

Key News

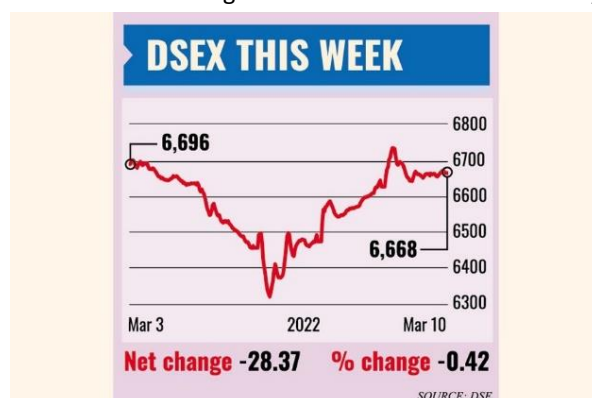
- ✓ [Stocks see eventful week as regulator steps in](#)
- ✓ [Brokerage houses with CCA deficit may face BSEC sanctions](#)
- ✓ [10 stockbrokers not paying Tk 5.5cr in BO maintenance fees: CDBL](#)
- ✓ [Mutual Fund industry agrees to buy more stocks](#)
- ✓ [IPOs in last 5yrs: 49 firms raise Tk3,486cr, 10 from the textile sector alone](#)
- ✓ [Star Adhesives QIO subscription opens on 27 March](#)
- ✓ [Bank Asia awarded IFC's best bank partner for climate trade in South Asia](#)
- ✓ [Bangladesh is safe for investment: BSEC Chairman to UAE investors](#)
- ✓ [Banks allowed LC opening with zero margin](#)
- ✓ [Europe stocks surge on bargain hunting, Asia fall](#)

Stock Market & Company

Stocks see eventful week as regulator steps in

The Financial Express, March 12, 2022

- Stocks witnessed an eventful week to March 10, featuring the biggest single-day fall in almost two years as well as the highest single-day rise in 14 months. Week on week, DSEX, the prime index of Dhaka Stock Exchange (DSE), shed 28.37 points or 0.42 per cent to settle at 6,668, extending the losing streak for the fourth straight week. The DSEX eroded nearly 418 points in the past four weeks.
- This week, the investors were mostly active in the textile sector, which captured 13.3 per cent of the week's total turnover.
- Two other DSE indices also ended lower. The DS30 index, comprising blue chips, dropped 37.84 points to finish at 2,425 and the DSE Shariah Index (DSES) lost 6.59 points to close at 1,435.
- The week's total turnover stood at Tk 39.72 billion on the prime bourse which was Tk 37.46 billion in the week before. The daily turnover averaged out at Tk 7.94 billion on the country's premier bourse, which was 6.04 per cent higher than the previous week's average of Tk 7.49 billion.
- Market capitalisation of the DSE also fell slightly to Tk 5,384 billion on Thursday, from Tk 5,351 billion in the week before. Major sectors posted mixed performances with the IT sector posting the highest gain of 7.5 per cent, followed by textile (2.4 per cent), engineering (1.20 per cent), banking (0.4 per cent) and non-bank financial institutions (0.10 per cent).



- Beximco was the most traded stock with shares worth Tk 2.62 billion changing hands, followed by Fortune Shoes, Bangladesh Shipping Corporation, British American Tobacco and Orion Pharma. BDCOM Online was the top gainer, posting a 41.74 per cent gain, while Vanguard AML Rupali Bank Balanced Fund was the worst loser, shedding 15.48 per cent.
- The Chittagong Stock Exchange (CSE) also edged lower, with the CSE All Share Price Index (CASPI) losing 11 points to settle at 19,561 while its Selective Categories Index (CSCX) shedding 9.0 points to close the week at 11,737.

