

Key News

- ✓ [Dhaka stocks slide for second week amid economic concerns](#)
- ✓ [BSEC moves for maiden Real Estate Investment Trust this year](#)
- ✓ [Active Fine Chemicals bosses fined Tk20 lakh for non-cooperation with BSEC auditor](#)
- ✓ [City Bank logs 26pc higher profit](#)
- ✓ [NRBC Bank recommends 15% cash dividend for shareholders](#)
- ✓ [Takaful Islami Insurance declares 11% cash dividend for 2021](#)
- ✓ [Rural infrastructure project: Sukuk auction on April 19 to raise Tk 50b](#)
- ✓ [New IPO pricing method frustrates entrepreneurs](#)
- ✓ [CSE now 'Chittagong Stock Exchange PLC'](#)
- ✓ [No judgment given against prime accused: BB](#)
- ✓ [Preparations for post-LDC challenges must begin from next budget](#)
- ✓ [Musk is sued by shareholders over delay in disclosing Twitter stake](#)

Stock Market & Company

Dhaka stocks slide for second week amid economic concerns

The Newage, April 16, 2022

- Dhaka stocks in the past week slumped for the second week in a row as investors found market outlook unimpressive due to domestic and international economic concerns. DSEX, the key index of the Dhaka Stock Exchange, plunged by 0.85 per cent, or 56.26 points over the past week, to close at 6,584.97 points on April 13, the last trading session of the week. The market lost 116.6 points in the previous week.
- Average share prices of bank, telecommunication, general insurance and non-bank financial institution sectors dropped by 1.9 per cent, 1.89 per cent, 1.6 per cent and 1.2 per cent respectively over the week. Out of 385 issues traded, 279 declined, 76 advanced and 35 remained unchanged.
- The DS30, comprised of 30 large capitalised companies, declined by 11.14 points to finish at 2,440.45 points and the DSE Shariah Index, DSES, also shed 5 points to close at 1,448 points. The daily average turnover, a key indicator of the investors' participation, dropped by 7 per cent to Tk 565.9 crore in the week compared with that of Tk 607.85 crore in the previous week.
- Bangladesh Export Import Company Limited led the turnover chart with its shares worth Tk 152 crore changing hands. IPDC Finance, Sonali Paper & Board Mills, Aman Feed, LafargeHolcim Bangladesh, Genex Infosys, Provati Insurance, Fortune Shoes, Square Pharmaceuticals and Nahee Aluminum Composite Panel were the other turnover leaders.

<https://www.newagebd.net/article/168269/dhaka-stocks-slide-for-second-week-amid-economic-concerns>

BSEC moves for maiden Real Estate Investment Trust this year

The Business Standard, April 16, 2022

- To offer people a structured real estate investment opportunity through the securitisation of income-generating properties, the Bangladesh Securities and Exchange Commission (BSEC) is planning to introduce a Real Estate Investment Trust (REIT) by this year.
- A REIT is a trust that uses pooled capital of investors to purchase and manage income-producing real estate properties. "Right now we are framing the regulations for REITs with a target to introduce the first one by this year," said Professor Shaikh Shamsuddin Ahmed, a BSEC commissioner.
- His commission well received the industry proposals through a concept paper presented at a Dhaka Stock Exchange event last week.
- "REITs are going to add a new horizon in our capital market that had long been depending on equity products and very recently got momentum in publicly traded debt instruments," said BSEC Chairman Professor Shibli Rubayat-Ul-Islam.
- The Real Estate Investment Trusts would democratise the real estate market, as mutual funds did in the equity market, by allowing small sums to be collectively invested in a basket of real estate properties.

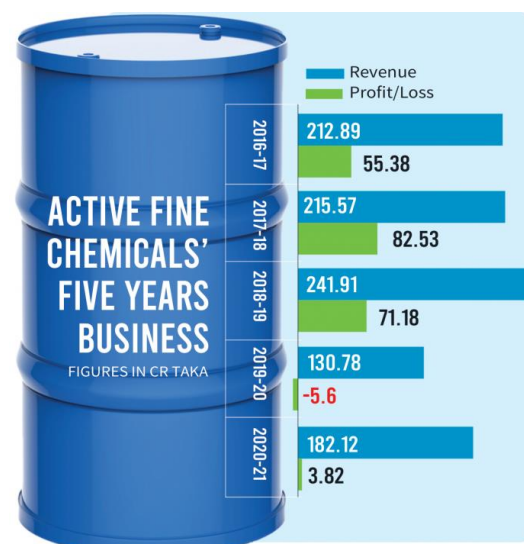


<https://www.tbsnews.net/economy/stocks/bsec-moves-maiden-real-estate-investment-trust-year-404322>

