

Key News

- ✓ [Bank Asia Securities Limited held annual general meeting 2022](#)
- ✓ [Stocks end flat for 2nd day](#)
- ✓ [BSEC chief sets March 31 deadline for deposits of unclaimed dividends](#)
- ✓ [HC questions BB circular for not giving reasonable time to adjust capital market investment of NBFIs](#)
- ✓ [Norway's govt fund reduces investments in capital market in 2021](#)
- ✓ [Robi posts 3pc rise in earnings](#)
- ✓ [Trust Bank to invest Tk9.1cr in Trust Axiata Digital](#)
- ✓ [BSEC panels to inspect three companies](#)
- ✓ [BSEC to block Associated Oxygen's pre-IPO shares for irregularities](#)
- ✓ ['Market stabilisation fund should be much bigger'](#)
- ✓ [Suspicious transaction reports up 44pc](#)
- ✓ [Apparel exports see 52% growth in two weeks amid Russia-Ukraine war](#)
- ✓ [Investors see risks spiking](#)

BASL News

Bank Asia Securities Limited held annual general meeting for the year of 2021

- Mr. A Rouf Chowdhury Chairman Bank Asia Securities Ltd, signs the company's Audited Financial Statement for the year ended December 31, 2021 prior to the company's 11th Annual General Meeting at Bank Asia Tower, Kawran Bazar Dhaka on tuesday.
- The Directors Ms. Romana Rouf Chowdhury, Mr. Kazi Sanaul Hoq, Mr. Md Abul Quasem, Mr. Md. Arfan Ali, Prof. M. Shahjahan Mina, Mr. Md. Sazzad Hossain Mr. Mohammad Ibrahim Khalil FCA, Mr. Sumon Das CEO, Company Secretary Mr. Md. Anisul Alam Sarker and Head of Finance Mr. Md. Nahid Reza were present.



Stock Market & Company

Stocks end flat for 2nd day

The Newage, March 15, 2022

- Dhaka stocks finished flat for the second day on Tuesday as many investors remained worried about a possible adverse impact of the Russia-Ukraine war on the country's economy, but 2 per cent new lower circuit limit imposed by the Bangladesh Securities and Exchange Commission saved the market from a plunge.
- DSEX, the key index of the Dhaka Stock Exchange, added 0.02 per cent, or 1.54 points, to close at 6,765.47 points on Tuesday after losing 1.79 points in the previous session. Among the large capitalised companies, a surge in share prices of BEXIMCO, Renata, Envoy Textiles and British American Tobacco Company saved the market from a fall. Average share prices of general insurance, bank and engineering sectors dropped by 1.4 per cent, 0.4 per cent and 0.2 per cent respectively.
- DSE Shariah index increased by 3.94 points to close at 1,456.65 points, but the DS30 index comprising of 30 large capitalised companies shed 1.51 points to finish at 2,458.65 points. The BEXIMCO topped the turnover chart with its shares worth Tk 107.6 crore changing hands.
- Dragon Sweater, Aamra Networks, Aamra Technology, Agni System, Bangladesh Building System, BDCOM Online, Nahee Aluminum Composite Panel, Advent Pharmaceuticals and Orion Pharma were the other turnover leaders. E-Generation Limited was the day's best performer, posting a gain of 9.93 per cent, while Dhaka Insurance Limited was the worst loser, shedding 1.99 per cent.

<https://www.newagebd.net/article/165501/stocks-end-flat-for-2nd-day>

BSEC chief sets March 31 deadline for deposits of unclaimed dividends

The Financial Express, March 16, 2022

- The securities regulator will take stern action against the issuers who will fail to deposit investors' unclaimed or undistributed dividends into the capital market stabilisation fund (CMSF) by March 31, 2022. Chairman of the Bangladesh Securities and Exchange Commission (BSEC) Prof Shibli Rubyat Ul Islam on Tuesday spoke about such action plan taken to settle investors' long-standing claims on undistributed or unclaimed dividends.
- "Issuers have to deposit investors' unclaimed or undistributed dividends into the CMSF within March 31," Mr. Islam said. The BSEC chairman Mr. Islam said investors' dividends remained undistributed for long years as the issuers kept the funds with them showing a lot of excuses such as wrong addresses, expiry of investors or untraced recipients.
- "The regulator is shocked on the issuers' dillydally in providing information regarding investors' unclaimed or undistributed dividend," said the BSEC chairman. He said the BSEC will conduct audit as per international standards to determine the amounts of unclaimed or undistributed dividends since the listing of the securities.
- Mr. Islam said the amounts of penalties will be several folds of undistributed dividends if such dividends are not transferred into Capital Market Stabilisation Fund (CMSF) within March 31, 2022.

