

Key News

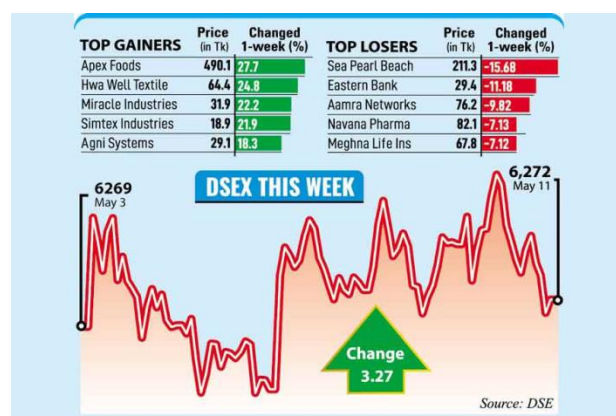
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Stock Market & Company

Weekly market review: Stocks end almost flat amid volatility

The Financial Express, May 13, 2023

- Stocks returned to the green in the outgoing week after a single-week break but ended almost flat, as investors were active on both sides of the trading fence amid a lack of clear direction.
- As a result, some 35 stocks took off from the floor prices during the week, while 150 issues were trading above the floor.
- The week saw five trading days as usual with three sessions edging up while two others closed in the red. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up 3.27 points to settle the week at 6,272.43, after losing 4.88 points the week before.
- The total turnover stood at Tk 39.57 billion, up from Tk 24.08 billion the week before, as this week saw five trading days compared to the previous week's three trading days. However, the average daily turnover dropped to Tk 7.91 billion, a 1.41 percent decrease from the previous week.
- Apex Foods, for example, dominated the weekly gainers' chart, soaring 27.70 per cent, followed by Hwa Well Textile, Miracle Industries, and Simtex Industries. The low-cap IT sector dominated the turnover chart, capturing 14 per cent of the week's total turnover, closely followed by the food and pharmaceuticals sector.



- The DSES Index, which represents Shariah-based companies, gained 4.63 points to close at 1,372. However, the DS30 Index, which consists of blue-chip companies, dropped 10.39 points to 2,194.
- The Chittagong Stock Exchange (CSE) also edged up, with its All Share Price Index (CASPI) rising 9 points to settle at 18,490 and the Selective Categories Index (CSCX) gaining 4 points to close at 11,073.

<https://thefinancialexpress.com.bd/stock/bangladesh/weekly-market-review-stocks-end-almost-flat-amid-volatility>

Costly deposit slashes banks' profits in Jan-Mar

The Business Standard, May 13, 2023

- Most of the listed banks, in the first quarter of 2023, failed to manage year-on-year growth in profits owing to lower net interest income driven by a higher deposit rate.
- According to bankers, last year, foreign currency exchange gain helped most banks absorb inflationary pressure and post higher profits. But this year, the exchange gain was not as overwhelming.
- Also, the Bangladesh Bank has fixed banks' deposit rate in line with inflation, i.e. the deposit rate should not be below the three-month average of inflation. As a result, deposits have become expensive. But on the other hand, the central bank did not remove the ceiling for banks' lending rate.
- Out of the 35 listed banks, 25 disclosed their unaudited reports for the January to March quarter of 2023. Ten of them saw declines in profits, two incurred losses, two saw no change in profits, and 11 posted profit growths.
- The ones who saw higher profits are Global Islami Bank, Jamuna Bank, Pubali Bank, Bank Asia, Shahjalal Islami Bank, Brac Bank, Uttara Bank, Mutual Trust Bank, Premier Bank, Union Bank, and Social Islami Bank.
- On the other hand, Eastern Bank, Mercantile Bank, Dhaka Bank, First Security Islami Bank, Islami Bank, Trust Bank, One Bank, Exim Bank, AB Bank, and Standard Bank saw lower profits.
- Prime Bank and City Bank posted the same earnings, while National Bank, which was once a well-performing bank, reported deeper losses, and already loss-making ICB Islamic Bank turned a loss in the first quarter of 2023 as well.