Active Fine Chemicals bosses fined Tk20 lakh for non-cooperation with BSEC auditor

The Business Standard, April 16, 2022

- Three directors and the company secretary of Active Fine Chemicals have been fined Tk20 lakh – Tk5 lakh each – for not cooperating with a special auditor appointed by the Bangladesh Securities and Exchange Commission (BSEC). They are Chairman Zia Uddin, Managing Director SM Saifur Rahman, Director Md Afzal and Company Secretary Mahbubur Rahman.
- BSEC, in a letter on 27 March, asked the company to pay the fine within the next 30 days. The letter read the regulator had appointed a special auditor – Howladar Yunus and Co – on 16 September 2021 to conduct an audit for the 2016-17 to 2019-20 financial years.
- But despite repeated requests, the auditor complained that the company was not cooperating in the audit work. Later, on 15 January this year, BSEC directed the auditor to resume the audit. But even then the company has done the same.
- When BSEC asked for an explanation, Active Fine said its officials were busy with income tax and import duty issues. And due to a lack of additional manpower, they couldn't assist the auditor.
- "The company, therefore, applied for reversal of the audit decision. But BSEC did not take cognizance of the company's application. Instead, the company was fined under the Securities Act for violating BSEC guidelines," it added.



<https://www.tbsnews.net/economy/stocks/active-fine-chemicals-bosses-fined-tk20-lakh-non-cooperation-bsec-auditor-404302>

City Bank logs 26pc higher profit

The Daily Star, April 17, 2022

- City Bank's profit rose by around 26 per cent in 2021, when the bank logged Tk 549 crore consolidated profit after tax. The lender recorded Tk 436 crore profit in the previous year, a press release said. Based on the fourth quarter (Q4) of 2021 financial performances, City Bank virtually organised its earnings disclosure web cast event yesterday when it is revealed.
- The event started with the presentation on recent financial performances of the bank by Md Mahbubur Rahman, additional managing director of the bank. Existing and potential investors across the globe, researchers and analysts and many other individuals involved in capital market activities joined the event through web platforms.

<https://www.thedailystar.net/business/organisation-news/news/city-bank-logs-26pc-higher-profit-3005931>

NRBC Bank recommends 15% cash dividend for shareholders

The Business Standard, April 13, 2022

- The Board of Directors of NRB Commercial (NRBC) Bank Limited has recommended 15% dividend with 7.50 % cash dividend and 7.50% stock dividend for the shareholders for the year 2021 subject to approval of the 9th Annual General Meeting of the Bank.
- According to the Balance sheet, The Earnings per Share (EPS) and Net Asset Value (NAV) of NRBC Bank has increased on December, 2021 compared to period of previous year. The consolidated EPS of January- December stands at Tk3.07 which was Tk1.87. At the mentioned period of time the solo EPS has increased to Tk 2.83 from Tk1.82. The growth of EPS in last 1 year is 64%.
- At the end of the current year the consolidated size of the balance sheet of the bank stands at 15 thousand 444 crore which was 11 thousand 664 crore taka in the last year. The consolidated NAV at the end of December, 2021 is 1 thousand 198 crore 97 lacs 39 thousand 507 taka which was 983 crore 50 lacs 67 thousand 172 taka. Solo NAV is 1 thousand 180 crore 86 lacs 23 thousand 163 taka which was 979 crore 75 lacs 43 thousand 710 taka.

<https://www.tbsnews.net/economy/stocks/nrbc-bank-recommends-15-cash-dividend-shareholders-402774>

Takaful Islami Insurance declares 11% cash dividend for 2021

The Business Standard, April 13, 2022

- Takaful Islami Insurance Limited has recommended an 11% cash dividend for its shareholders for 2021. The insurer will hold an annual general meeting (AGM) on 23 July 2022 and set 31 May as the record date for the AGM.
- Incorporated in 2001, Takaful Islami Insurance listed on the capital market in 2008. The principal objects of the company are to provide a wide range of indemnity and insurance guarantees other than the life insurance business. For 2021, the net profit of the company was Tk9.58 crore, which was Tk7.03 crore the previous year.
- Its earnings per share were Tk2.25 and its net asset value was Tk19.15 as of 31 December 2021. The price to earnings ratio based on the latest unaudited financial statements of the company stood at 28.34 points. The company has maintained a minimum paid-up capital of Tk40 crore as per law but did not hold 60% shares in their paid-up capital to comply with regulatory requirements.

<https://www.tbsnews.net/economy/stocks/takaful-islami-insurance-declares-11-cash-dividend-2021-402782>

Rural infrastructure project: Sukuk auction on April 19 to raise Tk 50b

The Financial Express, April 17, 2022

- The government is set to raise Tk 50 billion more by issuing Islamic bonds on April 19 to bankroll a rural infrastructure development project, officials say. The central bank will hold an auction to issue Istisna Sukuk bonds to eligible banks, non-banking financial institutions (NBFIs), insurance companies and individuals.
- The Bangladesh Bank, as a special-purpose vehicle for the issuance of government securities, has completed all necessary preparations to issue the third set of the Shariah-based bonds.

