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Stock Market & Company

Stocks post marginal gain, snap two-day losing streak

The Financial Express, February 16, 2022

- Stocks posted a marginal gain on Wednesday, snapping a two-day losing streak, as some investors showed buying interest on sector-specific issues. The market opened on a positive note and the key index rose about 40 points within the first two hours of trading but failed to sustain that level as investors opted for booking profit on sector-wise stocks.
- Finally, DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 6.92 points or 0.09 per cent to settle at 7,043, after losing 53 points in the past two consecutive sessions.
- Two other indices also edged higher. The DS30 index, comprising blue chips, gained 9.34 points to finish at 2,598 and the DSE Shariah Index advanced 1.20 points to close at 1,521.
- Turnover, the most important indicator of the market, stood at Tk 12.13 billion, which was 1.46 per cent lower than the previous day's tally of Tk 12.31 billion.
- Stylecraft was the day's top gainer, posting a 9.93 per cent rise while Tamijuddin Textile Mills was the worst loser, losing 7.30 per cent. The Chittagong Stock Exchange (CSE) also edged higher with the CSE All Share Price Index – CASPI –gaining 31 points to settle at 20,634 and the Selective Categories Index – CSCX—rising 16 points to close at 12,386. The port city bourse traded 9.95 million shares and mutual fund units with a turnover value of Tk 293 million.



<https://thefinancialexpress.com.bd/stock/stocks-post-marginal-gain-snap-two-day-losing-streak-1645005636>

BSEC opinions on 7 NBFIs' loans to stockbrokers sought

The Newage, February 16, 2022

- The Bangladesh Bank has sought from the Bangladesh Securities and Exchange Commission information and opinions about utilisation of total Tk 1,765 crore loans provided by seven non-bank financial institutions to their related brokerage houses. The BB has sent a letter to the securities regulator recently in this regard.
- In the letter, the BB said that the loans provided by the seven NBFIs exceeded the upper ceiling on single-party lending. Moreover, the BB observed that some loans were adjusted instead of repaid.
- So, the central bank felt it necessary to get opinions from the BSEC about the utilisation of the loans provided to the associate or subsidiary companies, it said. The BB found that seven NBFIs provided the amount as loans to their eight subsidiary or associate companies.
- Fareast Finance and Investment provided Tk 302.48 crore to Fareast Stock & Bonds Limited, FAS Finance & Investment Limited Tk 167.92 crore to FAS Capital & Management Limited, GSP Finance Company Limited Tk 240.69 crore to GSP Investment Limited, Industrial and Infrastructure Development Finance Limited Tk 51.64 crore to IIDFC Securities, International Leasing and Financial Service Limited Tk 259.31 crore to International Leasing Securities Limited, Aviva Finance Limited Tk 284.96 crore to Reliance Brokerage Services and Union Capital Tk 429.27 crore to Unicap Investment Limited and Tk 29.23 crore to Unicap Securities Limited.

<https://www.newagebd.net/article/162941/bsec-opinions-on-7-nbfis-loans-to-stockbrokers-sought>

DSE asks affected investors to make claims by May 15

The Newage, February 16, 2022

- The Dhaka Stock Exchange has requested clients of three brokerage houses, which allegedly embezzled huge amounts of money of their clients, to make claims for their money and shares by May 15. The three brokerage houses are Crest Securities Limited, Banco Securities Limited and Tamha Securities Limited. The DSE on its web site on Wednesday issued a notice regarding the making of claims.
- The DSE in its notice said, 'In case of embezzlement of money or share or both, respective clients are requested to submit complaints by May 15, 2022.' 'After the stipulated time, no claim will be entertained and clients who have already submitted the claim earlier, need not apply again,' it said.
- The trade and depository participants operations of Crest Securities Limited, Banco Securities Limited and Tamha Securities Limited have been suspended for the interest of the investors, it said.
- In case of claims for share transmission through linked BO accounts, the investors are requested to submit DPA6 report (collected from CDBL) and original copy of Form 16-1 and 16-2 of CDBL after duly filling up along with signature.
- Investors have been asked to contact with the investor complaints, arbitration and litigation department of the DSE for any further query about the matter.

