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Stock Market & Company

Price fall in large-cap drives bourses down

The Financial Express, March 12, 2023

- The country's both bourses, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) – on Sunday plunged due to mainly price fall in large-cap securities.
- DSEX, the prime index of the DSE, went down by 25.19 points or 0.40 per cent to 6,234.99. Two other indices also ended sharply lower with the DSE 30 Index, comprising blue chips, plunged 5.42 points to finish at 2,221.55 and the DSE Shariah Index (DSES) lost 3.41 points to close at 1,358.91.
- Turnover, a crucial indicator of the market, decreased to Tk 4,335.84 million, which was 5,456.82 million at the previous session of the week, reports BSS. Out of 314 issues traded, 141 declined, 17 advanced and 156 remained unchanged on the DSE trading floor.
- GENEXIL topped the turnover chart, followed by SEAPEARL, EHL, Rupali Life, and BDCOM. UNILEVERCL was the day's top gainer, posting 20.17 per cent gain while LEGACYFOOT was the worst loser, losing 8.02 per cent.
- The Chittagong Stock Exchange also ended sharply lower with the CSE All Share Price Index - CASPI -losing 54.80 points to settle at 18,395.35 and the Selective Categories Index - CSCX shedding 32.39 points to close at 11,027.53.

<https://thefinancialexpress.com.bd/stock/bangladesh/price-fall-in-large-cap-drives-bourses-down>

BSEC to conduct intel ops to combat manipulation

The New Age, March 12, 2023

- The Bangladesh Securities and Exchange Commission has planned to conduct intelligence activities with the aim of preventing and detecting fraudulent activities, market manipulation, unscrupulous business practices and insider trading on the stock market.
- The new Bangladesh Securities and Exchange Act, 2022, drafted by the BSEC, includes the detective activities as part of the 'Commission Activities' section. Financial Institution Division of the finance ministry recently sought public opinion on the draft act, setting a 15-day response period.
- The draft Bangladesh Securities and Exchange Act, 2022 allows the commission to conduct intelligence activities to prevent fraudulent activities on the market, BSEC officials said. According to the draft rules, the BSEC or the stock exchange would conduct surveillance activities for the supervision and monitoring of the securities market.
- Additionally, the BSEC has included a bankruptcy remoteness asset provision in the draft rules to determine which assets will remain excluded from distribution or confiscation if a person or company declares bankruptcy.
- The provision states that trust money, securities, or guarantees given to the Central Counterparty and Depository for clearing and settlement purposes cannot be confiscated or distributed.

<https://www.newagebd.net/article/196646/bsec-to-conduct-intel-ops-to-combat-manipulation>

Why Monospool Paper merging with Pearl Paper

The Business Standard, March 12, 2023

- Bangladesh Monospool Paper Manufacturing Company, whose share price has experienced an unusual increase following its return to the main board of the Dhaka Stock Exchange (DSE) from the over-the-counter (OTC) market, is now merging with Pearl Paper and Board Mills, another entity belonging to the Magura Group.
- The merger will now be finalised following approval from the High Court and other regulatory authorities.
- And after the merger, the two entities will operate under the name Bangladesh Monospool Paper Manufacturing Company.
- **Why the merger?** At present, the listed company is relatively smaller than the non-listed one. The revenue and profit are also relatively low.
- As a result, they believe that the revenue and profit of the company will increase once it is merged with the big company. Also, the cost of a non-listed company will be reduced if it is managed by merging with a listed one.
- According to sources at the group, the paid-up capital of Pearl Paper and Board Mills is Tk59 crore, and the paid-up capital of Monospool Paper Manufacturing is Tk9.38 crore.



<https://www.tbsnews.net/economy/stocks/why-monospool-paper-merging-pearl-paper-598586>

Auditor appointed to probe why Kattali Textile is failing to use IPO fund

The Business Standard, March 12, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to appoint Islam Jahid & Co Chartered Accountants as a special auditor at Kattali Textile Mills Ltd to find out why the company is failing to utilise its initial public offering (IPO) fund.
- The auditor will review the company's IPO proceeds and financial statements for the last three fiscal years. But the BSEC is yet to issue any letter to Kattali Textile about this.
- Also, the commission wants to know what's the deal with the company's cash dividend disbursement for the 2020-21 fiscal year. Kattali Textile said it has completed the disbursement but some shareholders say they did not receive any dividend.
- Back in 2018, Kattali Textile raised Tk34 crore through an IPO to purchase capital machinery, repay bank loans, install an electric transformer, and bear IPO expenses. The company was supposed to use the fund within October 2020. But as of January 2023, the firm has only been able to use 49.5% or Tk16.84 crore of its IPO fund.

