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Stock Market & Company

DSE turnover slumps below Tk 4.0 billion mark

The Financial Express, April 17, 2022

- Stocks slipped into the red on Sunday, after a single-day break, with a turnover on the prime bourse falling below Tk 4.0 billion mark again. Turnover, the crucial indicator of the market, came down to Tk 3.94 billion, which was 25.5 per cent lower than the previous day's mark of Tk 5.29 billion.
- It was also the lowest single-day turnover in more than a year since April 5, 2021, when turnover totalled Tk 2.37 billion. Along with lower turnover, DSEX, the prime index of Dhaka Stock Exchange, went down by 30.10 points or 0.45 per cent to settle at 6,554, after gaining nearly 11 points in the previous sessions.
- Two other indices also ended lower. The DSE 30 Index, comprising blue chips, fell 5.44 points to finish at 2,435 and the DSE Shariah Index (DSES) lost 5.56 points to close at 1,442.
- Beximco topped the turnover list with shares worth nearly Tk 411 million changing hands, followed by Sonali Paper & Board Mills (Tk 293 million), Salvo Chemicals (Tk 99 million), Pharma Aids (Tk 83 million) and GSP Finance (Tk 82 million).
- The newly listed JMI Hospital Requisite Manufacturing continued to top gainer, posting a 9.92 per cent gain, while Bangladesh Finance was the day's worst loser, losing 2.0 per cent. The Chittagong Stock Exchange (CSE) also ended lower with the CSE All Share Price Index - CASPI -losing 64 points to settle at 19,302 and the Selective Categories Index - CSCX - shedding 38 points to close at 11,580.



<https://thefinancialexpress.com.bd/stock/dse-turnover-slumps-below-tk-40-billion-mark-1650189401>

BSEC seeks info on listed banks' unclaimed dividend status

The Newage, April 17, 2022

- The Bangladesh Securities and Exchange Commission has asked the listed banks to give it information about the latest status of their investors' unclaimed dividends which were supposed to be sent to the capital market stabilisation fund. The BSEC issued a letter to the banks on April 12, and copies of the letter were also sent to the Bangladesh Bank governor and the Association of Bankers Bangladesh.
- 'The banks did not transfer the cash and shares remaining undistributed or unsettled in line with the BSEC's instruction which prompts significant doubts on the misappropriation of investors fund,' according to the letter.
- So, the BSEC asked the banks to inform the commission whether those shares held in suspense account against unclaimed to investors have been carrying against negotiable instrument or not and whether the unclaimed dividends are kept as payable in the branches of the bank against any depositors' money or held in the safe custody of the bank as part of banks' custodian service or not.
- Moreover, the bank has no right to withhold investors' money as such fund is supposed to be kept separately in the dedicated bank accounts of the bank and in the suspense BO accounts of the bank for settlement of investors' claims, it said.

<https://www.newagebd.net/article/168345/bsec-seeks-info-on-listed-banks-unclaimed-dividend-status>

Licences of five merchant banks to be cancelled soon: BSEC

The Financial Express, April 17, 2022

- Majority number of merchant banks failed to bring IPOs (initial public offering) in last one decade. During the period, a total of 115 companies went public raising capital through IPOs and 32 IPOs of those were solely managed by only three merchant banks.
- The remaining 43 merchant banks managed 83 IPOs during 2012-2022 and 20 merchant bankers had no role in bringing any IPO.
- Dr. Shaikh Shamsuddin Ahmed, a BSEC commissioner, said the securities regulator does not feel comfortable to speak about the role of merchant banks in bringing quality IPOs. "The role of merchant banks is yet to be sufficient in convincing good companies to offload shares," Mr. Ahmed said.
- He said it's not the role of the securities regulator to convince or inspire a company to go public. "Nevertheless, the securities regulator is working unofficially to inspire good companies to go public. We are pushing the bourses and merchant banks to accelerate communications with the companies having good prospects," said the BSEC commissioner Mr. Ahmed.
- He said it is the responsibilities of the bourses in accelerating communication with prospective companies. "There is a provision of being listed within three years of getting licence of bank. But we do not know why five banks have not yet come forward to float IPOs," said the BSEC commissioner.



