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Stock Market & Company

Stocks extend rally with increased turnover

The Financial Express, January 17, 2021

- Stocks extended the rally on Monday with rising turnover as the buoyant investors put fresh bets on sector-wise issues, beating virus worries. Following the previous day's modest gain, the market opened on an optimistic note and the positive trend continued until the end of the session.
- DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 35.67 points to settle at 7,055. Two other indices also edged higher. The DSE 30 Index, comprising blue chips, rose 9.48 points to finish at 2,607 and the DSE Shariah Index (DSES) advanced 3.0 points to close at 1,505.
- Meanwhile, Beximco Green-Sukuk closed at Tk 91.50 on Monday, losing further by 3.68 per cent over the previous day, the third day of debut, far below from its face value of Tk 100 each.
- Turnover, a crucial indicator of the market, jumped to Tk 16.85 billion, which was 12 per cent higher than the previous day's tally of Tk 15.06 billion.
- Bangladesh Spinning Corporation was the most traded stock with shares worth Tk 1.31 billion changing hands, closely followed by Saif Powertec (Tk 1.0 billion), Beximco (Tk 900 million), Orion Pharma (759 million) and Power Grid Company (Tk 550 million). The newly listed Union Insurance was the day's top gainer, posting a 10 per cent rise while Lovello Ice Cream was the day's worst loser, losing 6.98 per cent.
- The Chittagong Stock Exchange (CSE) also ended higher with the CSE All Share Price Index – CASPI –gaining 83 points to settle at 20,650 and the Selective Categories Index – CSCX—advancing 50 points to close at 12,404.



<https://thefinancialexpress.com.bd/stock/stocks-extend-rally-with-increased-turnover-1642415858>

Uniroyal Securities, MD fined Tk 3cr for breaching rules

The Newage, January 17, 2021

- The Bangladesh Securities and Exchange Commission has fined Uniroyal Securities Limited and its managing director Anirban Das Gupta total Tk 3 crore for violating rules. The BSEC imposed the penalty following an investigation report submitted by the Dhaka Stock Exchange and subsequent verification by the commission.
- The securities regulator imposed Tk 2 crore penalty on Uniroyal Securities and Tk 1 crore on its MD Anirban. The investigation report found that during July 12, 2020 to August 31, 2020, share prices of Zeal Bangla Sugar Mills soared by 551.9 per cent and Anirban associated with another account was dominant in the share trading of the company.
- As per CDBL share holding report, Anirban collectively with Uniroyal Securities had acquired more than 10 per cent shares of Zeal Bangla as on June 24, 2019, and continued holding the more than 10 per cent until August 8, 2020. By acquiring more than 10 per cent shares as a single entity, they violated BSEC's substantial share acquisition rules.

<https://www.newagebd.net/article/160260/uniroyal-securities-md-fined-tk-3cr-for-breaching-rules>

Special auditors to look into financials of 4 firms

The Business Standard, January 17, 2022

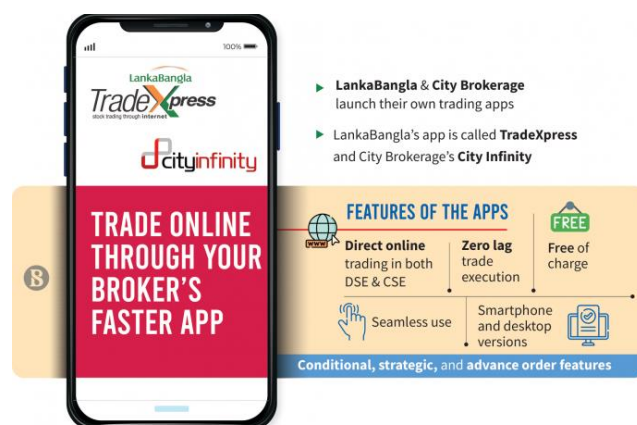
- The Bangladesh Securities and Exchange Commission (BSEC) has decided to appoint special auditors for four listed companies – Alhaj Textile Mills, Bangladesh Welding Electrodes, Fu-Wang Foods, and Safko Spinning Mills – to probe into their financial statements.
- The securities regulator will send quotations in this regard to the panel of auditors this week. Earlier, the commission restructured the firms' boards in an attempt to improve their businesses, and also to find out the reasons behind their downturn, said BSEC sources.
- Alhaj Textile Mills: The BSEC restructured the company's board in December 2020. Alhaj Textile Mills mainly manufactures cotton yarns and sells its products to local and foreign markets. Its production remained halted from 25 June 2019 to 1 June 2021.
- Bangladesh Welding Electrodes: The commission appointed two independent directors to the company's board in January 2021. BSEC observed that the company provided false information about its capital gain on the disposal of its Tk33.24 crore fixed assets.
- Fu-Wang Foods: BSEC recast its board in July 2021 and nominated five independent directors for the company to protect investors' interests. The commission found that the company made huge transactions with related parties and family members without making proper disclosures to the stock market.
- Safko Spinning Mills: Its board was recast in September 2021. It declared no dividend for the 2018-19 and 2019-20 financial years. Since listing, the company increased its paid-up capital by 87.39% by giving out bonus shares.