<https://www.tbsnews.net/economy/stocks/auditor-appointed-probe-why-kattali-textile-failing-use-ipo-fund-598578>

Linde Bangladesh wants to demerge hard goods business

The Business Standard, March 12, 2023

- Linde Bangladesh Ltd, a medical and industrial gas producer in the country, has decided to restructure and reorganise its gas and hard goods business.
- Besides, the company will demerge its hard goods business such as welding products and equipment to a wholly owned subsidiary subject to the High Court approval, said company officials at a board meeting on Sunday (12 March).
- It also decided to take approval for the demerger from the shareholders through an extraordinary general meeting (EGM) which will be held on 11 May.
- The company said in its price sensitive statement, after getting approval from the High Court, the hard goods business will be hived down to a wholly owned subsidiary and will bring much needed diversity in the product range.
- Linde earned over 60% annually from its hard goods business, the rest came from gas selling. Besides, Linde Bangladesh also recommended to pay a 420% cash dividend to its shareholders for 2022. Earlier, it had paid a 550% cash dividend to its shareholders for 2021.

<https://www.tbsnews.net/economy/stocks/linde-bangladesh-demerge-hard-goods-business-598494>

Genex Infosys director to transfer 28 lakh shares

The Business Standard, March 12, 2023

- Chowdhury Fazle Imam, one of the directors of Genex Infosys Limited, has expressed his intention to transfer 28,00,000 shares to his brother Chowdhury Fazle Alam, a general shareholder of the company. According to a disclosure published on the Dhaka Stock Exchange (DSE), Chowdhury Fazle Imam will transfer his shares as a gift outside of the trading systems of the stock exchange within 30 working days.
- At present, Chowdhury Fazle Imam holds 1,19,84,704 shares of Genex Infosys Limited. During the fiscal year 2021-22, it made a profit of around Tk38.17 crore and paid an 11% cash dividend and 2% stock dividend to its shareholders.
- On Sunday, share prices of the company closed at Tk96.60 each at DSE, a 4.73% down from the previous trading session.

<https://www.tbsnews.net/economy/stocks/genex-infosys-director-transfer-28-lakh-shares-598298>

UCB Asset to launch stable income open-ended fund

The Daily Star, March 13, 2023

- UCB Asset Management Company is going to launch the Income Plus Fund, a stable income open-ended fund with an initial size of Tk 50 crore. The fund manager signed an agreement with Brac Bank yesterday for getting its service as custodian.
- The fund offers several unique features designed to benefit retail savers, especially those who have hit their Sanchaypatra quota and seek investment tax rebate, UCB Asset said in a press release.
- Its feature is giving stable short-term returns, allowing partial capital withdrawal with profit and option for small investment sizes of as low as Tk 5,000 in government treasuries and corporate bonds make this fund an attractive choice for retail savers seeking maximum tax rebates, it said.

<https://www.thedailystar.net/business/economy/news/ucb-asset-launch-stable-income-open-ended-fund-3269586>

StanChart to streamline Reckitt's sales data transfer

The Daily Star, March 13, 2023

- Standard Chartered Bangladesh recently signed an agreement with Reckitt Benckiser (Bangladesh) to provide "Host-to-Host" connectivity, streamlining the collection of sales proceeds by facilitating data transfer between the two.
- Connecting Reckitt's Enterprise Resource Planning platform to Standard Chartered's Straight2Bank offering will enable Reckitt to exchange information and receive notifications in preferred file formats, network protocols and standards, said a press release.
- "...we are helping to make our valued clients nimbler and future fit," said Luthful Arefin Khan, head of the bank's transaction banking. "(It) will certainly streamline our collection process," said Tanmay Gupta, finance director of Reckitt Benckiser Bangladesh.