<https://thefinancialexpress.com.bd/stock/licences-of-five-merchant-banks-to-be-cancelled-soon-bsec-1650170545>

IDRA fines 21 insurers over Tk 72 lakh

The Daily Star, April 18, 2022

- The Insurance Development and Regulatory Authority (IDRA) has fined 21 insurance companies over Tk 72 lakh for, among others, purchasing assets without its approval, charging higher premiums than the government fixed rates and forging letters. Continental Insurance has to pay the highest, Tk 10.50 lakh.
- The lowest, Tk 50,000, is payable individually by Meghna Insurance Company, Desh General Insurance Company, Asia Pacific General Insurance Company, Republic Insurance Company and Mercantile Islami Life Insurance.
- Pragati Insurance was slapped the second highest, Tk 10 lakh, followed by Islami Commercial Insurance Company (Tk 9.50 lakh), Takaful Islami Insurance (Tk 9 lakh), Prime Insurance Company (Tk 8 lakh), Janata Insurance Company and Federal Insurance Company (Tk 5 lakh each), Agrani Insurance Company (Tk 3 lakh) and Rupali Insurance Company (Tk 2 lakh).

- Islami Insurance Bangladesh, Eastland Insurance Company, Standard Insurance and Bangladesh National Insurance Company, Karnaphuli Insurance Company, Pioneer Insurance Company and Global Insurance faced Tk 1 lakh in fines each. The report said Continental Insurance violated an IDRA restriction regarding open cover policy, which is a type of marine insurance policy. Under it, the insurer provides coverage for all cargo shipped, according to Investopedia.

<https://www.thedailystar.net/business/organisation-news/news/idra-fines-21-insurers-over-tk-72-lakh-3006706>

IPDC Finance declares 12% cash dividend

The Business Standard, April 17, 2022

- IPDC Finance Ltd has declared a 12% cash dividend for its shareholders at the 40th Annual General Meeting (AGM) on Sunday. The meeting was virtually attended by a large number of shareholders with IPDC Chairman Kazi Mahmood Sattar in the chair, reads a press release.
- The attendees also included other directors who were nominated by Brac, Ayesha Abed Foundation, Bluechip Securities Limited and Government of the Peoples' Republic of Bangladesh. Amongst others, the meeting was also attended by Managing Director and CEO Mominul Islam, Company Secretary Samiul Hashim, Chief Financial Officer Fahmida Khan, and other senior officials of the Management Committee of IPDC Finance Ltd.

<https://www.tbsnews.net/economy/stocks/ipdc-finance-declares-12-cash-dividend-404822>

BSEC seeks new MD recruitment plan from Chattogram bourse

The Business Standard, April 17, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) sought a work plan from the Chittagong Stock Exchange (CSE) on recruiting its new managing director (MD). On Sunday, the commission sent a letter to the port city bourse's acting MD for submitting the recruitment plan within seven working days.
- According to the letter, the BSEC found some lacking in the current recruitment process of the CSE. Therefore, it asked the bourse to submit a proper plan to ensure the appointment of a competent MD.
- The post has remained vacant for the last seven months after the CSE sacked Mamun-Ur-Rashid, its former MD, in September last year. A BSEC official said the bourse requested a one-month time extension on 22 February this year, and then again another time extension of two months regarding the MD's appointment.