<https://thefinancialexpress.com.bd/stock/top-turnover-leaders-on-dse-see-price-erosion-1647142417>

Brokerage houses with CCA deficit may face BSEC sanctions

The Newage, March 12, 2022

- Bangladesh Securities and Exchange Commission has taken an initiative to impose four sanctions including suspension of free limit and initial public offering quota facility on brokerage houses which have shortfall in consolidated customer accounts and shares.
- The BSEC officials have drafted a directive in this regard and would present before the commission meeting for approval soon. If a stockbroker falls short in shares or consolidated customer account as per reconciliation report of stock exchange or BSEC, the IPO quota facility, free limit, dividends of stock exchange and opening of new branch officer or digital booth will remain suspended, according to the proposal.
- Dhaka Stock Exchange chief operating officer Shaifur Rahman Mazumder told New Age that there are around 25 brokerage firms which have deficit in their consolidated customer accounts and 5-7 of them are in serious condition. He said that the BSEC and DSE have been closely monitoring the brokerage houses to avoid serious malfunctions in those firms. The securities regulator is now very much strict in preventing fraudulent activities by brokerage house, adding that unprofessional houses would no longer sustain in the market, Shaifur said.
- The regulator came up to the plan as it observed that a number of brokerage houses fall short in their consolidated customer accounts and are reluctant to pay back the deficits in the account despite repeated warnings, BSEC officials said.

<https://www.newagebd.net/article/165216/brokerage-houses-with-cca-deficit-may-face-bsec-sanctions>

10 stockbrokers not paying Tk 5.5cr in BO maintenance fees: CDBL

The Newage, March 12, 2022

- The Central Depository of Bangladesh Limited has filed a complaint with the Bangladesh Securities and Exchange Commission, saying that 10 brokerage houses, including Sinha Securities and Investment Corporation of Bangladesh, were not paying an aggregate amount of Tk 5.5 crore in annual BO account maintenance fees to the CDBL despite repeated attempts. The CDBL has filed the complaint recently.
- CDBL's dues from Sinha Securities reached Tk 3.05 crore while from the ICB head office Tk 60.9 lakh and from ICB Chattogram branch Tk 14.31 lakh till December 30, 2021. Dues of M Securities Limited to CDBL was Tk 72.87 lakh, Reliance Securities Consultant Limited Tk 25.62 lakh, Cordial Securities Tk 23.97 lakh, Parom Securities Tk 16.24 lakh, ALOCO Securities Tk 13.4 lakh, Howlader Securities Tk 11.24 lakh and Elegant Stock & Securities Tk 11.04 lakh.
- The annual maintenance fee on each BO account is Tk 500, of which a depository participant gets Tk 100, the CDBL Tk 150, the BSEC Tk 50 and the government gets the rest Tk 200. Brokerage houses cut the fees from the investors' BO accounts annually. BSEC officials said that if the houses failed to pay the CDBL's fee soon, the commission might impose some restrictions on them.

<https://www.newagebd.net/article/165026/10-stockbrokers-not-paying-tk-55cr-in-bo-maintenance-fees-cdbl>

Mutual Fund industry agrees to buy more stocks

The Business Standard, March 10, 2022

- The recent downturn in the market has made many fundamentally sound stocks cheaper, and created a good buying opportunity for investors, believe professional asset managers of the country.
- In a meeting with the Bangladesh Securities and Exchange Commission (BSEC) on Thursday, members of the Association of Asset Management Companies and Mutual Funds agreed to increase the use of their liquid assets to buy more undervalued stocks in the coming weeks.

