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Stock Market & Company

[Most listed cos suffer losses or profit fall in Q2](#)

The New Age, February 13, 2023

- About 70 per cent of the 214 listed companies which announced their financial reports for the September-December, 2022 quarter of the current financial year of 2022-23 faced losses or lower profits in the quarter amid economic woes in the country.
- According to the financial statements of the 214 listed companies, profit of IT, pharmaceuticals, fuel and power, paper and printing, tannery, telecommunication and travel sectors' companies increased slightly in the period.
- Cement, ceramics, textile, insurance, engineering, jute, miscellaneous and real estate sectors' companies' profits dropped significantly in the period. The 214 companies out of 400 listed companies under the Dhaka Stock Exchange published their financial reports for the first half of 2022-23 in January.
- In the second quarter, profits of 64 companies rose year-on-year while that of 109 companies dropped for the period and 40 companies posted losses. The profit of one company remained unchanged.

<https://www.newagebd.net/article/194374/most-listed-cos-suffer-losses-or-profit-fall-in-q2>

IFIL looks to grow through investments in sustainable, small businesses

The Financial Express, February 14, 2023

- Islamic Finance and Investment Limited (IFIL) has been giving priority to cottage, micro, small and medium enterprises (CMSME) in making sustainable and socially responsible investments for its future growth, said the top executive of the first-ever Shariah-based non-bank financial institution.
- It aims to be a major contributor to the growth of deposit and investment market through innovative products, especially designed for small and medium businesses.
- The non-bank financial institution has been playing an important role by implementing a comprehensive sustainable finance policy in every step of its organisational activities, said Managing Director and Chief Executive Officer Mohammed Mosharaf Hossain.
- In a recent interview with the FE at the IFIL office in the capital, he said the IFIL focuses on green finance, sustainable CMSMEs, sustainable agriculture, and socially-responsible investments as per the guidelines of the Bangladesh Bank.
- In doing so, the non-bank financial institution has taken up a number of initiatives, including the establishment of a high-powered sustainable finance committee and a sustainable finance unit (SFU) to boost investments in those areas.
- IFIL holds a good reputation and position among the NBFIs since its inception and is listed on both the Dhaka Stock Exchange and the Chittagong Stock Exchange having achieved good credit rating, EPS and provided good dividends to general shareholders, said Mr Hossain.

<https://thefinancialexpress.com.bd/stock/ifil-looks-to-grow-through-investments-in-sustainable-small-businesses-1676343523>

Reliance Insurance bags record profit in 2022 on high premium income

The Financial Express, February 14, 2023

- Reliance Insurance, one of the leading general insurers in Bangladesh, posted a record profit in 2022, despite it being a challenging year, backed by higher gross premium income. The insurer's profit grew at 4.79 per cent year-on-year for 2022 to Tk 616 million, the highest since its listing in the stock market in 1995.
- The growth was achieved at a time when economic indicators were all in decline, said Badal Chandra Rajbangshi, chief financial officer (CFO) of Reliance Insurance.
- The insurance company also secured more than 10 per cent growth in gross premium, he said but did not disclose the exact figure. Its dividend yield was 4.28 per cent for 2022.
- The company's gross premium income has increased for the last two consecutive years, facilitated by penetration into the new line of business.
- Despite the hefty profit, the company's stock price fell 1.76 per cent to Tk 61.40 on Monday. The net asset value per share dropped slightly to Tk 64.15 in 2022. This happened due to the drop in the market value of investments in securities and other investments, the company said in its stock exchange filing.



<https://thefinancialexpress.com.bd/stock/reliance-insurance-bags-record-profit-in-2022-on-high-premium-income-1676343573>

