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Stock Market & Company

Dhaka stocks drop after four-day gain

The Newage, February 14, 2022

- Dhaka stocks dropped on Monday after a slight gain in the previous four trading sessions as investors went for cautious trading amid sluggish movement on the market. DSEX, the key index of the Dhaka Stock Exchange, lost 0.4 per cent, or 28.78 points, to close at 7,060.73 points on Monday after gaining 38 points in the previous four trading sessions.
- Share prices of British American Tobacco, LafargeHolcim Bangladesh, Orion Pharmaceuticals, BEXIMCO, Beximco Pharmaceuticals and Fareast Life Insurance kept falling after a huge price appreciation recently.
- Share prices of Doreen Power Generations and Systems Limited increased on Monday after the company disclosed that its subsidiary Chandpur Power Generation Limited, a 115 MW Power Plant, started operations.
- Average share prices of general insurance, energy, textile and non-bank financial institution sectors dropped by 1.7 per cent, 1.1 per cent, 0.6 per cent and 0.5 per cent respectively.
- The DSE Shariah index shed 3.13 points to close at 1,519.85 points and the DS30 index comprising of 30 large capitalised companies dropped by 7.91 points to finish at 2,597.13 points.



- The daily turnover, a crucial indicator of the investors' participation, inched down to Tk 1,241.77 crore on Monday compared with that of Tk 1,275.64 crore in the previous session. Fortune Shoes led the turnover chart with its shares worth Tk 77.74 crore changing hands.
- BEXIMCO, Orion Pharma, Bangladesh Shipping Corporation, National Life Insurance, IFIC Bank, Genex Infosys, Union Bank, Kattali Textiles and Queen South Textile Mills were the other turnover leaders. Tamijuddin Textile Mills was the day's best performer, posting a gain of 8.78 per cent, while Reliance Insurance Limited was the worst loser, shedding 6.05 per cent.

<https://www.newagebd.net/article/162751/dhaka-stocks-drop-after-four-day-gain>

IFIC Bank to sell all shares in NBBL

The Financial Express, February 15, 2022

- The IFIC Bank has decided to withdraw its total investment from the Nepal Bangladesh Bank Limited (NBBL), a disclosure said. The officials said the bank has decided to sell all its shares in the NBBL - following a strategic decision taken by the company's board of directors.
- To execute the decision, the IFIC Bank will sell all its promoter shares in the NBBL - subject to approvals of the Nepal Rastra Bank and other regulatory authorities concerned, said a disclosure - posted on the Dhaka Stock Exchange (DSE) website.
- In its disclosure, the bank said the shares will be sold to Ms. Sarika Chaudhary, a resident of Ravi Bhawan, Kathmandu, Nepal, at a purchase consideration of more than NPR 6.18 billion. "The shares will be sold as part of the bank's strategic decision. The sale procedure will be executed following the relevant approvals," said Md Mokammel Hoque, company secretary of the IFIC Bank.
- The company's sponsor-directors hold 6.14 per shares, the government 32.75 per cent, institutes 20.74 per cent, foreigners 0.97 per cent, and general shareholders 39.40 per cent shares as on January 31, 2022.

<https://thefinancialexpress.com.bd/stock/ific-bank-to-sell-all-shares-in-nbbl-1644896091>