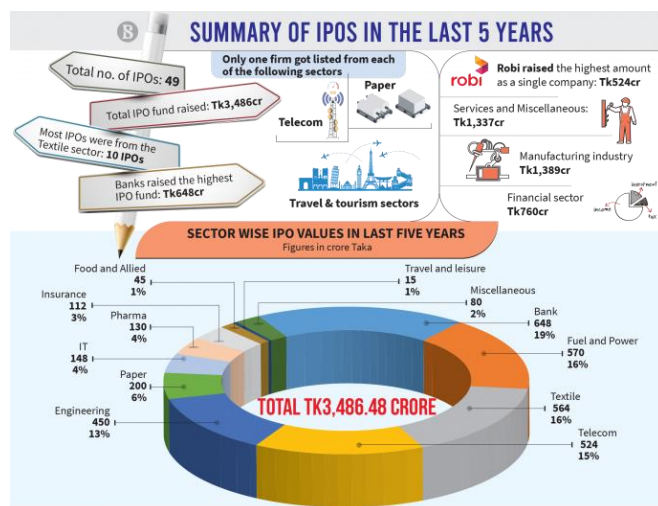
- After the meeting, BSEC Commissioner Professor Shaikh Shamsuddin Ahmed said, "The asset managers agreed on three points we discussed and I hope it would be beneficial for the market." In Bangladesh, conventional mutual funds have to keep at least 60% of their assets under management in listed scrips regardless of market condition. And, they can hold the remainder in cash or park it into cash equivalent instruments, such as bank deposits.
- In the Bangladesh mutual fund industry, 33 asset managers through 110 open and closed-end funds are managing over Tk16,000 crore as of Sunday morning. The industry is too small here as only around 3% of the market capitalisation is under their management, which is 10-20 times higher in other capital markets.

<https://www.tbsnews.net/economy/stocks/mutual-fund-industry-agrees-buy-more-stocks-383038>

IPOs in last 5yrs: 49 firms raise Tk3,486cr, 10 from the textile sector alone

The Business Standard, March 12, 2022

- Forty-nine listed companies raised funds through initial public offering (IPO) in the last five years, of which the highest number of ten IPOs were from the textile sector and the total volume of funds raised by these companies amounted to Tk564 crore.
- Overall, the number of listed textile companies in the capital market now is higher than that of any other sector. Currently, the textile sector has 58 listed companies, which is about 17% of the total number of companies listed with the capital market.
- According to the Dhaka Stock Exchange (DSE), private sector entrepreneurs and businesses raised Tk3,486.48 crore in capital through IPO in the last five years. Of which, Tk1,389 crore went to the manufacturing sector, Tk1,337 crore to the service sector, and Tk760 crore was raised by companies in the financial sector.
- Three banks raised Tk648 crore in capital during this period. Of the companies that got listed with the capital market over the last five years, seven are in a good position in terms of business and profit, three are in crisis which is why their shareholders are not getting dividends regularly.



<https://www.tbsnews.net/economy/stocks/ipos-last-5yrs-49-firms-raise-tk3486cr-10-textile-sector-alone-383893>

Star Adhesives QIO subscription opens on 27 March

The Business Standard, March 12, 2022

- The qualified investor offer (QIO) subscription of Star Adhesives Ltd, a concern of Partex Star Group, will begin on 27 March and continue till 31 March. The company received approval from the Bangladesh Securities and Exchange Commission (BSEC) on 15 February, 2022 to raise Tk5 crore from the capital market through QIO.
- The company will issue 50 lakh general shares at a face value of Tk10 each, and thus join the small and medium enterprise (SME) platform of the Dhaka Stock Exchange (DSE). Of the total amount, Star Adhesives wants to spend Tk1.51 crore for factory renovation, Tk1.8 crore for working capital, and Tk1.6 crore for repaying bank loans.
- According to the company's audited financial statement as of 30 June 2021, its net profit stood at Tk2.69 crore, which was Tk0.88 crore in the previous year. Its revenue stood at Tk41.24 crore, which was Tk25.33 crore a year ago. At the same time, its basic earnings per share stood at Tk6.05 and net asset value per share Tk12.56.

<https://www.tbsnews.net/economy/stocks/star-adhesives-qio-subscription-opens-27-march-383833>

Bank Asia awarded IFC's best bank partner for climate trade in South Asia

The Daily Star, March 13, 2022

- Bank Asia has recently been awarded the "Best Bank Partner for Climate Trade in South Asia" by the International Finance Corporation (IFC), a member of the World Bank Group, in recognition of its efforts in reducing environmental externalities and risk perceptions with investing in green finance.
- Allen Forlemu, regional industry director of FIG Asia Pacific at the IFC, handed over the award to Md Arfan Ali, president and managing director of Bank Asia, in Dhaka, a press release said.
- Martin Holtmann, country manager for Bangladesh, Nepal and Bhutan at the IFC, SM Iqbal Hossain, deputy managing director of Bank Asia, and Md Zia Arfin, senior executive vice-president and head of int'l division, along with other officials of both organisations were present.