<https://www.newagebd.net/article/162940/dse-asks-affected-investors-to-make-claims-by-may-15>

Bank Asia wins SAFA first prize, award

The Daily Star, February 17, 2022

- Bank Asia won the first prize for "Best Presented Annual Report 2020 (Private Sector Banks)" in South Asia alongside a "SAARC Anniversary Award for Corporate Governance Disclosures 2020" awarded by the South Asian Federation of Accountants (SAFA).
- This year Bank Asia has been awarded as the "Overall Winner" among countries in the South Asian Association for Regional Cooperation (SAARC), says a press release. The Institute of Chartered Accountant of Sri Lanka organised the prize-giving ceremony through a virtual platform recently.
- Md Sazzad Hossain, DMD & COO, and Mohammad Ibrahim Khalil, CFO of Bank Asia, received the award from Md Shahadat Hossain, president of The Institute of Chartered Accountants of Bangladesh (ICAB). Md Kamruzzaman, deputy CFO of the bank, was also present in the ceremony.

<https://www.thedailystar.net/business/economy/banks/news/bank-asia-wins-safa-first-prize-award-2963971>

Sonali Paper to undergo a special audit

The Business Standard, February 16, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor to probe the financial statements of Sonali Paper and Board Mills, a concern of Younus Group of Industries, for the 2019-20 and 2020-21 fiscal years. The BSEC issued a letter in this regard on Wednesday.
- Aziz Halim Khair Choudhury & Co Chartered Accountants will conduct the special audit and submit its findings to the BSEC within a month. The value of a 1,150 decimal land at Tarabo area in Rupganj Upazila, Narayanganj, which the company bought several years ago, was Tk1.13 crore.
- But the auditor estimated Tk45 lakh per decimal for the land and revalued it to Tk517.5 crore. BSEC deems that this valuation might be overstated and influence shareholders' equity and net asset value of Sonali Paper.
- Thus, it appointed the special auditor to look into the balance sheets and other parts of the financial statements including assets, liabilities, and equity of the company as per International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

<https://www.tbsnews.net/economy/stocks/sonali-paper-undergo-special-audit-371794>

InterContinental narrows quarterly losses

The Business Standard, February 16, 2022

- The business of Bangladesh Services Limited – the owner of the country's first five-star hotel, the InterContinental – has crawled back to health in the final three months of 2021 thanks to the reopening of the economy amid easing Covid-19 restrictions.
- Listed on the capital market in 1984, the company reported a decline in its net loss per share compared to the previous fiscal year. The loss per share was Tk1.78, down from Tk3.88 a year earlier.
- The state-owned hospitality company also operates Balaka Executive Lounge at the Hazrat Shahjalal International Airport, the Bangabandhu International Conference Center, and two other complexes. The company, having a paid-up capital of Tk97.79 crore, remained out of operation for several years for renovation, when it had incurred huge losses and failed to pay any dividend since 2014, according to its stock exchange filings.
- In the first three months of the current fiscal year, its revenue soared by 148%. Still, the company incurred a loss of Tk38.92 crore as its administrative, and other expenses swelled by 759% to Tk34.64 crore from Tk4.03 crore a year earlier. In FY21, the government-owned firm in the hotel sector had incurred a heavy loss of Tk181 crore – the biggest since its inception.