Peninsula's EPS jumps 120pc

The Financial Express, February 14, 2022

- The Peninsula Chittagong Ltd, a luxurious hotel located in the port city, reported a 120 per cent increase in its second quarter (Q2) earnings for October-December 2021, thanks to higher revenue income and reduced corporate tax rate.
- In a filing with Dhaka Stock Exchange (DSE) Sunday, the company said its earnings per share (EPS) increased to Tk 0.33 for October-December 2021, up by a whopping 120 per cent, from Tk 0.15 in the corresponding period. The company's EPS for six months until December 31, 2021 also increased to Tk 0.64 as against Tk 0.42 for July-December 2021.
- The current tax rate also reduced to 22.50 per cent from 25 per cent, according to the company. The net operating cash flow per share (NOCFPS) was Tk 0.26 for July-December 2021 as against Tk 0.18 for July-December 2020. The net asset value (NAV) per share was Tk 29.92 as on December 31, 2021 and Tk 30.28 as on June 30, 2021.
- The NOCFPS has increased due to rise of receipt from customers compared with previous year. Despite the higher profit, its share price fell by 6.54 per cent to close at Tk 40 each on Sunday. Its shares traded between Tk 17.20 and Tk 44.90 in the last one year. The company disbursed a 10 per cent cash dividend for the year ended on June 30, 2021. In 2020, it also paid a 10 per cent cash dividend.

<https://thefinancialexpress.com.bd/stock/peninsulas-eps-jumps-120pc-1644817943>

Istisna Sukuk to raise Tk 50b for financing rural infrastructure development

The Financial Express, February 15, 2022

- The central bank now tosses a new brand of Islamic bond called Istisna Sukuk to raise Tk 50 billion for financing a rural infrastructure-development project, officials say. A six-member Technical Committee, headed by Masuma Sultana, a deputy general manager of the Bangladesh Bank (BB), is working to issue the Shariah-based bond.
- The Technical Committee for issuing Sukuk has already written to the Ministry of Finance (MoF) for information on the infrastructure- development project which is set to be implemented with the money. The committee has also expressed willingness to sit with the officials concerned of Local Government Engineering Department (LGED) to know about detail of the project, they add.

- In practice, the key advantage of an istisna' contract is that it can provide flexibility to the customer, where payments can be made in installments linked to project completion, at delivery or after project completion.
- On the other hand, Ijarah Sukuk are certificates of equal value which are issued by the owner of an existing property or asset either on his own or through a financial intermediary, for the purpose of leasing it against a rental from the subscription proceeds. After subscription, the underlying becomes owned by the Sukuk holders.

<https://thefinancialexpress.com.bd/stock/istisna-sukuk-to-raise-tk-50b-for-financing-rural-infrastructure-development>

Saif Powertec invests Tk 1,600cr to build jetty at Mongla port

The Daily Star, February 15, 2022

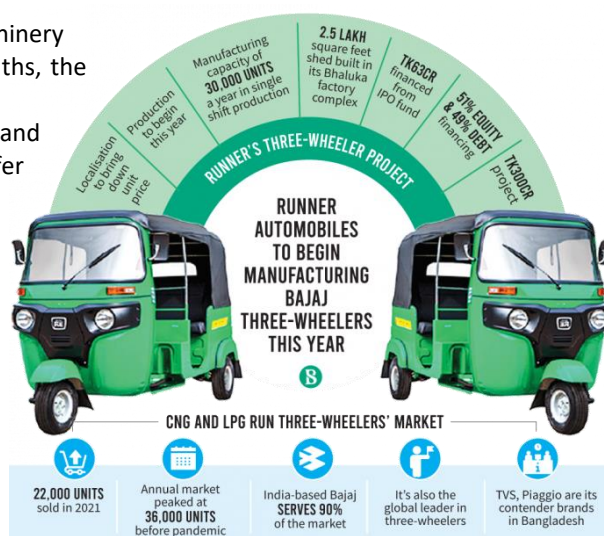
- Saif Powertec, a logistics and container supply chain management provider, is building a multipurpose jetty at the Mongla port with an estimated investment of around Tk 1,600 crore to handle both container and cargo ships, said officials yesterday.
- The jetty will be able to handle two ships at a time after the completion of its construction by June next year, said Tarafder Md Ruhul Amin, managing director of Saif Powertec. The terminal, which is 380 metres in length, is being built on 25 hectares just beside the jetty of the Mongla port, the country's second-biggest seaport after the Chattogram port.
- The company handles export and import containers at the Chattogram Container Terminal and the New Mooring Container Terminal at the Chattogram port. The logistics provider is also building the first multi-modal container depot on the land of the Bangladesh Railway (BR) at Halishahar in the port city. The depot will be able to handle 300,000 TEUs (twenty-foot equivalent units) of containers.
- Recently, Saif Logistics Alliance expressed interest to build another multimodal container terminal on the railway's land near Ghorashal railway station in Narsingdi. Out of 32 lakh TEUs of containers handled at the Chattogram port in the last fiscal year, around 15 lakh TEUs were inbound, according to Amin.