<https://www.tbsnews.net/economy/stocks/bsec-seeks-new-md-recruitment-plan-chattogram-bourse-404846>

Nahee Aluminum sees double profit in March quarter

The Business Standard, April 17, 2022

- Nahee Aluminum Composite Panel has witnessed a big jump in sales and profit in the January-March quarter of the current fiscal year due to its revised product prices. The revenue and profit of the country's pioneer in manufacturing Aluminum Composite Panels (ACP) rose by 92% and 110%, respectively, compared to the same period of the previous fiscal year.
- Also, its revenue and profit in the nine months through March grew by 37%, and 46%, respectively.
- "Overall revenue and profits jumped mainly for revising product prices, and big sales volume," said Mohammad Jahurul Islam Sheikh, company secretary of Nahee Aluminum.
- "Internationally, raw material prices rose more than 60% while products prices went up only 30%. The product that used to sell for Tk100 is now worth Tk130," he added.
- Jahurul said the company also had extraordinary sales in the third quarter, which contributed to the increase in revenue. In the January-March period, its total revenue rose to Tk37.20 crore, an increase from Tk19.35 crore in the same previous of previous fiscal year.



- Also, its net profit stood at Tk8.83 crore, which was Tk4.21 crore in January-March of FY21. In the first nine months of fiscal 2021-22, the revenue rose to Tk71.03 crore and profit to Tk16.45 crore, up from Tk51.82 crore and Tk11.21 crore, respectively, from a year ago.

<https://www.tbsnews.net/economy/corporates/nahee-aluminum-sees-double-profit-march-quarter-404850>

DBH shareholders approve 25% dividend

The Business Standard, April 17, 2022

- The shareholders of Delta Brac Housing Finance Corporation Ltd (DBH) unanimously approved 25% dividend (15% cash & 10% Stock) for the year ending December 31, 2021. In addition, the shareholders also approved two special resolutions for changing its name from 'Delta Brac Housing Finance Corporation Ltd.' to 'DBH Finance PLC' and increase its authorised capital from Tk200 crore to Tk400 crore.
- The approvals were given at the 26th annual general meeting (AGM) of the company held recently by using digital platform with its Chairman Nasir A Choudhury in the chair, read a press release.
- In his speech, Chairman Nasir A Choudhury said that the profit after tax of the company reached to Tk104 crore for 2021 which is 17% higher than previous year. He also mentioned that company's total assets increased to Tk6,028 crore.

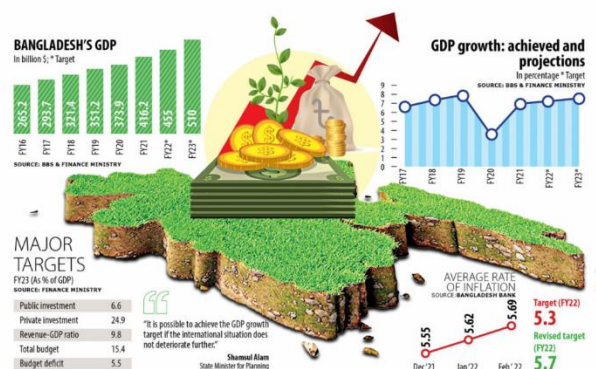
<https://www.tbsnews.net/economy/corporates/dbh-shareholders-approve-25-dividend-404806>

Economy & Industry

Target job creation, reining in inflation in new budget

The Daily Star, April 18, 2022

- The government should prioritise job creation and inflation control in the budget for the next fiscal year in a bid to help the marginalised people survive amid higher prices of essentials, said the Citizen's Platform for SDGs, Bangladesh, yesterday.
- "The upcoming budget is more important to people as they are facing challenges from the price hike of commodities," said Debapriya Bhattacharya, convener of the platform, at a virtual dialogue on the expectation of the mass people from the upcoming budget.
- Finance Minister AHM Mustafa Kamal is set to unveil a Tk 677,864 crore national budget for 2022-23 in June, up 12 per cent from the budget in the outgoing fiscal year.
- The calls for protecting the marginalised people and the lower-income groups have grown as inflation has escalated in Bangladesh owing to the fallout of the Russia-Ukraine War and the dragging coronavirus pandemic, both of which have disrupted global supply chains and sent commodities prices higher.
- "The budget should not be an ordinary one in an extraordinary period," said Bhattacharya, also a distinguished fellow of the Centre for Policy Dialogue.
- Inflation jumped to 6.17 per cent in February, the highest in 16 months, driven by soaring costs of foods, further eroding the purchasing capacity of consumers.