<https://thefinancialexpress.com.bd/stock/bsec-chief-sets-march-31-deadline-for-deposits-of-unclaimed-dividends>

HC questions BB circular for not giving reasonable time to adjust capital market investment of NBFIs

The Financial Express, March 15, 2022

- The High Court has questioned a Bangladesh Bank (BB) circular that asked the Non Bank Financial Institutions (NBFIs) to adjust their capital market investment without providing any reasonable period of time.
- The court has issued a rule upon the concerned bodies of the government to explain in four weeks as to why the circular that asked the NBFIs to adjust their capital market investment without providing any reasonable period of time should not be declared illegal.
- And as to why the respondents should not be directed to provide with a period of three years to the NBFIs to adjust their capital market investment as provided earlier to the scheduled bank of the country, also ruled the court.
- The Finance Ministry, Bangladesh Bank Governor, and General Manager of the Department of Financial Institutions and Markets (DFIM) of the Bangladesh Bank have been asked to comply with the rule.

<https://thefinancialexpress/hc-questions-bb-circular-not-giving-reasonable-time-to-adjust-capital-market-investment-of-nbfis>

Norway's govt fund reduces investments in capital market in 2021

The Newage, March 15, 2022

- Norway's sovereign wealth fund (SWF), the world's biggest fund, reduced its investments in Bangladesh capital market in 2021. The Norwegian government pension fund had footprints in only 10 companies in 2021 against 20 companies in 2020 and 22 companies in 2019.
- The investments by SWF in Bangladesh capital market declined by 14.68 per cent to \$211.89 million in 2021 compared with that of \$248.35 million in the previous year. In 2020, the funds had \$11.52 million investments in Summit, \$9.64 million in Berger Paints Bangladesh, \$5.28 million in Prime Bank, \$4.41 million in Olympic Industries, \$3.31 million in IPDC Finance, \$1.76 million in LankaBangla Finance, \$0.88 million in IFAD Autos, \$0.1 million in Delta Brac Housing Finance and \$0.09 million in Robi Axiata Limited.
- But the foreign fund withdrew its entire ownership from the 10 listed companies in 2021, according to the data provided by Norges Bank Investment Management Company which manages the SWF. The SWF has been investing in Bangladesh's stock market every year since 2015 with an investment of total \$19 million amid expectation of better returns from the market.

<https://www.newagebd.net/article/165498/norways-govt-fund-reduces-investments-in-capital-market-in-2021>

Robi posts 3pc rise in earnings

The Daily Star, March 16, 2022

- Robi posted 3 per cent rise in its earnings in the financial year ended on December 2021, said the second largest mobile phone operator in a disclosure yesterday. The mobile phone, listed in 2020, posted Tk 0.34 earnings per share (EPS) in 2021 from Tk 0.33 each share the previous year.
- The latest profit figure was the highest since 2019 when Robi recorded only Tk 0.04 per share. With 5.3 crore mobile subscribers as of December last year, Robi said its net asset value a share declined but its net operating cash flow per share increased 16 per cent to Tk 6.22 on December 31, 2021.
- Shares of Robi declined 0.28 per cent to Tk 36.20 yesterday at the Dhaka Stock Exchange from the previous day. The company recommended 2 per cent final cash dividend.

<https://www.thedailystar.net/business/organisation-news/news/robi-posts-3pc-rise-earnings-2983856>

Trust Bank to invest Tk9.1cr in Trust Axiata Digital

The Business Standard, March 15, 2022

- The Trust Bank Limited (TBL) — a private sector lender — will inject Tk9.1 crore of fresh funds in Trust Axiata Digital Limited — a joint venture mobile financial services company. The purpose of this investment is to strengthen Trust Axiata's capital base and expand its business, stated the bank's disclosure on the Dhaka Stock Exchange (DSE) website on Tuesday.
- The bank also disclosed that its board decided to issue a Tk400 crore subordinate bond to strengthen the bank's capital base. The issuance of the "TBL fully redeemable non-convertible unsecured subordinated bond-VI" is subject to approval of the regulatory authorities, the disclosure added.
- Established in 2020, Trust Axiata Digital is a joint venture of Trust Bank and Axiata Digital Services, Malaysia — a service arm of Axiata Group Berhad. Trust Bank holds 51% and Axiata Digital Services a 49% stake in the company. In the first nine months of 2021, its net profits rose 6% compared to the same period in 2020.

