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## Stock Market & Company

### Stocks keep falling, turnover hits 8-month low

Newage, December 13, 2021

- Dhaka stocks dropped for the second day on Monday as investors kept offloading shares to avoid further erosion in their investments. DSEX, the key index of the Dhaka Stock Exchange, decreased by 0.55 per cent, or 38.32 points, to close at 6,882.02 points on Monday after losing 64.38 points in the previous session.
- Turnover on the DSE plunged to Tk 696.64 crore on Monday from Tk 1,148.23 crore in the previous session. Monday's turnover was the lowest after April 18, 2021 when it was at Tk 602 crore.
- The market has been in the doldrums for the last three months due mainly to a tussle between the Bangladesh Bank and the Bangladesh Securities and Exchange Commission over stock market-related issues, the market operators said.
- Investors had expected that BB would exempt banks' investments in bonds from calculation of their capital market exposure limit as a significant amount of funds would be eroded from the market if bonds were included in the exposure, the market operators said.
- Among the prominent companies, share prices of Beximco Pharmaceuticals, BEXIMCO, Grameenphone, Robi and LafargeHolcim Bangladesh dropped on Monday. DS30, a composition of 30 large capitalised companies, lost 0.72 per cent, or 18.76 points, to close at 2,585.32 points on the day.
- Of the 377 scrips traded on the DSE on Monday, 228 declined, 101 advanced and 48 remained unchanged. Shariah index DSES shed 0.48 per cent, or 7.08 points, to settle at 1,460.31 points. GSP Finance led the turnover chart with shares worth Tk 48.81 crore changing hands on the day.
- BEXIMCO, One Bank, SAIF Powertec, Sena Kalyan Insurance Company, Eastern Lubricants, IFIC Bank, Sonali Paper, Delta Life Insurance and First Security Islami Bank were the other turnover leaders on the day.

<https://www.newagebd.net/article/157273/stocks-keep-falling-turnover-hits-8-month-low>

## DSE, CSE asked to be listed on stock market

Newage, December 13, 2021

- The Bangladesh Securities and Exchange Commission on Monday asked the Dhaka Stock Exchange and the Chittagong Stock Exchange to be enlisted on the country's stock market soon. The BSEC also decided to conduct a special audit by a leading chartered accountant to assess the compliance condition of the two stock exchanges before listing procedures.
- BSEC commissioner Sheikh Shamsuddin Ahmed told New Age that the regulator had instructed the two bourses to offload shares on the stock exchanges as per obligations under their demutualisation scheme.
- For achieving the purpose, the regulator asked the bourses to submit detailed proposals of listing method and procedures in compliance with the demutualisation act and scheme and other securities laws by January 10, 2022, he said. The stock exchanges must also frame guidelines on their listing as per instructions given in the scheme and submit with the proposals, he said.
- A Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange on September 4, 2018 joined the DSE as its strategic shareholder by purchasing 25 per cent shares of the Bangladesh's premier bourse for Tk 947 crore at Tk 21 each.
- But, the CSE is yet to find a strategic investor to sell its 25 per cent shares as per its demutualisation scheme. The paid up capital of the DSE is Tk 1,803.77 or 180.37 crore of ordinary shares and the authorised capital Tk 2,500 crore. So, the DSE must offload 35 per cent or 63.13 crore shares on the stock exchange.

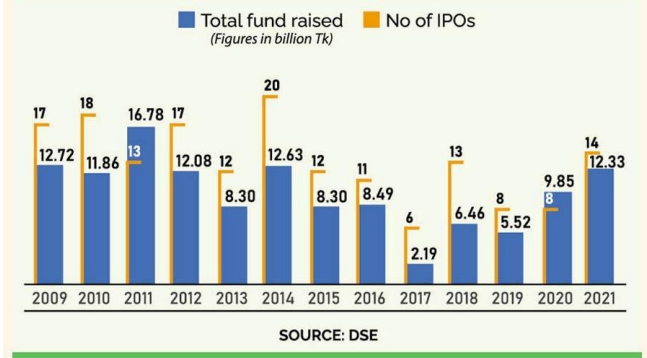
<https://www.newagebd.net/article/157268/dse-cse-asked-to-be-listed-on-stock-market>