<https://www.thedailystar.net/business/industries/ports-and-shipping/saif-powertec-invests-1600cr-build-jetty-mongla-port>

Runner Automobiles to make Bajaj three-wheelers

The Business Standard, February 14, 2022

- Leaving behind pandemic disruptions, Runner Automobiles is to begin manufacturing Bajaj three-wheelers at its new plant in its factory complex this year. The Tk300 crore project was to be finished this month and its 2.5 lakh square feet shed in Bhaluka, Mymensingh is ready.
- But the Covid-19 pandemic disrupted the progress in machinery installation, forcing the company to defer the deadline by 10 months, the automobile manufacturer says in a stock exchange filing.
- The publicly listed company wrote for the Bangladesh Securities and Exchange Commission's (BSEC) approval of the plan to defer utilisation of the Tk100 crore in funds it raised from investors with an initial public offering in 2019.
- It is investing Tk63 crore from the funds in the three-wheeler project. Runner, the pioneer motorcycle manufacturer in Bangladesh, is also going to be the first local three-wheeler manufacturer under a technical collaboration agreement with India-based Bajaj Auto, the global leader in three-wheelers.
- The plant will have welding, painting, assembling, and testing facilities, to make Runner a full-fledged three-wheeler manufacturer.
- Top company officials in the latest annual report said they expect manufacturing to begin in mid-2022. Bajaj dominates 90% of the country's fossil fuel-run three-wheeler market, mostly being sold by Uttara Motors, the importer and distributor of Bajaj's CNG-run three-wheelers.



<https://www.tbsnews.net/economy/stocks/runner-automobiles-make-bajaj-three-wheelers-370756>

Doreen Power estimates Tk1,100cr yearly revenue from subsidiary

The Business Standard, February 14, 2022

- Publicly listed independent power company - Doreen Power Generations and Systems Limited - will earn approximately Tk1,102 crore in yearly revenue from its subsidiary company - Chandpur Power Generation Limited - which started commercial operations from 11 February for the next 15 years.
- According to a disclosure by Doreen Power on the Dhaka Stock Exchange (DSE) website on Monday, Chandpur Power has completed its 100 hours of Reliability Run Test (RRT) successfully as per its Power Purchase Agreement (PPA) with the Bangladesh Power Development Board (BPDB).
- Chandpur Power is a 115 MW heavy fuel oil (HFO) based power plant at Chandpur. The company submitted a letter to BPDB on 13 February for the issuance of a formal declaration certificate in this regard.
- Doreen Power owns 99.9% shares of Chandpur Power. Besides Chandpur Power, the company has two other subsidiaries – Dhaka Southern Power Generation, and Dhaka Northern Power Generation – each having a 55 MW capacity. Doreen Power owns more than 99% stakes at both the subsidiaries which have been in commercial operation since 2016.

<https://www.tbsnews.net/economy/stocks/doreen-power-estimates-tk1100cr-yearly-revenue-subsidiary-370723>

JMI Hospital IPO subscription opens on 27 February

The Business Standard, February 14, 2022

- The subscription of the initial public offering (IPO) of JMI Hospital Requisite Manufacturing Ltd opens on 27 February and continues till 3 March. Through electronic bidding, institutional investors had earlier fixed the cut-off price at Tk25 for the primary shares of the plastic, rubber and silicon components manufacturer.
- Qualified and institutional investors including mutual funds will buy 25% of the IPO shares at the cut-off price. While individual investors will be able to purchase the remaining primary shares at Tk20 each – a 20% discount on the cut-off price.
- The cut-off price is the price at which institutional investors get all the primary shares set aside for them under the book building method. The company will collect Tk75 crore from investors, primarily for purchasing land and machinery, and for loan repayment.
- JMI Hospital Requisite Manufacturing Ltd had earlier applied to the BSEC for IPO. But in July 2020, the commission rejected the application as the company failed to comply with the regulatory requirements.