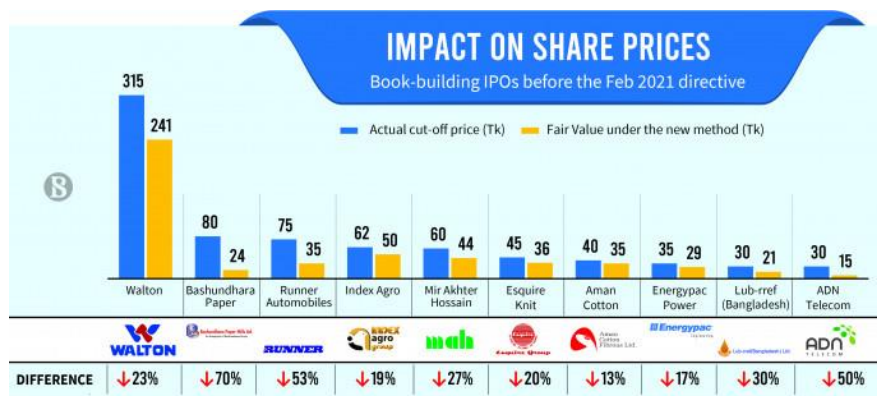
- The regulator has already set a fresh Sukuk-allotment quota with priority to Shariah-based Islamic banks, NBFIs and insurers for the auction of the bonds. Under the quota, Islamic banks and financial institutions will be eligible to receive more bonds unlike conventional banks, other financial institutions and individual investors.
- As per the BB criteria, Shariah-based Islamic banks, NBFIs and insurance companies will be eligible for 80 per cent instead of 70 per cent earlier Sukuk certificates. But conventional banks and other financial institutions will be entitled to receive 8.0 per cent of the bonds instead of 15 per cent.
- Besides, 10 per cent of the Bangladesh Government Investment Sukuk (BGIS), generally known as Istisna Sukuk, will be sanctioned to Islamic branches and windows of conventional banks. Individual investors will be eligible to get the remaining 2.0 per cent instead of 5.0 per cent earlier.

<https://thefinancialexpress.com.bd/stock/rural-infrastructure-project-sukuk-auction-on-april-19-to-raise-tk-50b-1650165122>

New IPO pricing method frustrates entrepreneurs

The Business Standard, April 14, 2022

- The new method to determine the allowable price of primary shares in the initial public offering (IPO) under the book-building method is frustrating for entrepreneurs who expect a fair price for their companies' shares. The Bangladesh Securities and Exchange Commission (BSEC) introduced the new conservative valuation method for book-building IPOs in February 2021 to prevent overpricing of primary shares that had been hurting investors after debuts.
- An August 2020 study, earlier reported by The Business Standard, revealed that less than half of the 91 IPOs in the 2010s gave an above-average return to their primary shareholders, while primary investors lost money in 20 IPOs and 27 saved their backs with some meagre positive return.
- The pipeline for good IPOs is drying out mostly because of the low price being offered, while the number of book-building IPOs in the last 14 months came down to three, from the previous decade's annual average of 4.3.
- An analysis of the 10 book-building IPOs under the previous method suggests that companies are being offered 20%-70% less price for their primary shares. Omera Petroleum, the second-largest player in Bangladesh's expanding LPG market, got a Tk8 premium on top of the face value of Tk10 per share in 2012 from foreign investors. In 2018, they paid Tk15 in premium for the energy company's right shares.



<https://www.tbsnews.net/economy/stocks/new-ipo-pricing-method-frustrates-entrepreneurs-403010>

CSE now 'Chittagong Stock Exchange PLC'

The Financial Express, April 14, 2022

- Chittagong Stock Exchange has changed its name to "Chittagong Stock Exchange PLC" from "Chittagong Stock Exchange Ltd." The Registrar of Joint Stock Companies and Firms accorded approval to change the registered name of the company in compliance with the Companies Act, 1994 (2nd amendment 2020), said a statement.
- A new Section [Indication of Limited Company] has been added which requires a public limited company to use the term "PLC" at the end instead of "Limited/Ltd." Earlier, the shareholders in Annual General Meeting approved special resolution to adopt the change of registered name of the Company.