## IPO funds at decade-high on Bangladesh's economic recovery

The Financial Express, December 14, 2021

- Spurred by economic-recovery hopes, initial public offerings in the outgoing calendar year will climb to a decade-high amount of Tk 12.33 billion, including premium, as moves are on to woo blue chips into bourses.
- The last three IPOs ---- Union Insurance, Union Bank, and BD Thai Food & Beverage - will raise funds between December 15 and December 30.
- Most of the fundraising took place in 2021 for the purpose of business expansion, repayment of loans and meeting the working- capital requirements, according to their prospectus.
- Three companies which raised funds under book-building method are Lub-rref (Tk 1.50 billion), Index Agro Industries (Tk 500 million), and Baraka Patenga Power (Tk 2.25 billion).
- Eight companies raised funds using fixed-price method -- eGeneration (Tk 150 million), Taufika Foods (Tk 300 million), NRB Commercial Bank (Tk 1.20 billion), Dsh General Insurance (Tk 160 million), Sonali Life Insurance (Tk 190 million), South Bangla Agriculture & Commercial Bank (Tk 1.0 billion), Sena Kalyan Insurance (Tk 160 million), ACME Pesticides (Tk Tk 300 million).
- Besides, Union Insurance (Tk 193.60 million), Union Bank (Tk 4.28 billion), and BD Thai Food & Beverage (Tk 150 million), are set to raise funds this month.
- BSEC chairman Prof Shibli Rubayat UI Islam says the job of bringing quality IPO does not lie with the securities regulator. "It's the job of stock exchanges and merchant bankers. Sometimes, we are to intervene in such jobs amid reluctance of the market operators," Mr Islam said.
- Nevertheless, the securities regulator has laid its efforts to accelerate the jobs of the market operators, the chairman said. "We have asked many SoEs to offload shares. We hope more good companies will go public in 2022," says the BSEC chairman on a note of optimism.

### FUNDRAISING TRENDS THROUGH IPOs



<https://thefinancialexpress.com.bd/stock/ipo-funds-at-decade-high-on-bangladeshs-economic-recovery-1639450571>

## UCB Investment raises funds for 3 banks

The Daily Star, December 14, 2021

- UCB Investment has managed to raise funds for three banks by issuing perpetual bonds. After a 14-year hiatus, the Al Arafah Islami Bank Mudaraba Perpetual Bond made its debut at the Dhaka Stock Exchange on December 5.
- This is the very first perpetual bond that got approved under the new regulation, UCB Investment said in a press release. The allotment ceremony of the Islami Bank 2nd Mudaraba Perpetual Bond and the Sahjalal Islami Bank Mudaraba Perpetual Bond were also completed.
- The IBBL 2nd Mudaraba Perpetual Bond is the largest issuance by any bank till date. UCB Investment is the issue manager and arranger for all three bonds.

<https://www.thedailystar.net/business/organisation-news/news/ucb-investment-raises-funds-3-banks-2917026>

## Aramit Cement declares a sudden interim cash dividend

The Business Standard, December 13, 2021

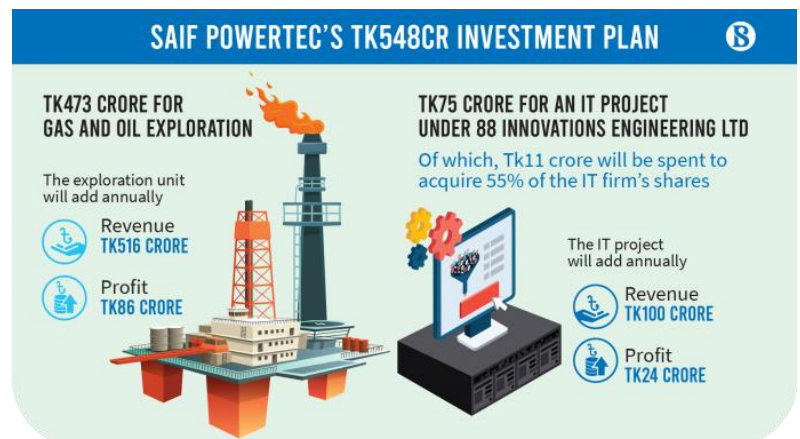
- Aramit Cement Limited — a sister concern of Aramit Group — has suddenly declared a 5% interim cash dividend only for its general shareholders for the current 2021-22 fiscal year. But the company did not pay any dividend for its shareholders in the last fiscal year because of its negative retained earnings.
- Earlier, the company had paid a 12% cash dividend in FY16. After that, it failed to pay any dividend to its shareholders. According to market insiders, Aramit Cement has broken the listing regulations while declaring the dividend.
- As per the listing regulations, the listed companies shall notify the bourses and the regulator before 3 working days of holding a board of directors meeting - especially if the meeting is called for consideration or adaptation of the quarterly financial statements or any entitlement (interim dividend) for shareholders.
- According to the company's financials, in the four fiscal years from FY17 up to FY20, it had incurred losses. But it returned to profit by making Tk2.02 crore in FY21. After adjustment of the profit, its retained earnings or accumulated profit/loss became a negative Tk59.87 crore as of 30 September 2021.
- In the July to September quarter of the current fiscal year, the company incurred a loss of Tk6.64 crore as its revenue fell by 54%, compared to the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/aramit-cement-declares-sudden-interim-cash-dividend-343201>