<https://www.tbsnews.net/economy/stocks/costly-deposit-slashes-banks-profits-jan-mar-631258>

Sinha Securities' operations suspended from Sunday

The Business Standard, May 13, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) has suspended the operations of Sinha Securities Limited – a member firm of the Dhaka Stock Exchange (DSE) – from Sunday until further notice. The brokerage firm's Depository Participant (DP) registration certificate expired on 29 April this year, and the commission did not renew the certificate because of a deficit in the company's consolidated customers' account.
- Sinha Securities operates around 5,000 beneficiary owners (BO) accounts. Mohammad Mahabubul Alam, accounts manager at Sinha Securities, told The Business Standard, "We received the regulator's order through mail."
- According to the DSE, the company made a deficit several times from March this year. As per the latest report, the company's deficit in its consolidated customers' account stood at Tk82 lakh, which it hasn't been able to fill up.

- BSEC sources said the commission is planning on forming an inquiry committee to try and find out why Sinha Securities has not been able to fill up its deficit.
- They said the brokerage firm has not complied with the regulatory requirements for a long time. The firm owed the Central Depository Bangladesh Limited (CDBL) Tk3.06 crore, which it has finally paid off through 12 instalments.

<https://www.tbsnews.net/economy/stocks/sinha-securities-operations-suspended-sunday-631254>

Runner Auto to issue Tk 265cr bond

The Daily Star, May 12, 2023

- Runner Automobiles PLC is going to issue a Tk 265 crore bond to expand its customer base and build a rooftop solar plant for its three-wheeler manufacturing facility.
- In a filing on the Dhaka Stock Exchange yesterday, the automobile company said its board has given its consent to the proposal for raising funds through the issuance of "Runner Auto Internationally Certified Sustainability Bond".
- The indicative issue size of the bond is \$25 million or Tk 265 crore. It will be unsecured, redeemable, non-convertible, guaranteed and sustainability bond. The fund would be raised through private placement to potential investors such as banks, insurance companies, financial institutions, corporate houses, non-resident Bangladeshis and high net worth individuals.
- The yield of the issue will range from 8.5 per cent to 9 per cent per annum with up to a seven-year maturity. Green Delta Capital Limited is the lead arranger and adviser to the transaction issue and DBH Finance PLC is the trustee.

<https://www.thedailystar.net/business/organisation-news/news/runner-auto-issue-tk-265cr-bond-3317511>

British American Tobacco to invest Tk61cr for capacity expansion

The Business Standard, May 11, 2023

- British American Tobacco Bangladesh Company Limited is going to invest Tk60.7 crore in its factory to increase the production capacity. The company's board has taken this decision in a meeting held on Wednesday where the company's unaudited financial report for the January to March quarter of 2023 was reviewed and approved.
- According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, British American Tobacco will finance this investment through its own funds and bank loans.
- But how much of the amount will come from the company's own funds and how much from bank loans is yet to be revealed. The company has not revealed any detailed information about how much the production capacity will increase and how much this expansion will add in the company's annual revenue either.
- In the first three months of 2023, the tobacco company's revenue grew by 13% year-on-year and stood at Tk9,899.62 crore, thanks to a higher sales volume and leaf exports, according to the company's DSE disclosure. And, in the January to March quarter, its net profit surged by 9.42% to Tk456.25 crore compared to the same quarter of 2022.

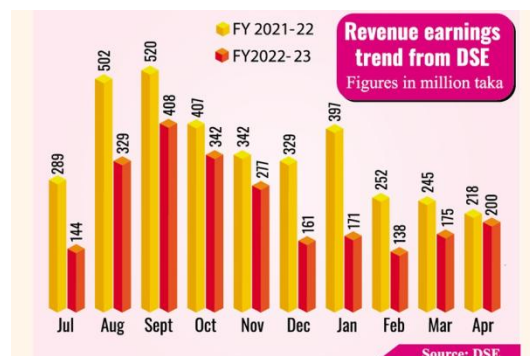
<https://www.tbsnews.net/economy/stocks/british-american-tobacco-invest-tk61cr-capacity-expansion-630202>

DSE tax receipts grow 14pc in April as turnover jumps

The Financial Express, May 13, 2023

- Tax revenue from the Dhaka bourse grew 14 per cent month on month in April, thanks to increased turnover and higher share sales by sponsor-directors of the listed companies.
- The government collected tax worth Tk 200 million last month as against Tk 175 million in March 2023, according to the Dhaka Stock Exchange (DSE).