<https://www.tbsnews.net/economy/stocks/intercontinental-narrows-quarterly-losses-371818>

Why BD Finance earnings drop despite each businesses' high growth

The Business Standard, February 16, 2022

- Bangladesh Finance Ltd has had a very good year in 2021 as all of its lending, merchant banking and brokerage business entities thrived, while the soaring capital market helped them increase their income from investments. No wonder the parent entity BD Finance Ltd, its merchant banking subsidiary BD Finance Capital Holdings and brokerage subsidiary separately posted 19%, 235% and 397% annual growth in net profits for the booming year.
- But the surprise is the non-bank financial institution (NBFI) posted a 14.98% drop in its consolidated annual earnings per share (EPS) that came down to Tk1.44 from Tk1.69.
- Having a great year in capital market businesses, the transforming lender appeared to have best utilised the chance to further strengthen its balance sheet through more than adequate provisioning in 2021. BD Finance and its subsidiaries made total provisioning of Tk31.5 crore in 2021, not opting for the opportunity to make a much lower mandatory provision in deferred phases up to the end of 2023, as offered by the Bangladesh Bank.

<https://www.tbsnews.net/economy/stocks/why-bd-finance-earnings-drop-despite-each-businesses-high-growth-371869>

Economy & Industry

NBFIs, govt entities now allowed to run MFS operation

The Daily Star, February 16, 2022

- The Bangladesh Bank yesterday said that non-bank financial institutions and government entities, alongside banks, would be able to run mobile financial services (MFS). So far in Bangladesh, only banks have been allowed to operate MFS.
- The NBFIs and the government entities, however, will have to form a subsidiary to provide MFS, according to a BB guideline. The parent banks, NBFIs and government entities will have to provide at least 51 per cent of the equity in the subsidiary. The parent entities will have to have a majority in the board.
- The minimum paid-up capital requirement of a subsidiary model-based MFS has been set at Tk 45 crore. The banks that are now running MFS operations with the approval of the BB will continue under their existing structure without forming a subsidiary company. But, they will also be allowed to form the subsidiary.
- The latest central bank guidelines will help the Bangladesh Post Office (BPO), which is now running MFS under the brand name of Nagad, take licence for its subsidiary, a central bank official said.

<https://www.thedailystar.net/business/organisation-news/news/nbfis-govt-entities-now-allowed-run-mfs-operation-2963111>

Sufferings on even though inflation drops

The Business Standard, February 16, 2022

- The Bangladesh Bureau of Statistics (BBS) Wednesday gave good news that inflation has eased to 5.86% in January, which is 19 basis points lower than that in December. But the figures do not explain the plights of low- and middle-income people due to rising prices of essential commodities and services.
- Take for Dhaka's Kathalbagan workshop workers and day labourers who now have to buy a paratha at Tk10 that was at Tk5. "After buying one kilogram of flour at Tk50, I cannot make even ten parathas. If I sell each of those at Tk5, how would I do the business," fuming Shahidul Islam asked while arguing with a customer over double price of paratha at a Kathalbagan eatery.
- The customers said now they have to pay almost double for breakfast and lunch though their income did not increase. But the monthly data about consumer prices published by the BBS hardly reflects the unusual food price hikes as well as increasing living cost of the low and middle-income – causing economists to wonder about the missing pieces of the inflation puzzle.

<https://www.tbsnews.net/economy/sufferings-even-though-inflation-drops-371812>

International

UK inflation hits fresh 30-year high

The Daily Star, February 17, 2022

- UK annual inflation has hit the highest level since 1992, data showed Wednesday, adding pressure to the cost of living and on the Bank of England to keep raising rates. The Consumer Prices Index (CPI) edged up to 5.5 per cent in January from 5.4 per cent in December, also a level not seen in almost three decades, the Office for National Statistics said in a statement.
- The rate is now at the highest level since March 1992, the ONS added. As inflation reaches the highest levels in decades, lagging rises to workers' wages, central banks are deciding on how fast to hike interest rates. The Bank of England earlier this month lifted its main interest rate for the second time in a row aimed at bringing down inflation.
- The BoE has forecast Britain's annual inflation rate to peak at 7.25 per cent in April, far above its 2.0-per cent target. Policymakers in December lifted borrowing costs from a record-low 0.1 per cent to 0.25 per cent -- their first tightening in more than three years. They raised again this month, to 0.5 per cent.

<https://www.thedailystar.net/business/global-economy/europe/news/uk-inflation-hits-fresh-30-year-high-2964036>

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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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