<https://www.thedailystar.net/business/economy/news/stanchart-streamline-reckitts-sales-data-transfer-3269596>

Economy & Industry

Bank deposits grow 6.14% YoY in January

The Business Standard, March 12, 2023

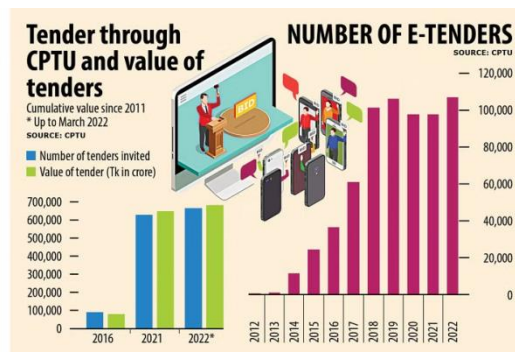
- Deposits in the country's banking sector grew by 6.14% year-on-year in January compared to 5.44% in the previous month. At the same time, lending grew by 7 basis points. The year-on-year growth of loans in January was 13.89%, compared to 13.82% in December last year.
- According to data from the central bank, deposits in the banking sector have increased by Tk86,000 crore in one year through January, while lending has increased by Tk1.72 lakh crore. In other words, deposits have not increased at the same pace as bank loans have.
- A month-wise analysis showed that in January, banks lent out more money than they received in deposits, which economists say could potentially lead to a liquidity crunch if not managed carefully.
- According to data from the Bangladesh Bank, deposits in the country's banking sector fell by Tk1,398 crore in January compared to the previous month. The total deposits in the banking channel at the end of January stood at Tk14.88 lakh crore, down from Tk14.89 lakh crore in December.
- Banks have increased lending despite a decline in deposits. Credit rose by Tk8,451 crore to Tk17.67 lakh crore at the end of January compared to the previous month.

<https://www.tbsnews.net/economy/banking/bank-deposits-grow-614-yoy-january-598598>

Govt to form authority on public procurement

The Daily Star, March 13, 2023

- The government has prepared a draft law for ensuring transparency and accountability in public sector purchases while also improving efficiency in the sector. As per the draft law, which will soon be placed at a cabinet meeting, the Bangladesh Public Procurement Authority (BPPA) will be formed to regulate public purchases.
- A top official of the planning ministry confirmed last week that the draft law has already been sent to the Cabinet Division.
- The government decided to form the BPPA in line with the conditions set by various multilateral lenders, including the World Bank.
- Earlier, the World Bank called for full implementation of the e-Government Procurement (e-GP) system, which would bring down the average procurement lead time (from invitation to contract signing) to 50 days from 70 days at present.
- But for that to happen, the Bangladesh Public Procurement Authority Act must be enacted, the global lender said in its conditions for upcoming budgetary support. Bangladesh spends more than \$25 billion annually on public procurement, around 65 per cent of which is done through the e-GP system, according to the planning ministry.



<https://www.thedailystar.net/business/economy/news/govt-form-authority-public-procurement-3269681>

International

China retains central bank chief in unexpected move

The New Age, March 12, 2023

- China retained its central bank chief in a surprise move on Sunday, as the country appointed a cabinet focused on fighting economic headwinds. Yi Gang was confirmed as governor of the People's Bank of China at a meeting of China's rubber-stamp national legislature, against expectations that retirement-age Yi would step down.
- Two top economic officials — commerce minister Wang Wentao and finance minister Liu Kun — were also retained, as well as National Health Commission director Ma Xiaowei, who oversaw China's zero-Covid policy.
- The cabinet faces the task of revitalising the Chinese economy, which last year expanded just three per cent — one of its weakest performances in decades.
- General Li Shangfu, who was sanctioned by the US government in 2018 for buying Russian weapons, was named defence minister. US-China tensions have worsened in recent weeks, exacerbated by the entry of an alleged Chinese spy balloon into US airspace and accusations that Beijing might supply Moscow with weapons to use against Ukraine.
- President Xi Jinping slammed the United States this week for leading an effort of 'containment, encirclement and suppression of China'. Li's appointment is 'a deliberate pushback against US sanctions', said Manoj Kewalramani, China expert at the Takshashila Institution in Bengaluru, India.

<https://www.newagebd.net/article/196649/china-retains-central-bank-chief-in-unexpected-move>

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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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