<https://thefinancialexpress.com.bd/stock/cse-now-chittagong-stock-exchange-plc-1649905372>

Economy & Industry

No judgment given against prime accused: BB

The Daily Star, April 14, 2022

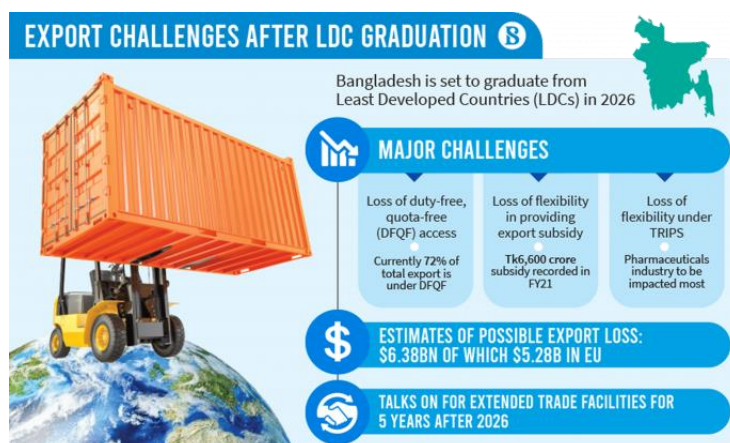
- The Bangladesh Bank yesterday said that the New York County Supreme Court has not given any judgement in a case filed against the three prime accused in connection with the 2016 reserves heist. The three accused are Rizal Commercial Banking Corporation (RCBC), Lorenzo V Tan, who was president of RCBC at the time of the cyber theft, and Raul Tan, a former treasurer of the Philippines bank..
- The BB filed the case with the New York court in May 2020. Six out of 20 defendants earlier applied to the court seeking a dismissal order on the case, according to a BB statement yesterday. Of the six, the court dismissed the case against Bloomberry Resorts and Hotels Inc and Eastern Hawaii Casino and Resort located in the Philippines on April 8, it said.
- The BB went on to hope that the court would give a positive verdict against RCBC, the prime accused of the case. The BB statement came a day after several Bangladeshi media outlets reported on the case dismissal in favour of Bloomberry and Eastern Hawaii based on the news published in the Philippines media.
- On February 4, 2016, hackers broke into the central bank's system and generated 70 fake payment orders to the Federal Reserve Bank of New York amounting to \$1.94 billion. The NY Fed's security system flagged the payment orders but only five of them fell through and \$101 million was released.

<https://www.thedailystar.net/business/economy/banks/news/no-judgment-given-against-prime-accused-bb-3004631>

Preparations for post-LDC challenges must begin from next budget

The Business Standard, April 17, 2022

- Bangladesh needs to chart a post-LDC graduation action plan right from the next budget as part of preparations to cope with the loss of duty-free facilities after 2026 and the obligation to slash tariff protections to local industries, observed business experts.
- "Bangladesh has only four years and the next budget must lay out some steps to address post-graduation challenges," Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD), said at a seminar organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Saturday.
- Syed Nasim Manzur, managing director of Apex Footwear Limited, said, "We have to reduce high tariffs on imports and we must prepare for this now."
- The talks also focused on product diversification, increasing productivity to meet the challenges of post-graduation LDCs, and increasing private sector investment, coordinated engagement of the 26 ministries, Free Trade Agreements (FTA) and Preferential Trade Agreements (PTA). The RMG industry also enjoys more facilities for raw material imports than other sectors other than the added benefit it was accorded during Covid-time stimulus packages.



<https://www.tbsnews.net/economy/preparations-post-ldc-challenges-must-begin-next-budget-404318>

International

Musk is sued by shareholders over delay in disclosing Twitter stake

The Financial Express, April 13, 2022

- Elon Musk was sued on Tuesday by former Twitter Inc shareholders who claim they missed out on the recent run-up in its stock price because he waited too long to disclose a 9.2 per cent stake in the social media company, reports Reuters.
- In a proposed class action filed in Manhattan federal court, the shareholders said Musk, the chief executive of electric car company Tesla, made "materially false and misleading statements and omissions" by failing to reveal he had invested in Twitter by Mar 24 as required under federal law.
- Twitter shares rose 27 per cent on April 4, to \$49.97 from \$39.31, after Musk disclosed his stake, which investors viewed as a vote of confidence from the world's richest person in San Francisco-based Twitter. Former shareholders led by Marc Rasella said the delayed disclosure let Musk buy more Twitter shares at lower prices, while defrauding them into selling at "artificially deflated" prices.
- The lawsuit seeks unspecified compensatory and punitive damages. A lawyer for Musk had no immediate comment. Tesla is not a defendant. US securities law requires investors to disclose within 10 days when they have acquired 5 per cent of a company, which in Musk's case would have been March 24.

<https://thefinancialexpress.com.bd/stock/musk-is-sued-by-shareholders-over-delay-in-disclosing-twitter-stake-1649833943>

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