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## Stock Market & Company

### Dhaka stocks slump amid economic worries

The Newage, April 12, 2022

- Dhaka stocks slumped on Tuesday as investors went for selling shares heavily amid concerns over the country's economic situation. DSEX, the key index of the Dhaka Stock Exchange, lost 0.97 per cent, or 64.49 points, to close at 6,574.07 points on Tuesday after losing 23.88 points in the previous session.
- The DSEX lost about 200 points in the last seven sessions with just one positive day. Average share prices of all the sectors dropped on Tuesday.
- Share prices of non-bank financial institution, textile, bank, energy sectors declined most on the day. Among the large capitalised companies, share prices of BEXIMCO, Beximco Pharmaceuticals, Bangladesh Submarine Cables Company, Grameenphone and LankaBangla Finance declined most on Tuesday.
- The turnover on the DSE dropped to Tk 532.95 crore on Tuesday compared with that of Tk 557.46 crore in the previous session.
- DS30 index comprising of 30 large capitalised companies declined by 20.26 points to finish at 2,431.64 points and the DSE Shariah index shed 11.87 points to close at 1,442.87 points. BEXIMCO topped the turnover chart with its shares worth Tk 42.85 crore changing hands.
- Sonali Paper, LafargeHolcim Bangladesh, GBB Power, Bangladesh Bulding System, IPDC Finance, Nahee Aluminum Composite, Bangladesh Shipping Corporation, Square Pharmaceuticals and Yeakin Polymer were the other turnover leaders.
- JMI Hospital Requisite Manufacturing was the day's best performer, posting a gain of 9.85 per cent, while LankaBangla Finance was the worst loser, shedding 3.17 per cent.



<https://www.newagebd.net/article/167964/dhaka-stocks-slump-amid-economic-worries>

## Bank Asia gets another additional managing director

The Daily Star, April 13, 2022

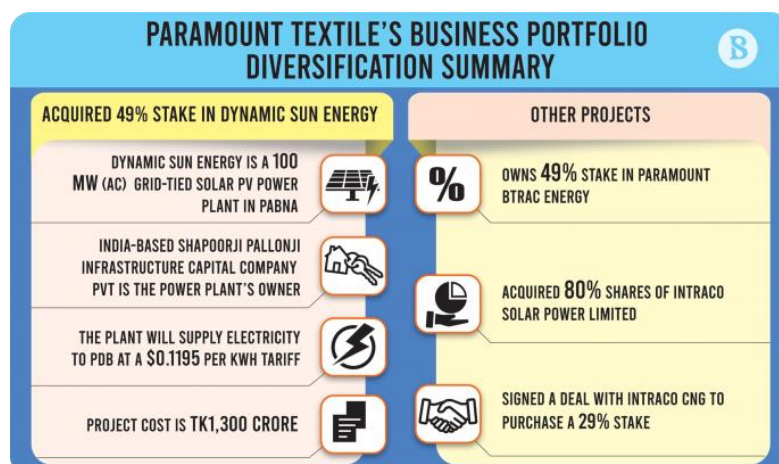
- Shafiuzzaman has recently been promoted to the post of additional managing director of Bank Asia Ltd. Prior to the promotion, he was deputy managing director of the bank, a press release said. Shafiuzzaman, who is a chief credit officer of Bank Asia, oversaw the function of the credit risk management and credit administration divisions.
- He is also entrusted to oversee the Sustainable Financing and Corporate Social Responsibility Department of the Bank. He joined Bank Asia Ltd in 2015 as a senior executive vice-president and was looking after the corporate and large loan division of the bank. Later, he was promoted to the post of deputy managing director of the bank in 2020.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-gets-another-additional-managing-director-3003741>