IFC provides \$50m to Prime Bank

The Daily Star, February 13, 2023

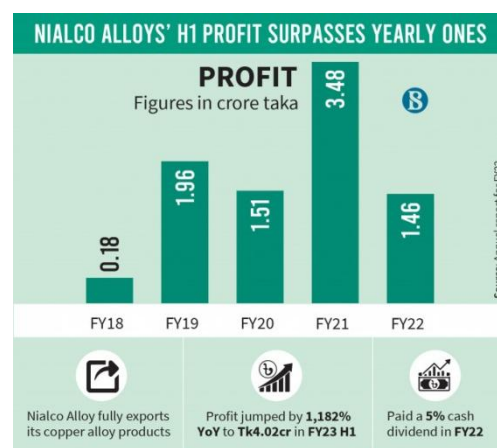
- The International Finance Corporation (IFC) is providing \$50 million to Prime Bank Limited to support export and import-based businesses in Bangladesh with a view to helping them cope with global uncertainties brought on by the Covid-19 pandemic.
- The funding will support working capital, trade finance, and foreign exchange liquidity needs of export and import-based entities borrowing through the private commercial lender's offshore banking unit, said the IFC in a statement yesterday.
- The financing package is part of IFC's 'Fast Track Covid-19 Facility,' a package designed to support countries and the private sector to cope with the impacts of the pandemic under the working capital solutions programme.
- IFC's engagement with Prime Bank will also be supported by the International Development Association's private sector window blended finance facility, according to the statement.

<https://www.thedailystar.net/business/economy/news/ifc-provides-50m-prime-bank-3247131>

Exporter Nialco Alloys snaps out of Ukraine war blues, H1 profit jumps 1,182%

The Business Standard, February 13, 2023

- In a time when a lot of large-cap companies are struggling to remain afloat, a small company like Nialco Alloys bounced back hard from its business slowdown that was caused by the Russia-Ukraine war in fiscal 2021-22, and posted record high net profit in the July to December period of the ongoing 2022-23 fiscal year.
- In the first half of FY23, the company's net profit jumped by a staggering 1,182% year-on-year and stood at Tk4.02 crore – which is even greater than the company's annual profits in each of the last five fiscal years.
- Nialco Alloys is a manufacturer of copper alloy products and exports 100% of them to Europe, Africa, and Asia. As its business performance is fully dependent on its exports, the Russia-Ukraine war had severely affected the company's business in FY22 resulting in a 66% drop in revenue, and 58% drop in profit year-on-year.
- The company said in its FY22 annual report that because of the war, demand for its products in Europe was very sluggish, which is why successful market deals could not be made. Hence, the production cost was much higher than the products' selling price.

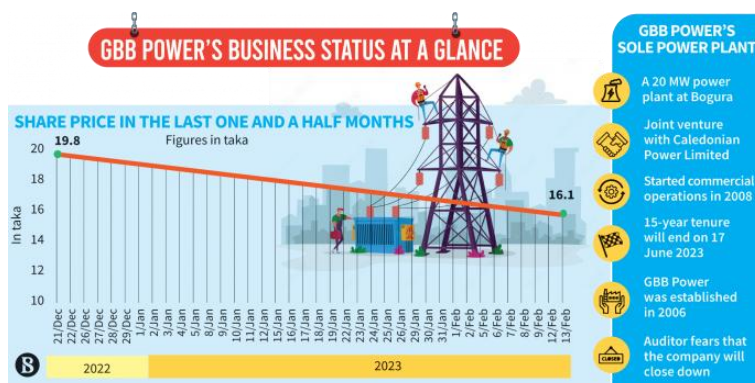


<https://www.tbsnews.net/economy/stocks/exporter-nialco-alloys-snaps-out-ukraine-war-blues-h1-profit-jumps-1182-584742>

GBB Power plant to expire in June, investors dump shares

The Business Standard, February 123, 2023

- GBB Power Limited's auditor expressed concern about the company's ability to survive after the contract expiry of its sole power plant in June, prompting a share selloff. But due to the floor price set by the Bangladesh Securities and Exchange Commission (BSEC), there are not enough buyers for these shares.



- According to Dhaka Stock Exchange (DSE) sources, the company's shares began to decline in September 2021. At that time, each share was priced at Tk50.
- From there, the shares fell by 60% to Tk19.8 at the floor price set in October last year. Then, the BSEC lifted the floor on the company's shares and set the lower circuit breaker at 1%. Since then, the share price has fallen by 1% daily for 38 consecutive sessions.
- In its financial report for the fiscal 2021-22, auditor Kazi Zahir Khan and Co said that GBB Power's power purchase agreement (PPA) with the Bangladesh Power Development Board (BPDB) will expire on June 17 this year. So, its power plant will no longer be in production after that.