<https://www.tbsnews.net/economy/stocks/trust-bank-invest-tk91cr-trust-axiata-digital-385538>

BSEC panels to inspect three companies

The Business Standard, March 15, 2022

- The stock market regulator has set up three committees to inspect two brokerage firms and an asset management company as routine work to ensure the protection of investors' funds. In separate letters on Tuesday, the regulator asked Rapid Securities, Moshior Securities and BMSL Asset Management Company to provide the inspectors with all kinds of documents they seek.

- The Bangladesh Securities and Exchange Commission (BSEC) has instructed the inspection panels to submit their reports within the next 30 days. To protect the investors' money, the securities regulator has decided to carry out inspections in the brokerage firms, merchant banks and asset management companies on a regular basis.
- But, due to a lack of a sufficient number of employees at the commission, they will not inspect all firms at a time, the official added. In the last one year, the market regulator issued 58 brokerage licences for the DSE and 23 for the CSE.

<https://www.tbsnews.net/economy/stocks/bsec-panels-inspect-three-companies-385566>

BSEC to block Associated Oxygen's pre-IPO shares for irregularities

The Business Standard, March 15, 2022

- The market regulator is going to block Associated Oxygen's pre-IPO shares, known as placement shares issued before listing, as it found allegations of irregularities against the company true. The Bangladesh Securities and Exchange Commission (BSEC) made the decision this week but has not yet issued a letter in this regard, said officials at the commission.
- Associated Oxygen, which produces and supplies gas products for the last three decades, raised Tk15 crore from the capital market to expand its business in 2020. At the time, the company issued 5.08 crore pre-IPO shares that were 63% of its paid-up capital.
- According to BSEC officials, an investor claimed to have bought 20 lakh placement shares from the Associated Oxygen, but the company did not mention the allotment in its final prospectus of the initial public offering (IPO).
- Acting upon a complaint by Mohammad Haroon Kamal, a probe committee set up by the regulator enquired about the claim with the Registrar of Joint Stock Companies and Firms, which confirmed that the investor acquired 10 lakh shares of Associated Oxygen Ltd, they added.
- Then the market regulator asked the company and its issue manager to explain the anomalies but their explanations could not satisfy the commission.
- The regulator went further to resolve the matter. It called the company authorities and the complainant to the commission office to find a way out through discussions but the company did not respond.



<https://www.tbsnews.net/economy/stocks/bsec-block-associated-oxygens-pre-ipo-shares-irregularities-385578>

'Market stabilisation fund should be much bigger'

The Business Standard, March 15, 2022

- The Capital Market Stabilisation Fund, which the Bangladesh Securities and Exchange Commission (BSEC) recently formed with an aim to safeguard the bourses and its investors, should be much bigger with the direct participation of listed firms, opined Azam J Chowdhury, the immediate past president of the Bangladesh Association of Publicly Listed Companies.
- To this end, listed companies should keep depositing 1% of their annual profits in the special fund, he suggested, so that it can invest big in good stocks during market dips and harvest handsome profits during the market peaks. Azam J Chowdhury, along with the top officials of the securities regulator, stock exchanges, and the stabilisation fund, was speaking in a programme at a capital hotel on Tuesday.
- The Capital Market Stabilisation Fund organised the event to celebrate the birth anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and introduce its investors' claim settlement process.