<https://www.tbsnews.net/economy/stocks/jmi-hospital-ipo-subscription-opens-27-february-370705>

Economy & Industry

Credit growth instills optimism into economy

The Daily Star, February 15, 2022

- Md Habibur Rahman, the new chief economist of Bangladesh Bank, said that he would give utmost priority to addressing the challenges that arose from the coronavirus pandemic. The BB appointed Rahman as its new chief economist on February 13. The board of directors of the central bank decided to appoint him for the position at its meeting on January 20. He is the fifth chief economist of the central bank.
- The country is now reeling under heavy inflationary pressures stemming from the global supply chain disruptions, said Rahman, who joined the central bank in 1990.
- Asked about the performance of the country in the first half of this fiscal year, he said Bangladesh has fared reasonably well in terms of reviving domestic demand and maintaining strong growth in export earnings despite the volatility in the global economy. Private sector credit growth has rebounded strongly, which is another sign of economic recovery, Rahman said.

<https://www.thedailystar.net/business/economy/news/credit-growth-instills-optimism-economy>

OPEC Fund to provide budgetary support loan of \$75m

The Business Standard, February 14, 2022

- A budgetary support loan agreement for financing the 'Sustainable Economic Recovery Programme (SERP)' was signed Monday between the government and the OPEC Fund for International Development (OFID). Under the agreement, OPEC Fund would provide a loan of \$75 million as budgetary support.
- The interest rate of the loan is 1.35% per annum with a commitment fee of 0.25% per annum, front-end fee 0.25% and a maturity of 20 years including a grace period of five years. Fatima Yasmin, secretary, economic relations division and Abdulhamid Alkhalifa, director-general, OFID, signed the agreement on behalf of their respective organisations.
- The loan would be used to implement urgent reforms to facilitate rapid recovery from the Covid-19 pandemic, specifically by creating fiscal space to support critical public expenditure; and a favorable environment to foster the growth of cottage, micro, small and medium-sized enterprises, thereby generating employment and income opportunities.
- The OFID is one of the largest development partners of Bangladesh. It has been providing economic assistance to Bangladesh for the development programme/project, particularly in the area of road transport and power sector since the financial year of 1974-75. So far, OFID has provided development assistance of \$552.61 million to Bangladesh in 30 development projects.

<https://www.tbsnews.net/economy/opec-fund-provide-budgetary-support-loan-75m-370768>

International

India cenbank committed to inflation target

The Daily Star, February 15, 2022

- India's central bank is committed to its inflation mandate and the likely uptick in January inflation towards the upper end of its target band should not create any panic, central bank chief Shaktikanta Das said on Monday. "Today's inflation print is expected to be around 6 per cent. So that should not surprise or create any alarm, because we have taken that into consideration," Das said.
- "There's a sort of major delicate balance between inflation and growth and the Reserve Bank is fully aware of its commitment to inflation," he added. Das made the comments after a meeting with the country's finance minister and the central bank's board in a customary post-budget meeting.
- India's retail inflation likely accelerated to 6.0 per cent in January, driven by higher consumer goods and telecom prices along with a comparatively low rate a year ago, a Reuters poll found. Das reiterated that the inflation trajectory in India was on a downward slope since October and despite global crude oil prices having spiked in recent weeks the central bank had taken into account all scenarios.
- Last week, the RBI's monetary policy committee kept rates and its stance unchanged to ensure a broad-based recovery and projected retail inflation to ease to 4.5 per cent in the next fiscal year.

<https://www.thedailystar.net/business/global-economy/news/india-cenbank-committed-inflation-target>

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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

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

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.