<https://www.tbsnews.net/economy/stocks/gbb-power-plant-expire-june-investors-dump-shares-584730>

Delta Life fined Tk20 lakh for flouting insurance law

The Business Standard, February 13, 2023

- The Insurance Development and Regulatory Authority (Idra) has slapped Delta Life Insurance Company with Tk20 lakh in fines for violating insurance law over the 2015-2017 period.
- The regulator, following its hearing on 25 January, concluded that the life insurer's violation of insurance law had been proven in nine of the 26 audit objections from special auditor Howladar Yunus and Company. And, on February 12, the company was ordered to pay the fine within 15 days.
- According to the auditor and the regulator, the company over the 2015-17 period overstated its premium income by Tk72 crore through showing insurance premium received after 31 December of the particular year. And it allowed the company to spend more against the inflated income. Also, the company's revenue account and balance sheet were faulty.
- Tk3 lakh has been fined for the violation as the company's explanation was not satisfactory. Tk2 lakh has been fined for paying commission to agents without ensuring their agent licence from the regulator. Another Tk1 lakh fine was imposed for paying some agent commission in cash.
- As audit objections regarding the company's car usage and maintenance were not settled, the regulator slapped it with another Tk1 lakh fine.

<https://www.tbsnews.net/economy/stocks/delta-life-fined-tk20-lakh-flouting-insurance-law-584726>

Sonali Life to become a completely Islamic insurer

The Business Standard, February 13, 2023

- Sonali Life Insurance's board of directors has decided to convert it from a traditional life insurance business to a completely Islamic one. The new generation life insurer would seek shareholders' approval in an extraordinary general meeting to be held on 23 March, according to a disclosure through the Dhaka Stock Exchange.
- "Starting as a traditional life insurer, we have already made all our operations 100% Shariah-compliant since having our independent Shariah board a few years ago," said Sheikh Mohammad Danial, a director of the company.
- "Now it is time to declare ourselves as an Islamic life insurer," he said, adding that the company is responding to an increasing number of its clients who are serious about Shariah compliance.
- Islamic insurance operations, also known as Takaful, mainly embrace the principles of mutual cooperation and shared responsibility instead of the traditional insurance business of risk transfer.

<https://www.tbsnews.net/economy/stocks/sonali-life-become-completely-islamic-insurer-584722>

Tallu Spinning Mills' losses widen

The Daily Star, February 14, 2023

- Tallu Spinning Mills Ltd incurred losses in the second quarter of the current financial year. The textile company reported a loss of Tk 4.29 crore in the October-December quarter of 2022-23. The loss stood at Tk 3.93 crore in the same quarter a year earlier, according to the unaudited financial statements.
- Thus, Tallu Spinning reported earnings per share of Tk 0.48 negative for October-December of FY23 against Tk 0.44 negative for October-December of FY22. This took its losses in the first half of the ongoing financial year to Tk 8.84 crore. It made a loss of Tk 7.95 crore in the July-December of FY22.
- The net operating cash flow per share of the company returned to positive territory in July-December of FY23, standing at Tk 0.04, up from a negative Tk 0.45 in the identical period in FY22. The net asset value per share was Tk 20.75 on December 31 last year and Tk 23.86 on the same day of 2021.

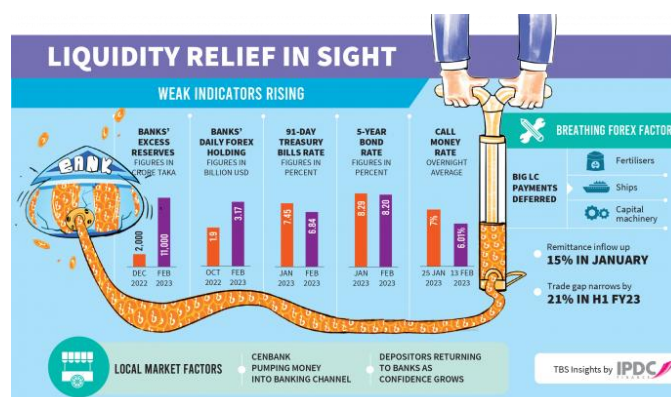
<https://www.thedailystar.net/business/economy/news/tallu-spinning-mills-losses-widen-3247111>