## Paramount Textile invests in power for business diversification

The Business Standard, April 12, 2022

- Paramount Textile PLC, a listed company belonging to Paramount Group, is diversifying its business portfolio in the power sector after faring well in the textile sector. Considering business prospective, Paramount Textile has now decided to invest in a solar plant by acquiring a 49% stake in Dynamic Sun Energy Private Ltd in Pabna.
- Shapoorji Pallonji Infrastructure Capital Company Pvt Ltd (SP Infra), a subsidiary of Shapoorji Pallonji Group of India, has an investment in Dynamic Sun Energy.
- The two companies together will build a solar plant to supply electricity to the national grid. Paramount Textile will invest in the plant from its own sources and bank finance.
- Additionally, the textile company has already invested in two more power plants that have already been in production.
- According to company sources, the portfolio is being diversified keeping in mind the long-term plans and its future business because the Covid-19 pandemic has shown that it is not possible for a business to survive by relying on just one sector product. So even if one sector suffers, the business is being diversified with the aim of making a good income from other sectors.



<https://www.tbsnews.net/economy/stocks/paramount-textile-invests-power-business-diversification-402214>

## LankaBangla Finance posts 31% profit growth for 2021

The Business Standard, April 12, 2022

- LankaBangla Finance Ltd posted a 31% growth in its consolidated annual profits for 2021, thanks to its return on capital market investments. The consolidated net profit after taxes of the non-bank financial institution (NBFI) soared to Tk130 crore in 2021, which was Tk97 crore in the previous year. Its consolidated earnings per share (EPS) stood at Tk2.38.
- According to the company's financial statements, the profit surged mainly because its net investment income from the stock market, and brokerage and underwriting commission increased to Tk79.89 crore and Tk78.83 crore respectively. However, the NBFI's solo profit fell 26% year-on-year in 2021. Its solo EPS stood at Tk1.13 in 2021, which was Tk1.53 in the previous year.
- It posted a negative consolidated net operating cash flow per share of Tk0.88 for 2021. Meanwhile, LankaBangla Finance's board has recommended a 10% cash dividend to its shareholders for 2021. On Tuesday, its share price fell by 4% to close at Tk30.2 each at the Dhaka Stock Exchange (DSE). The stock's downfall brought the company to the top position on the loser list at the DSE.

<https://www.tbsnews.net/economy/stocks/lankabangla-finance-posts-31-profit-growth-2021-402134>

## BSEC allows BD Paints to raise Tk12cr

The Business Standard, April 12, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has allowed BD Paints Limited to raise Tk12 crore by issuing shares through a qualified investor offer (QIO) from the SME board of the stock exchanges. The stock market regulator approved the QIO of the company at a meeting on Tuesday, said a press release.
- The company, established in 2014, will issue 1.2 crore ordinary shares at the face value of Tk10 each. Of the amount, BD Paints will spend Tk1.7 crore on building construction, Tk5.5 crore on machinery installation, and Tk4.54 crore on working capital.
- According to the company's audited financial statements as of 30 June 2021, its net profit stood at Tk4.83 crore, which was Tk3.13 crore in the previous year. The paint manufacturer also saw an increase in revenue to Tk29.38 crore in the fiscal, from Tk23.36 crore a year earlier. Its earning per share stood at Tk0.97 and net asset value per share Tk15.94 at the end of the fiscal.

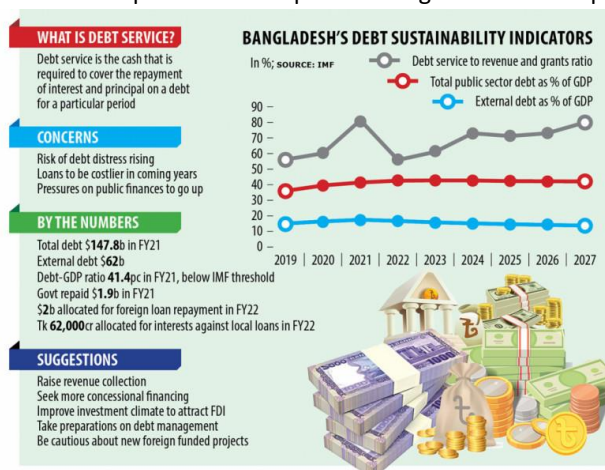
<https://www.tbsnews.net/economy/stocks/bsec-allows-bd-paints-raise-tk12cr-402094>

