

Key News

- ✓ [Stocks drop for 2nd day amid reserve depletion](#)
- ✓ [Navana Pharma's cut-off price fixed at Tk 34 each](#)
- ✓ [JMI Hospital violates rules by not clarifying quarterly profit jumps](#)
- ✓ [CDBL credits primary shares of Achia Sea Foods to investor accounts](#)
- ✓ [ACI terminates joint venture agreement with Dabur](#)
- ✓ [Taka falls again, USD 1 now Tk 93.95](#)
- ✓ [Importers allowed to issue corporate guarantee to lenders](#)
- ✓ [Global stocks tumble, euro dips below \\$1 on US inflation data](#)

Stock Market & Company

Stocks drop for 2nd day amid reserve depletion

The Newage, July 13, 2022

- Dhaka stocks dropped for the second day on Wednesday as concerns over the country's macroeconomic situation deepened after a fall of foreign exchange reserves to below \$40 billion after two years. DSEX, the key index of the Dhaka Stock Exchange, lost 0.48 per cent, or 30.67 points, to close at 6,324.8 points on Wednesday after losing 11.47 point in the previous session.
- Among the large capitalised companies, share prices of BEXIMCO, Beximco Pharmaceuticals, Grameenphone, Robi, LafargeHolcim Bangladesh and Square Pharmaceuticals declined the most on the day. Average share prices of textile, telecommunication, general insurance and pharmaceutical sectors dropped by 1.3 per cent, 0.9 per cent, 0.4 per cent and 0.39 per cent respectively.
- The turnover on the DSE increased slightly to Tk 702.31 crore on Wednesday compared with that of Tk 679.49 crore in the previous session. The DS30 index declined by 11.17 points to finish at 2,272.96 points and the DSE Shariah index shed 7.9 points to close at 1,377.72 points.
- Fortune Shoes topped the turnover chart with its shares worth Tk 49.77 crore changing hands. BEXIMCO, IPDC Finance, Titas Gas, Delta Life Insurance, Shinepukur Ceramics, Golden Son, Fu-Wang Food, JMI Hospital Requisite Manufacturing and Sea Pearl Beach Resort were the other turnover leaders.
- Libra Infusions was the day's best performer, posting a gain of 7.49 per cent, while Advent Pharma was the worst loser, shedding 2 per cent.

<https://www.newagebd.net/article/175703/stocks-drop-for-2nd-day-amid-reserve-depletion>

Navana Pharma's cut-off price fixed at Tk 34 each

The Financial Express, July 13, 2022

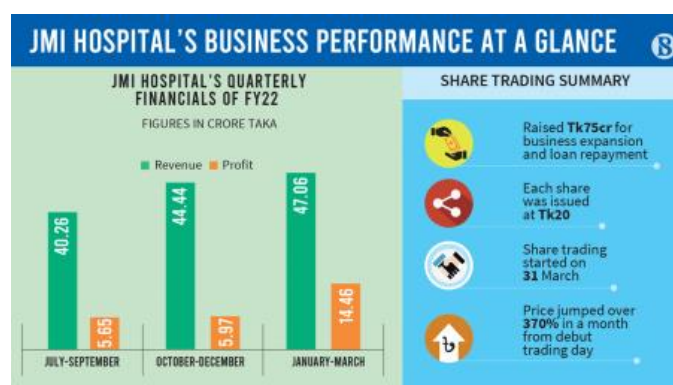
- The cut-off price per share of Navana Pharmaceuticals has been fixed at Tk 34 through electronic bidding by eligible investors. The eligible investors (EIs) took part in the price discovery of the company's IPO shares by bidding for 72 hours – July 4 to July 7 -- a requirement for going public under the book-building method.
- During the period, 281 eligible investors offered the highest Tk 34 and the lowest Tk 20 to buy the company's initial public offering (IPO) shares. However, the general investors will be able to purchase its IPO shares at a 30 per cent discount on the cut-off price, per the regulatory approval.
- Navana Pharma received regulatory approval from the Bangladesh Securities and Exchange Commission (BSEC) on June 8 for raising Tk 750 million by issuing IPO shares under the book-building method. Asian Tiger Capital Partners Investments and EBL Investments are jointly working as the issue manager of the company's IPO.

<https://thefinancialexpress.com.bd/stock/navana-pharmas-cut-off-price-fixed-at-tk-34-each-1657717688>

JMI Hospital violates rules by not clarifying quarterly profit jumps

The Business Standard, July 13, 2022

- JMI Hospital and Requisite Manufacturing Limited reported more than two times profits for the third quarter of fiscal 2021-2022. But the medical equipment provider did not clarify the sudden growth to its investors, which is a violation of the securities rules, said sources in the stock market regulator.
- The share trading of JMI Hospital on the Dhaka Stock Exchange (DSE) started on 31 March. The price rose by 270% from Tk20 each share in the month following the start of trading.
- Then it decreases a bit. However, after the release of the company's third-quarter report on 27 April, its share price rose 40% to a maximum of Tk97. However, its shares are currently trading at Tk79.50.
- According to JMI Hospital's financial report, its revenue rose 18% to Tk47 crore in the January-March quarter and operating profit rose 16% to Tk12.20 crore. But, its profit after tax has increased by 230% to Tk14.46 crore.