<https://www.tbsnews.net/economy/stocks/special-auditors-look-financials-4-firms-358771>

LankaBangla, City Brokerage to change online trading experience

The Business Standard, January 17, 2022

- Lags and disruptions during trading, mandatory typing of complex passwords for every action, and a lack of many needed features – all have been behind the tech-savvy stock investors' irritation with mobile trading apps of the bourses.
- The problems in direct stock trading from smartphones are set to go as two of the leading stockbrokers have launched alternatives to the bourses' mobile trading apps and they have well addressed the problems.
- Like it is all over the world, the Dhaka Stock Exchange (DSE) nowadays is allowing interested brokers direct access to its core trading system, technically called the matching engine, from the brokers' order management system (OMS), bypassing that of the bourse.



► LankaBangla & City Brokerage launch their own trading apps

► LankaBangla's app is called TradeXpress and City Brokerage's City Infinity

FEATURES OF THE APPS

- Direct online trading in both DSE & CSE
- Zero lag trade execution
- Seamless use
- Smartphone and desktop versions
- Free of charge
- Conditional, strategic, and advance order features

- Unlike the DSE Mobile app, the brokers' own OMSs, which investors can use both from their personal computers and smartphones for direct trading, are very seamless and have zero lag, regardless of how many users remain active at a time.

<https://www.tbsnews.net/economy/stocks/how-lankabangla-city-brokerage-change-online-trading-experience-358759>

South Bangla chairman sued but only after he leaves country

The Business Standard, January 17, 2022

- SM Amzad Hossain, the immediate past chairman of the new generation South Bangla Agriculture and Commerce (SBAC) Bank, labelled a habitual defaulter by the Bangladesh Bank, has allegedly embezzled Tk20 crore from his bank by opening a fake company using his company employees.
- Capt M Moazzam Hossain, involved in loan irregularity, was entirely responsible for dragging the People's Leasing and Financial Services (PLFS) into collapse, and has been found to be an accomplice of Amzad in the SBAC misappropriation, according to an inquiry by the corruption watchdog.
- The latest inquiry by the Anti-Corruption Commission (ACC) uncovered the fraudulency and it filed two cases on Monday against Amzad and Moazzam based on the findings.
- Since the bank's inception in 2013, Moazzam was the director of the board of the bank and Amzad was the chairman. However, Amzad resigned from his post in September last year on personal grounds. A month after his resignation, Moazzam also stepped down from the board.
- Despite having numerous fraud allegations, both men were seemingly blessed by the Bangladesh Bank, as the authority did not stop them from joining the SBAC board with depositors' interests taking a backseat. The central bank, in several investigations, had already found instances of loan forgeries and money-laundering against the duo.

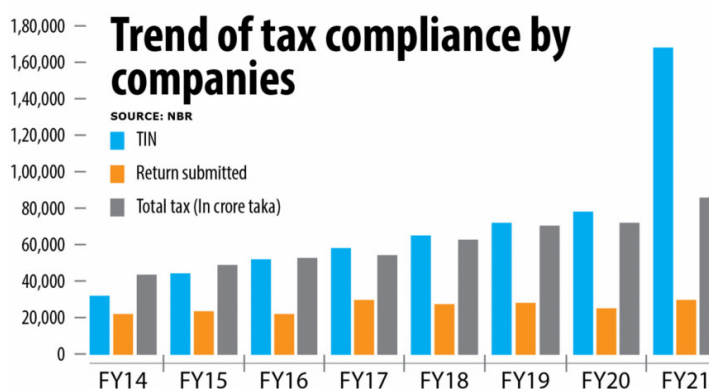
<https://www.tbsnews.net/bangladesh/crime/south-bangla-chairman-sued-only-after-he-leaves-country-358804>