<https://www.tbsnews.net/economy/stocks/market-stabilisation-fund-should-be-much-bigger-385526>

Economy & Industry

Suspicious transaction reports up 44pc

The Daily Star, March 16, 2022

- The number of reports on suspicious transactions and activity received by the Bangladesh Financial Intelligence Unit (BFIU) rose 44 per cent year-on-year in the last fiscal year of 2020-21. The agency received 5,280 suspicious transaction reports (STRs) and suspicious activity reports (SARs) from the reporting agencies, including banks and non-bank financial institutions, according to its annual report.
- The BFIU unveiled the report at the Bangladesh Bank headquarters in the capital yesterday.
- The agency is responsible for analysing STRs, SARs, cash transaction reports (CTRs) and information related to money laundering and terrorist financing reported by financial institutions and other sources. Banks and other reporting agencies submit STRs and CTRs if they think that there might be a possibility of perpetrating money laundering.
- CTRs were up 27 per cent year-on-year to 2.05 crore in FY21, according to the report. The BFIU defines CTRs as any kind of cash deposit or withdrawal valued at Tk 10 lakh or more through one or more transactions in an account in a single day. The volume of CTRs stood at Tk 14,438,29 crore last year, up 23 per cent the year prior.

SUSPICIOUS TRANSACTION REPORTS

(Filed by banks and other organisations)

SOURCE: BFIU

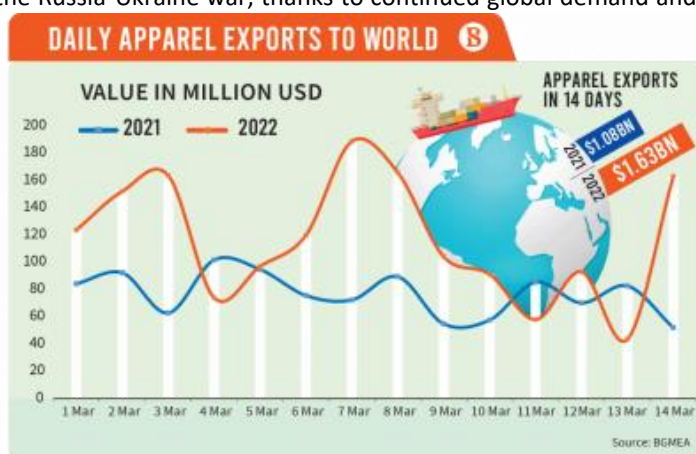


<https://www.thedailystar.net/business/economy/news/suspicious-transaction-reports-44pc-2983936>

Apparel exports see 52% growth in two weeks amid Russia-Ukraine war

The Business Standard, March 15, 2022

- Bangladesh's apparel exports have kept on its green patch as it registered more than 52% year-on-year growth – amounting to \$1.63 billion – in the first two weeks of March amid the Russia-Ukraine war, thanks to continued global demand and the country's leveraging of anti-China sentiments in the United States and the European countries.
- The sector also enjoyed an over 200% growth year-on-year in a single day during the period even though the \$606 million Russian market is now running dry as its banks are cut off from SWIFT, the main international payment system, and shipping lines declined to carry any goods to the country, said sources at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- The BGMEA came up with the calculation based on the National Board of Revenue data as the Export Promotion Bureau is yet to make the official announcement. In July-February of FY22, readymade garment shipment saw about 30% growth to \$27.49 billion over the corresponding period in the previous year, according to data published by the Export Promotion Bureau (EPB).



<https://www.tbsnews.net/economy/rmg/apparel-exports-see-52-growth-two-weeks-amid-russia-ukraine-war-385610>

International

Investors see risks spiking

The Daily Star, March 16, 2022

- Wild swings in asset prices following Russia's invasion of Ukraine are prompting some investors to pare risk in their portfolios, fearing that the type of volatility seen in commodities in recent weeks could hit other markets.
- At issue is liquidity – or the ease at which investors can buy or sell an asset without affecting its price. While episodes of low liquidity have contributed to sharp gyrations across markets over the last decade, signs of stress have become more plentiful in the last few weeks, exacerbated by everything from sanctions against Russia to expected central bank tightening.
- Should liquidity continue to deteriorate throughout markets, investors worry that other assets could be subject to the kind of violent price swings that have wracked commodities this month - which have included a one-day doubling in nickel prices and a surge in oil to 14-year highs.
- The so-called FRA-OIS spread, which measures the gap between the US three-month forward rate agreement and the overnight index swap rate was recently at its highest level since May 2020, while another closely-watched short-term funding stress gauge, the spread between the US three-month Libor and the overnight index swap rate was at a similar high. Volatility in stocks, currencies and US Treasury yields has also spiked.
- In another potential red flag, Barclays on Monday suspended sales of two products linked to crude oil and market volatility, which some saw as a sign of lack of liquidity.

<https://www.thedailystar.net/business/global-economy/news/investors-see-risks-spiking-2983911>

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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).

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