<https://www.tbsnews.net/economy/stocks/jmi-hospital-violates-rules-not-clarifying-quarterly-profit-jumps-457738>

CDBL credits primary shares of Achia Sea Foods to investor accounts

The Business Standard, July 13, 2022

- The Central Depository Bangladesh Limited (CDBL) credited primary shares of Achia Sea Foods Ltd, a 100% export-oriented seafood producer, to the beneficiary owner (BO) accounts of its investors on Wednesday. The company completed its qualified investor offer (QIO) subscription from 19 June to 23 June this year.
- Earlier, the Bangladesh Securities and Exchange Commission (BSEC) allowed the company to raise Tk15 crore with a QIO on the SME platform of the Dhaka Stock Exchange. The company will issue 1.5 crore ordinary shares at Tk10 each and use the funds for installation of machinery, loan repayment, and issue management. It will not be allowed to issue bonus shares for three years from its listing on the SME platform.
- AAA Finance and Investment Limited is the issue manager for the company. In fiscal 2020-21, the company's earnings per share (EPS) stood at Tk1.88 and net asset value per share at Tk17.07.

<https://www.tbsnews.net/economy/stocks/cdbl-credits-primary-shares-achia-sea-foods-investor-accounts-457734>

ACI terminates joint venture agreement with Dabur

The Business Standard, July 14, 2022

- ACI Limited has decided to terminate the joint venture agreement with India-based Dabur International, which was signed in 2003. Under the agreement, the two companies formed Asian Consumer Care Private Limited for selling Dabur's products across the country.
- Dabur holds a 76% stake in the Asian Consumer, whereas ACI has 24%. As per ACI board's decision, it will sell its stake from the Asian Consumer at Tk60 crore.
- The board also decided that the amount will be used for business expansion. According to the ACI website, in FY2019-20 segments like toothpaste, shampoo, and homecare has seen rapid growth.

<https://www.tbsnews.net/economy/corporates/aci-terminates-joint-venture-agreement-dabur-457802>

Economy & Industry

Taka falls again, USD 1 now Tk 93.95

The Daily Star, July 14, 2022

- The US dollar today became more costlier as the local currency depreciated once again in the inter-bank platform. The exchange rate of the taka stood at Tk 93.95 per dollar today in contrast to Tk 93.45 on Tuesday. The exchange rate of the taka was Tk 84.80 against each dollar on July 13 last year.
- The country's foreign exchange market is facing a shortage of US dollars due to the soaring import payments and the declining trend of remittance. Import payments have shot up since the end of last year because of the rising prices of commodities in the global market.
- Between July and May of the last fiscal year, imports went up by 39 per cent year-on-year to \$75.40 billion, while exports grew 33 per cent to \$44.58 billion. During the period, this resulted in a record trade deficit -- the gap between exports and imports -- of \$30.81 billion, up 48.8 per cent year-on-year.
- Remittance, the cheapest source of foreign currencies for Bangladesh, fell 15 per cent year-on-year to \$21.03 billion in fiscal 2021-22. The country's foreign exchange reserves had dropped below \$40 billion yesterday after the Bangladesh Bank cleared the import payments to the Asian Clearing Union (ACU).

<https://www.thedailystar.net/business/news/taka-falls-again-usd-1-now-tk-9395-3069436>

Importers allowed to issue corporate guarantee to lenders

The Newage, July 13, 2022

- The Bangladesh Bank on Wednesday allowed importers to issue corporate guarantee, personal guarantee and third-party guarantee to their foreign lenders in importing goods under buyer's credit. BB officials said that the scope would allow importers to save cost for import of goods.
- To this end, the central bank issued a circular that allowed importers to pay corporate guarantee, personal guarantee and third-party guarantee instead of issuing bank guarantee to their foreign suppliers. Instead of opening letter of credit, the country's importers are importing goods or items from abroad under buyer's credit that helps many importers save costs.
- The BB circular said, 'Short-term import finance under buyer's credit is accessible in accordance with paragraph 33(b), chapter 7 of Foreign Exchange Transaction Guideline for payments against eligible imports at the prescribed interest rate.'
- 'External lenders, including offshore banking operations, extend buyer's credit against usance import bills duly accepted by ADs,' it said.

<https://www.newagebd.net/article/175701/importers-allowed-to-issue-corporate-guarantee-to-lenders>

International

Global stocks tumble, euro dips below \$1 on US inflation data

The Newage, July 13, 2022

- Global stocks fell Wednesday and the euro dipped below \$ 1 for the first time in nearly 20 years after data showed a surge in US inflation last month, convincing investors that further increases in borrowing costs are on their way. Stock prices on Wall Street fell at the open after a pick-up in US inflation to 9.1 per cent in June increased the risk of a possible recession.
- European stock markets were also sharply lower by mid-afternoon, with London's blue-chip FTSE-100 index down 0.7 per cent, Frankfurt's DAX down 1.4 per cent and Paris's CAC-40 down 1.1 per cent. The euro fell below the symbolic level of \$ 1 for the first time since December 2002, dipping as low as \$ 0.0998, as the prospect of higher interest rates rendered the dollar more attractive to investors.
- The economic prospects for the 19-country eurozone are also darkening as a possible halt to Russian gas supplies increases the risk of recession. US inflation surged to a 40-year high in June on a 12-month basis, much worse than expected, US Labor Department data showed.
- Markets fear the reading will prompt the Fed to keep hiking interest rates aggressively after it ramped up borrowing costs by three-quarters of a percentage point last month.

<https://www.newagebd.net/article/175707/global-stocks-tumble-euro-dips-below-1-on-us-inflation-data>

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

Chattogram Branch

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

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.