## Saif Powertec to enter gas, oil exploration business as first private firm

The Business Standard, December 13, 2021

- Saif Powertec Limited wants to enter the gas and oil exploration business by investing Tk473 crore as the first local private company in this industry. The board of the company, which got listed on the capital market in 2014, decided on 12 December.
- The project cost will come from bank loans. According to its website, Saif Powertec's principal activities are to carry on the business of infrastructure-support service.
- It is also engaged in importing, trading, assembling and installing generators, sub-stations, electrical equipment and gridlines, installation of power plants, producing batteries as well as acting as a terminal operator for handling containers at the Chattogram Port.
- Foreign entities such as Chevron, ConocoPhillips, Equinor, Gazprom and Oil and Natural Gas Corporation (ONGC) dominate the sector while Chevron alone produces 50% of the natural gas in the country.



- It will acquire 55% shares of the subsidiary company by investing Tk11 crore, while the total project cost is Tk75 crore. The rest of the amount will come from bank loans. The new project will add Tk100 crore to its revenue and Tk24 crore to its profit annually.
- Its share price jumped over 120% to Tk48 between June and October at the Dhaka Stock Exchange. At the end of Monday's trading session, its share closed at Tk43.40.

<https://www.tbsnews.net/economy/stocks/saif-powertec-enter-gas-oil-exploration-business-first-private-firm-343195>

## Peninsula approves 10% cash dividend

The Business Standard, December 13, 2021

- The Peninsula Chittagong Limited – a well-known hotel at the port city – has approved a 10% cash dividend for its shareholders for the ongoing fiscal year. The approval came at the 19th annual general meeting of the company held on Monday.
- The company Chairman Mahbub-ur-Rahman presided over the meeting. Managing Director Mostafa Tahsin Arshad, Directors Mostafa Tahir Arshad, and Ayesha Sultana, Nominated Director Abul Hossain, Independent Directors Dr Sheikh Mohammad Shafiul Azam, and Dr Mohammad Fasiul Alam also attended the meeting.

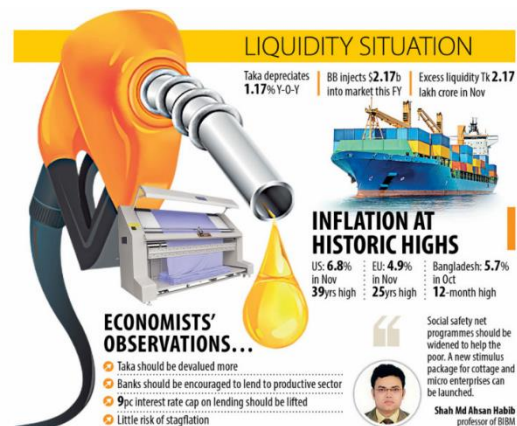
<https://www.tbsnews.net/economy/stocks/peninsula-approves-10-cash-dividend-343177>

## Economy & Industry

### Economy's three looming challenges

The Daily Star, December 14, 2021

- A persistent higher rate of inflation, the upward trend of the foreign exchange rate and deepening liquidity crunch could pose major challenges to the economy as the government looks to keep up the current economic recovery and accelerate it further. Both the government and the Bangladesh Bank should address the issue promptly, or else the economic rebound will stumble in the coming months, economists say.
- Although the major shocks stemmed from the overheating global economy, there is enough room for the government to deal with the three challenges. The global economy has given a signal that the ongoing inflationary trend may continue for at least one year, handing a serious blow to the common people of Bangladesh already struggling because of higher consumer prices.
- A debate among the economists globally has already broken out whether stagflation will hit the economies in the eurozone and the United States.
- Although Bangladesh seems to be immune from stagflation, which takes place when an economy faces a persistent high inflation combined with high unemployment and stagnant demand, the probable stagflation will create several downside risks for the economy, which is reliant on the external markets for remittance and exports.
- Higher global inflation has already raised Bangladesh's import payments to a large extent, putting a pressure on the foreign currency reserves and the exchange rate. The reserves, which rose to record highs on the back of lower imports, moderate exports, and record remittance, are already falling and the decline may continue in the days ahead.
- The soaring import payments have already played a major role in sending inflation in Bangladesh to a 12-month high of 5.7 per cent in October, above the government target for the full fiscal year of 5.3 per cent.