Economy & Industry

Liquidity crisis eases as central bank pumps in more cash

The Business Standard, February 12, 2023

- Bangladesh Bank's efforts to ease the liquidity crisis in both the foreign exchange and local markets appear to be paying off, as money rates have started to cool down since early February after rallying for several months, shows data.
- Banks' excess reserves after required cash maintenance surged to Tk11,000 crore last week, compared to only Tk2,000 crore in December of last year, according to central bank data.
- Besides, dollar liquidity has also improved, as banks' daily forex holding position increased to \$3.17 billion last week, compared to a low of \$1.9 billion in October of last year.
- The ease in both dollar and local currency liquidity has contributed to reining in the bond and call money rates.
- This was evident from investors' sentiments recently. The Bangladesh Bank on Sunday called an auction for 91-day treasury bills where the yield rate was 6.84%, down from 7.45% in January.
- Banks participate in the auction to invest in bills through which the government borrows for budget expenditure. The yield rate for five-year treasury bonds came down to 8.20% in February from 8.29% in January, according to central bank data.



<https://www.tbsnews.net/economy/banking/liquidity-crisis-eases-central-bank-pumps-more-cash-584758>

Value addition in RMG soars in Q2

The New Age, February 13, 2023

- Value addition in the readymade garment sector witnessed a sharp rise in the 2nd quarter (October-December) of the current financial year 2022-23 due to increased shipments of value-added products and a surge in prices of apparel products on the global market.
- According to a Bangladesh Bank report titled 'Quarterly Review on RMG: October-December, FY22', the value addition in RMG products increased to 67.69 per cent in the second quarter of FY23. The value addition in RMG products in October-December period of FY23 grew by 9.89 percentage points from 57.80 per cent in the same period of FY22, the BB data showed.

- The value addition in RMG products was 51.49 per cent in the first quarter of FY23. The total readymade garment exports in October-December of FY23 were \$12.72 billion while the net exports were \$8.61 billion against the imports of raw materials worth \$4.11 billion.
- In the first half of FY23, value addition in apparel products increased by 4.65 percentage points to 60.45 per cent from 55.80 per cent in the same period of FY22, the data showed.

<https://www.newagebd.net/article/194372/value-addition-in-rmg-soars-in-q2>

International

Markets have good reasons to be more upbeat on economy: IMF chief

The Daily Star, February 13, 2023

- The head of the International Monetary Fund (IMF) said on Monday that financial markets have good reason to be more upbeat, pointing to the US economy likely avoiding recession and China's reopening from pandemic controls.
- IMF Managing Director Kristalina Georgieva, speaking at the World Government Summit, described the IMF's outlook for 2023 as "less bad, not good" given that the Fund has forecast a slowdown in economic growth this year and inflation remained a concern.
- Positive factors were resilient US and EU labour markets, China's reopening and "surprisingly good results of central banks tightening up financial conditions and inflation finally trimming down, although the fight is not yet won", she added.
- Asked whether there would be more doses of monetary tightening, Georgieva said the Fund expected monetary tightening this year but did not project it would continue "way into" 2024.
- "The markets have good reason to be more upbeat because what they are finally seeing is the US economy likely to avoid recession...they are also seeing China re-opening and Chinese consumers rushing to spend the money they saved during the pandemic, the lockdown," she said.

<https://www.thedailystar.net/business/news/markets-have-good-reasons-be-more-upbeat-economy-imf-chief-3246951>

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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

Nikunja Branch

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

Bijoynagar Extension

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

Khulna Branch

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

Chattogram Branch

Bank Asia Bhaban (3rd Floor)
39, Agrabad Commercial Area
Chattogram-4001
Tel : +8801730338091

Badda Digital Booth

Digital Booth (Beraid Badda)
Chairman Building (Ground Floor),
390, Bhuyian Para (Beraid Bazar),
Badda, Dhaka-1212.

Rajshahi Digital Booth

Chamber Bhabon (2nd Floor),
Station Road,
Alokar Moor,
Rajshahi – 6100,
Phone: 0088 02-088852318-9

Bogura Digital Booth

Jamil Shopping Center (3rd Floor),
288/325 Rangpur Road, Bogura Poura shava
Bogura Sadar, Bogura. 5800
Mobile#01739872483

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