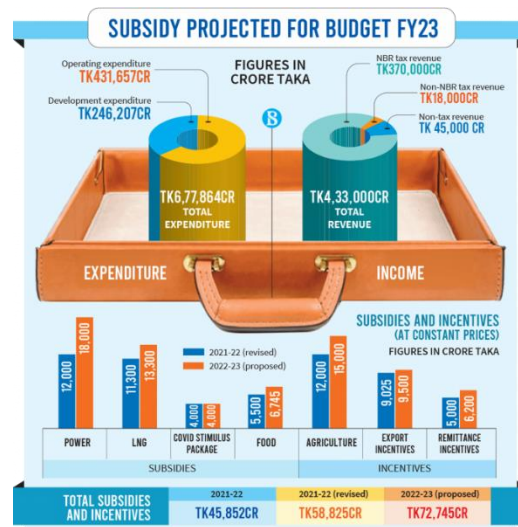
<https://www.thedailystar.net/business/economy/news/target-job-creation-reining-inflation-new-budget-3006796>

More subsidies coming to tame inflation

The Business Standard, April 17, 2022

- The government is going to formulate the next budget with the intent to keep inflation at a tolerable level by increasing subsidy allocations without resorting to upward adjustments to the prices of gas, electricity, and fertilisers. The budget for the upcoming fiscal 2022-23 also aims at alleviating poverty by boosting domestic investment all the more and creating more jobs.

- Some Tk72,745 crore will be earmarked for subsidies and incentives in FY23, which is 54% higher than the original budget for the current fiscal year and 24% higher than the revised budget. The subsidies for LNG, electricity, and agriculture will stand at Tk46,300 crore, according to finance ministry officials.
- The finance ministry fears that if subsidies are withdrawn at the moment, inflation will rise to 9%.
- Besides, the finance ministry has decided to give a further edge to exporters over their competitors in the global market by devaluing taka against dollars in the new fiscal year, keeping in mind the deepening financial crises in Pakistan, Nepal and Sri Lanka.
- Moreover, apart from the existing 2.5% incentives, new benefits may come on offer for expatriate workers so they feel more encouraged to send home remittances through legal channels. In this way, the government wants to maintain a satisfactory foreign exchange reserve.
- If necessary, the government will cut down allocations for other sectors for additional subsidies, taking into account employment, inflation, and production in industries and agriculture, finance ministry officials involved in preparing the next budget said.



<https://www.tbsnews.net/economy/more-subsidies-coming-tame-inflation-404954>

International

Lankan bondholders brace for losses in debt restructuring

The Daily Star, April 18, 2022

- Some big US banks have again started stockpiling cash to cushion potential loan losses due to growing worries over the war in Ukraine and the impact of inflation on the US economy, although trading continues to be bright spot for Wall Street. JPMorgan Chase & Co, Goldman Sachs Group Inc and Citigroup Inc combined put aside a \$3.36 billion in credit loss reserves in the first quarter, the banks said.
- "The banks do not see much in the way of current economic problems, just the likelihood that weaker economic conditions are likely to develop." Citigroup, the most global US bank, bore the brunt, adding \$1.9 billion to its reserves related to its Russia exposure and the war's broader macroeconomic impact. The bank's executives said it could lose \$ 2.5 to \$3 billion on its Russia exposure.
- JPMorgan, the country's largest lender, on Wednesday added \$902 million to its reserves, driven by "the probability of downside risks due to high inflation and the war in Ukraine," as well as accounting for Russia-associated exposure. It has said it could lose \$1 billion on its Russia exposure over time. Goldman likewise cited "macroeconomic and geopolitical concerns" among other reasons for its \$561 million provision and said it will take a \$300 million first quarter hit on Russia.

<https://www.thedailystar.net/business/global-economy/news/lankan-bondholders-brace-losses-debt-restructuring-3006741>

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