Economy & Industry

TINs of firms surge, but return filing sluggish

The Daily Star, January 18, 2021

- The National Board of Revenue (NBR) has seen a massive surge in registrations for Taxpayer Identification Numbers (TIN) by companies, mainly due to its increased monitoring and efforts to bring all registered firms under the tax net. However, the spectacular growth in TIN registration has not translated into an equal growth in return submissions by companies.
- The number of companies with TINs stood at 1.67 lakh by the end of the 2020-21 fiscal year (FY), up 115 per cent from 77,820 the previous year, showed NBR data.
- But only 29,785 companies furnished tax returns in FY21, up 18 per cent from the year before.
- In August 2020, the NBR formed a task force to collect data on companies from the RJSC and match its TINs database. Under the initiative, a number of companies were brought under the tax net while a portion of companies also got registration for various factors, including the NBR's drive.
- However, compliance did not improve to that extent with officials attributing it to a lack of monitoring by field offices to ensure submission of tax returns, existence of dormant companies and unwillingness of taxmen to verify audited financial statements submitted by companies along with their tax returns through the Document Verification System (DVS).

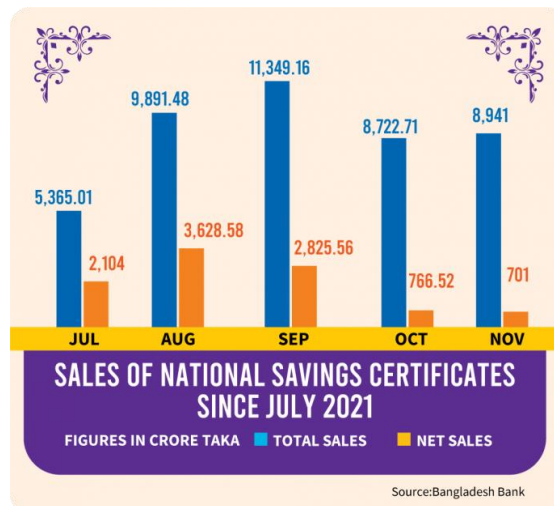


<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tins-firms-surge-return-filing-sluggish>

Savings certificate: Govt's net debt on the decrease

The Business Standard, January 17, 2022

- The government's net debt in savings certificates has been going downwards for the last three months owing to more loan repayment than borrowing. According to Bangladesh Bank data, the government's net debt in savings certificates amounted to Tk3,628 crore in August of the current fiscal year. In a month's gap, the net debt decreased to Tk2,825 crore in September. The downtrend continued through the next two months, massively reducing the net debt to Tk701 crore in November.
- Meanwhile, despite the net debt falling continuously, the sale of savings certificates has not decreased in staggering numbers. A total of Tk8,941 crore worth of savings certificates were sold last November through banks, savings bureaus and post offices, an increase of Tk229 crore compared to the previous month. However, sales were much higher in September, a total of Tk2,404 crore more than the November sales.
- The government cut the interest rate on all savings certificates by around 1% for investments above Tk15 lakh in September.
- The government has set a target of selling Tk1,24,647 crore worth of savings certificates for the current financial year to meet the budget deficit of the fiscal year. Of this, the target for taking a net loan, after repaying due principal and interest, is Tk32,000 crore.



<https://www.tbsnews.net/economy/savings-certificate-govts-net-debt-decrease-358807>

International

World stocks mostly up as Fed hikes loom, China growth slows

The Newage, January 17, 2021

- Investors started the week on a broadly positive note Monday but uncertainty remained ahead of an expected series of interest rate hikes by the Federal Reserve, while data showed growth in China's economy slowed at the end of last year.
- While the fast-spreading Omicron coronavirus variant continues to cast a shadow across trading floors, the focus is on the US central bank's plans to tighten monetary policy to fight surging inflation. Fed officials were out in force last week flagging the merits of raising borrowing costs as soon as March, though boss Jerome Powell said they would be careful to ensure they do not knock the recovery in the world's top economy off course.
- Still, expectations that the era of cheap cash that has helped power markets to record or multi-year highs has weighed heavily for months, while data showing consumer prices rocketing at a pace not seen in four decades has added to the downbeat mood.
- A weak reading on retail sales for December caused by concern about the latest Covid wave and higher prices was compounded by a University of Michigan survey showing consumer sentiment fell sharply in January. That saw Wall Street turn in a tepid performance Friday, with disappointing bank earnings also dragging sentiment.
- Despite the uncertain start to 2022 for global markets, Eli Lee at Bank of Singapore remained upbeat about the outlook.
- Asia mostly rose, with Tokyo, Shanghai, Sydney, Singapore, Wellington, Taipei, Mumbai and Bangkok up but Hong Kong, Seoul, Manila and Jakarta were down. London, Paris and Frankfurt all rose at the open.

<https://www.newagebd.net/article/160257/world-stocks-mostly-up-as-fed-hikes-loom-china-growth-slows>

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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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