<https://www.thedailystar.net/business/economy/news/economys-three-looming-challenges-2917066>

## BB fears security of nearly Tk 10,000cr tied up in MFS

Newage, December 13, 2021

- With the increasing number of mobile financial service accounts and the amount of unused money or deposits, the stature of e-money is constantly growing in Bangladesh. The Bangladesh Bank sees this rapid growth of e-money as abnormal. The central bank is also concerned about the proper use of funds deposited with MFS service providers.
- The experts fear that many people in the country will be affected if a large MFS service provider crashes. There is also a fear of losing discipline in the financial sector. At the end of June 2021, the number of registered customers of MFS companies stood at 9.97 crore. But half the accounts of this huge customer base are not active. In June the number of active account holders was 4.09 crore.
- At the end of June, the combined balance sheet of all MFS accounts held Tk 9,200 crore. About 85 per cent of the amount is under the control of the largest player, bKash, which enjoys close to 50 per cent market share. At present, the number of registered customers of bKash is more than 5 crore.
- Coronavirus has pushed people's reliance on MFS providers such as bKash, Rocket and Nagad. As a result, the number of customers in mobile banking is increasing in the pandemic period. At the same time, the amount of transactions is also increasing. Mobile banking is now an easy and popular service in the country due to the convenience of instant transactions.
- According to the latest statistics Bangladesh Bank on MFS, customers have transacted Tk 65,141 crore through mobile banking in September this year. In other words, the average daily turnover stood at Tk 2121 crore.
- However, several central bank officials believe the type of transactions that are made using mobile banking services should not lead to the volume of money being directed to the MFS sector. It is not safe for MFS companies to have a balance of Tk 10,000 crore, they feel.

<https://www.newagebd.net/article/157230/bb-fears-security-of-nearly-tk-10000cr-tied-up-in-mfs>

## International

### Asia stocks steady after Wall St rally

The Daily Star, December 14, 2021

- Asia stocks held steady yesterday, despite a record-smashing lead from Wall Street, ahead of a week of major monetary policy announcements around the world. In Hong Kong, the Hang Seng Index was down 0.17 per cent at the close, while Tokyo's benchmark Nikkei 225 index closed up by 0.71 per cent.
- Friday's gains on Wall Street, where the S&P 500 piled on more than 0.9 per cent to finish at 4,712.02, eclipsed a record from last month -- and came despite figures showing the consumer price index jumped 6.8 percent in November. The rise in inflation suggests a tapering in the US Federal Reserve's ultra-loose monetary policy will come sooner rather than later -- a change that markets have been nervously awaiting for months.
- Fed chair Jerome Powell -- who will update the markets this week following a two-day policy meeting -- had already signalled plans to accelerate the tapering of stimulus payments. Many analysts expect the central bank to hike interest rates at least twice in 2022. But traders took the data in their stride, in part because the inflation was largely expected. In Asia on Monday, Singapore, Seoul and Taipei were marginally down, with Manila, Jakarta and Shanghai slightly up.
- Wellington rose more than 1 per cent. In Tokyo, "the market is looking at the Bank of Japan's Tankan" quarterly business survey, released 10 minutes before the opening bell, said senior market analyst Toshiyuki Kanayama of Monex.
- The latest survey showed Japan's major manufacturers remain cautious about the economy's trajectory, with business sentiment flat for the quarter as concerns about the pandemic linger. Some investors may take a wait-and-see attitude ahead of the Fed meeting, analysts added.
- At the open in Europe, the main markets were largely steady. London's benchmark FTSE 100 index opened flat at 7,292.85 points, while Frankfurt's DAX index gained 0.2 percent and the Paris CAC 40 was almost unchanged at 6,992.14.

<https://www.thedailystar.net/business/global-economy/news/asia-stocks-steady-after-wall-st-rally-2917016>



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