5 billion in the last five months, to meet up the high volume of import payments. Despite this, the price of dollars has continued to gain against the local currency, raising the import cost and putting an extra burden on local importers.
- On 9 January, the interbank exchange rate hit Tk86 per dollar for the first time, while a dollar was being exchanged for over Tk90 in the open market, a market for dealing after official hours.
- Meanwhile, seeking anonymity a managing director of a bank said in order to increase the remittance flow through proper channels, the government has increased cash incentives for expatriates to 2.5% from January, up from 2%.

<https://www.tbsnews.net/economy/banks-asked-keep-foreign-exchange-rates-rational-356659>

## International

### UK finance reigns in EU despite Brexit fallout

The Daily Star, January 13, 2021

- One year after Britain's formal exit from the European Union, London's powerful City financial sector still reigns on the continent despite losing key business and bankers to rival hubs. "London has spent hundreds of years as a global financial centre. Brexit will not change that, certainly not anytime soon," said Lee Wild, head of equity strategy at Interactive Investor.
- The City, whose skyscraper offices are largely deserted by Covid restrictions, has yet to strike a post-Brexit deal with Brussels on equivalence, which would allow London-based firms to fully operate in Europe. London has over the past year lost out to rivals on equity trading, struggling to recover ground after a hammering triggered immediately after Britain's EU exit.
- Trading on London's stock market slumped by about 40 per cent at the start of 2021, with London prevented from offering EU-listed shares to clients outside the United Kingdom. Amsterdam has benefitted the most, overtaking London to become Europe's biggest hub in terms of equity trading volumes for much of the past year, according to Cboe Global Markets.
- London remains the world's second biggest financial centre behind New York when various factors are taken into account including infrastructure, reputation and business environment, according to the Global Financial Centres Index 2021.

<https://www.thedailystar.net/business/global-economy/europe/news/uk-finance-reigns-eu-despite-brexit-fallout-2938211>

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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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