## Economy & Industry

### Risks growing for rising debt service-to-revenue ratio

The Daily Star, April 13, 2022

- Bangladesh's debt service to revenue ratio rocketed to 81.2 per cent in the last fiscal year amid lower tax collection and higher borrowing, according to the International Monetary Fund. This compared to 56.2 per cent registered in the pre-pandemic year of 2019.
- The escalated level of the debt service to revenue ratio means if the government earns Tk 100 in taxes, it has to spend more than Tk 81 to pay off loans.
- "Although the risk of debt distress remains low, the risk from a rising debt service-to-revenue ratio has increased," said the IMF Bangladesh in an analysis in March.
- As a result, development and priority expenditures, including those aimed at supporting the economic recovery from the coronavirus pandemic, will continue to put pressure on public finances, it said.
- Total public debt in Bangladesh stood at \$147.8 billion in FY21, which was around 41.4 per cent of GDP, way lower than the threshold of 70 per cent estimated by the IMF. External debt accounted for \$62 billion in the last fiscal year, or 17.5 per cent of GDP.
- Prime Minister Sheikh Hasina yesterday directed all concerned to take necessary measures so that Bangladesh could maintain its current position in future regarding the foreign debt, as the amount of foreign loan of Bangladesh is still far below the risk limit, according to news agency BSS.



<https://www.thedailystar.net/business/economy/news/risks-growing-rising-debt-service-revenue-ratio-3003801>

### Banks asked to keep 50-100% provision against embezzled money

The Business Standard, April 12, 2022

- The central bank has asked the commercial banks to keep 50-100% provision against the money stolen or embezzled from them. The central bank gave the directive on Tuesday in a circular on the classification and provisioning system for the "other assets" in a bank's financial statement.

- According to the circular, the banks have to keep 50% provision against uncoordinated revenue expenditures, legal expenses, fraudulent cases, inter-branch uncoordinated accounts classified as doubtful assets, and 100% provision if they are classified as bad assets.
- Currently, different banks follow different procedures for classifying the other assets, so their financial statements appear different. That is why the central bank has issued a circular in this regard, said a senior official of the central bank.
- "Other assets," includes all balance sheet asset accounts not covered specifically in other areas of the supervisory activity. Often, such accounts may be quite insignificant in the overall financial condition of the bank. However, significant sub-quality assets may be uncovered in banks lacking proper internal control and procedures.
- According to the circular, in case of forgery, robbery, and embezzlement of funds, 100% provision should be kept by classifying them as "bad assets" till the money is recovered. In case of partial recovery, 100% provision has to be kept against the unpaid portion. If there are uncertainties regarding the unresolved cases, they should be classified as "doubtful assets". If the cases are not resolved within a year, the banks have to classify them as "bad assets".

<https://www.tbsnews.net/economy/banking/banks-asked-keep-50-100-provision-against-embezzled-money-402234>

## International

### Global growth optimism at all-time low: survey

The Daily Star, April 13, 2022

- Optimism among fund managers over global economic growth has hit an all-time low while concerns of possible stagflation have risen to the highest since August 2008, a monthly survey by investment bank BoFA Securities showed on Tuesday. The survey, which took the views of firms managing a total of more than \$833 billion, is one of the biggest regular tests of fund manager views and comes as inflationary pressures rise even as the risk of recession increases in major economies.
- Asked about their expectations for global growth in the coming months, a net 71 per cent of survey respondents were pessimistic about prospects, the most since the survey records began in the early 1990s. The European edition of the survey found investors continuing to cut their European growth projections, with a net 81 per cent of survey respondents expecting the region's economy to weaken over the coming year compared with 69 per cent in the March edition.
- Though fund manager holdings of cash - traditionally an indicator of investor caution - eased to 5.5 per cent in the April edition of the survey from 5.9 per cent in the previous month, prospects of a global recession remain the top "tail risk" for global markets, the survey found. The Russia-Ukraine conflict has receded to fourth place, after aggressive central bank interest rate actions and inflation.

<https://www.thedailystar.net/business/global-economy/news/global-growth-optimism-all-time-low-survey-3003711>

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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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