<https://www.thedailystar.net/business/organisation-news/bank-asia-awarded-ifcs-best-bank-partner-climate-trade-south-asia>

Economy & Industry

Bangladesh is safe for investment: BSEC Chairman to UAE investors

The Business Standard, March 09, 2022

- The rapidly growing economy and the capital market of Bangladesh offer a good investment opportunity and the investment here is safe and profitable, the Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-ul-Islam told a group of United Arab Emirates (UAE) investors.
- "Bangladesh capital market has been a return champion," he also remarked while speaking at a networking dinner at Abu Dhabi on Thursday, inviting the cash rich investors.
- The capital market is prepared to catch up with the stunning economic growth of Bangladesh as it is introducing lots of new products including Sukuks, municipal bonds, infrastructure bonds, and green bonds and also going to launch blue bonds, Prof Islam said at the program titled "Investment Flash Mob: Networking Dinner".
- With the sound macroeconomic fundamentals of Bangladesh, the bonds alongside a number of good equities attracted investors from many developed countries and the investors are enjoying and repatriating good profits from their investments, he told the event organised by the BSEC. The BSEC chairman expressed hope that Bangladesh is going to migrate to an emerging market from its existing frontier market status.

<https://www.tbsnews.net/economy/stocks/bangladesh-safe-investment-bsec-chairman-uae-investors-383836>

Banks allowed LC opening with zero margin

The Newage, March 13, 2022

- The Bangladesh Bank has asked scheduled banks to charge margins at a minimum rate against opening of import letters of credit for essential kitchen commodities amid sharp increase in prices in such commodities ahead of the month of Ramadan.
- The BB even allowed banks to open LC in zero margin based on bank-customer relationship. The central bank on Thursday issued a directive to the managing directors and chief executives of all the schedule banks to prevent price hikes and to keep the kitchen market stable ahead of Ramadan, the month of fasting for Muslims.
- BB said that the prices of import-dependent kitchen commodities have been on the rise due to different unsystematic post-coronavirus issues. The month of Ramadan will begin in the first week of April.
- The central bank asked the banks to keep minimum margins against LCs opened for importing commodities, including edible oil, chickpea, lentil, onion, gram, spices, dates, fruits and sugar. As demand for kitchen items increases sharply every year during the Ramadan, the central bank issued the letter to the scheduled banks as part of its measures to ensure adequate supply of these items during Ramadan.

<https://www.newagebd.net/article/165217/banks-allowed-lc-opening-with-zero-margin>

International

Europe stocks surge on bargain hunting, Asia fall

The Newage, March 11, 2022

- European stock markets jumped Friday as investors fished for bargains after recent Ukraine-driven losses, with London buoyed also by news of an economic rebound for Britain. Frankfurt jumped 3.0 per cent and Paris gained 2.1 per cent in afternoon trading, while London won 1.4 per cent to shrug off earlier Asian losses.
- Oil was slightly higher following Iran supply fears, but remained well below the 14-year peak near \$140 hit Monday on worries of a severe fallout from key producer Russia's invasion of Ukraine. The pound and yen hit multi-year dollar lows, as spiking US inflation fanned expectations the Federal Reserve would deliver aggressive interest rate hikes.
- 'European stocks are set for their first weekly rise since the start of the war, as investors digest the latest... (ECB) policy decision and a pleasant surprise from UK GDP data,' said City Index analyst Fiona Cincotta. Investors were reassured after European Central Bank head Christine Lagarde on Thursday said the ECB would 'take whatever action is needed' to shield the eurozone from Ukraine fallout and sky-high energy prices.
- The central bank froze borrowing costs and pushed back the start of a potential interest rate hike, despite record euro-area inflation. Markets have nevertheless been rocked ever since Russia shocked the world by invading its neighbour Ukraine on February 24.

<https://www.newagebd.net/article/165120/europe-stocks-surge-on-bargain-hunting-asia-fall>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

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).

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

Bijoynagar Extension

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

Nikunja Branch

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

Khulna Branch

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

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.