- Of the total earnings, tax collections from share sales by sponsor-directors rose 17 per cent month on month to Tk 97 million. Tax revenue earnings from market turnover (except for block trades) also increased 12 per cent to Tk 103 million during the month.
- In April, the average daily turnover stood at Tk 5.72 billion, which is 21 per cent higher than the average daily turnover in March.
- However, when it comes to the first 10 months of this fiscal year, tax revenue from the DSE dropped 33 per cent year on year to Tk 2.35 billion.



<https://thefinancialexpress.com.bd/stock/bangladesh/dse-tax-receipts-grow-14pc-in-april-as-turnover-jumps>

Economy & Industry

BB's dollar sales this FY go past \$12b

The Daily Star, May 14, 2023

- The US dollar sold by the central bank has surpassed the \$12-billion mark in the ongoing fiscal year as it has had to pump the American greenbacks into the market in order to clear import bills.
- Between July 1 and May 10, the Bangladesh Bank supplied a record \$12.05 billion to banks, in contrast to the \$7.62 billion that was provided in the entire financial year of 2021-22. The central bank sold US dollars to the tune of \$276.03 million in the first 10 days of the current month. It injected \$851 million in April, BB data showed.
- Forex reserves stood at \$30.34 billion on Wednesday in contrast to \$42.20 billion in May last year. Import payments declined 12.33 per cent year-on-year to \$53.94 billion in the July-March period of FY23.
- It was \$61.52 billion during the identical period a year ago, according to central bank figures. But it rose 11.6 per cent from the import bills cleared in July-February, when it stood at \$48.31 billion. The reserves stood at \$30.34 billion on Wednesday in contrast to \$42.20 billion in May last year, a decrease of 28 per cent year-on-year.

<https://www.thedailystar.net/business/economy/news/bbs-dollar-sales-fy-go-past-12b-3319241>

RMG exports reach \$38.57 billion with 9.09% YoY growth during July-April

The Business Standard, May 13, 2023

- Bangladesh's apparel industry has recorded a strong year-over-year (YOY) growth of 9.09% for the period of July-April in FY2022-23, according to the data released by the Export Promotion Bureau (EPB).
- The country's total RMG export during this period reached \$38.57 billion, out of which the EU market accounted for \$19.20 billion, accounting for 49.78% of total exports.
- The EPB data revealed that the country's export to EU countries grew by 8.58% compared to the same period of the previous fiscal year. However, exports to Germany, Bulgaria, and Poland have declined. In contrast, Bangladesh's RMG export to France and Spain showed positive growth of 22.21% and 16.69% year-over-year, respectively.
- Italy also displayed a positive trend, recording a growth of 42.40% and reaching \$1.85 billion. On the other hand, Bangladesh's export to the USA market faced a negative growth of 7.13% for the same period and reached \$6.94 billion.
- The country's apparel export to Canada and the UK markets, however, experienced positive growth rates of 16.09% and 10.88%, respectively.
- Among the non-traditional markets, Japan, Australia, India, and South Korea were the major markets with \$1.32 billion, \$961.30 million, \$889.06 million, and \$477.81 million worth of RMG exports, respectively.

<https://www.tbsnews.net/economy/rmg/rmg-exports-reach-3857-billion-909-yoy-growth-during-july-april-630858>

International

Fed policy on right track, but inflation still too high: officials

The Daily Star, May 14, 2023

- The Federal Reserve is getting interest rates closer to where they need to be to win the battle against inflation, a pair of US central bankers said on Friday, though neither gave a clear signal on whether they feel they have reached that point.
- Coming a week after Fed policymakers raised their target range for the benchmark rate to 5 per cent-5.25 per cent, the remarks - from Fed Governor Philip Jefferson and St. Louis Fed President James Bullard -- suggest some uncertainty about whether the Fed will in fact pause interest-rate hikes next month, as is widely expected.
- Indeed, a third US central banker speaking early in the day, Governor Michelle Bowman, signaled she feels further policy tightening may yet be appropriate, unless inflation drops more convincingly.
- The Fed has raised its benchmark interest rate five full percentage points over the past 14 months - the fastest pace of tightening in 40 years. Inflation by the Fed's preferred measure has eased from 7 per cent last summer to 4.2 per cent.

<https://www.thedailystar.net/business/global-economy/news/fed-policy-right-track-inflation-still-too-high-officials-3319191>

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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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