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Stock Market & Company

DESCO endures record loss as foreign debt repayment balloons but profit shrinks

The Financial Express, October 17, 2023

- Dhaka Electric Supply Company (DESCO) endured record loss in FY23 for selling electricity with a narrow profit margin and for the faltering taka against the dollar.
- Electricity distribution to the consumer level resulted in a loss of Tk 1.13 billion in the fiscal year since the profit made could not cover the expenses, according to the financial statements published on Monday.
- On top of that, DESCO had to pay much higher against its foreign debts as the taka lost value against the dollar in the year, expanding the annual loss.
- The state-owned electricity distributor has reported a loss of Tk 5.41 billion for FY23 as against a profit of Tk 667 million for the year before.



<https://thefinancialexpress.com.bd/stock/bangladesh/desco-endures-record-loss-as-foreign-debt-repayment-balloons-but-profit-shrinks>

Stocks open positive as low-cap shares surge

The Financial Express, October 17, 2023

- Stocks opened on a positive note on Tuesday as bargain hunters showed buying interest in selective small-cap stocks in anticipation of short-term gains.
- Capitec Grammen Bank Growth Fund, which made its debut today, was the top gainer, rising 10 percent at the opening.
- Besides, some small-cap stocks such as Kohinoor Chemicals, Libra Infusion, Premier Cement and Khulna Printing, and Miracle Industries, dominated the gainers' list till then.

- The DSES index, which represents Shariah-based companies, gained 3.80 points to 1,362 till then. The DS30 Index, which consists of blue-chip companies, saw a fractional gain of 0.05 points to 2,136 till then.

<https://thefinancialexpress.com.bd/stock/bangladesh/stocks-open-positive-as-low-cap-shares-surge>

Trust Bank takes full control of Trust Axiata Digital, now opts for going slow

The Financial Express, October 17, 2023

- Trust Bank Ltd is planning to proceed 'slow and steady' after acquiring 100 per cent ownership of its subsidiary, Trust Axiata Digital Limited, a mobile financial service established by the bank in collaboration with Malaysia-based Axiata Digital Services Sdn Bhd in 2020.
- Recently, Trust Bank Limited (TBL) decided to purchase 22.1 million ordinary shares of Trust Axiata Digital Ltd from Axiata Digital Services Sdn Bhd at Tk 10 per share, according to a disclosure on the Dhaka Stock Exchange.
- "The process of purchasing 49 per cent share of tap [Trust Axiata Pay] is almost complete, Trust Bank now owns 100 per cent shares of the MFS," TBL Managing Director and Chief Executive Officer Humaira Azam told The Financial Express.
- Of the shares, some 22,049,990 were acquired in the name of TBL, while 10 shares were registered in the name of its Managing Director and Chief Executive Officer Humaira Azam.

<https://thefinancialexpress.com.bd/stock/bangladesh/trust-bank-takes-full-control-of-trust-axiata-digital-now-opts-for-going-slow>

Midas Financing loss widens by 29% on net interest income slump

The Business Standard, October 17, 2023

- Midas Financing Ltd reported a 29% increase in its consolidated net loss after tax, reaching Tk12.23 crore in the July–September quarter, primarily due to a decrease in net interest income.
- The consolidated loss per share was Tk0.85, representing an increase from a loss of Tk0.66 in the same period of the previous year.
- The board of directors has also decided to open the Shariah-based Islamic financing wing of the company and amend the relevant clauses of the Memorandum and Articles of Association, subject to the approval of the shareholders and regulatory authorities.
- Midas Financing Ltd began its operation as an NBFIs at the end of 1999, and it got listed on local bourses in the early 2000s.
- At the end of March 2023, the outstanding loans of Midas Financing stood at Tk976.52 crore. Of which, the classified loans stood at Tk140.64 crore, representing 14.40% of the total loans disbursed.

<https://www.tbsnews.net/economy/stocks/midas-financing-loss-widens-29-net-interest-income-slump-720970>

Economy & Industry

Are we ready to adopt OMS technology?

The Daily Star, October 17, 2023

- Mobile financial services (MFS) played a crucial role in promoting financial inclusion by providing services to individuals who previously did not have access to formal banking systems.
- Telecom operators, banks and other financial institutions also formed partnerships to expand the reach of MFS services. However, we have been unable to open up the stock market to the mass population.
- Except for Dhaka, Chattogram, and Sylhet metropolitan areas, people in other regions are not aware of the stock market. At the district level, there are a few stock brokerages running the business in the form of digital booths.
- The adoption of Order Management Systems (OMS) in the stock brokerage industry is relatively new and has been slow in recent years due to lower market turnover and bearish market trends.

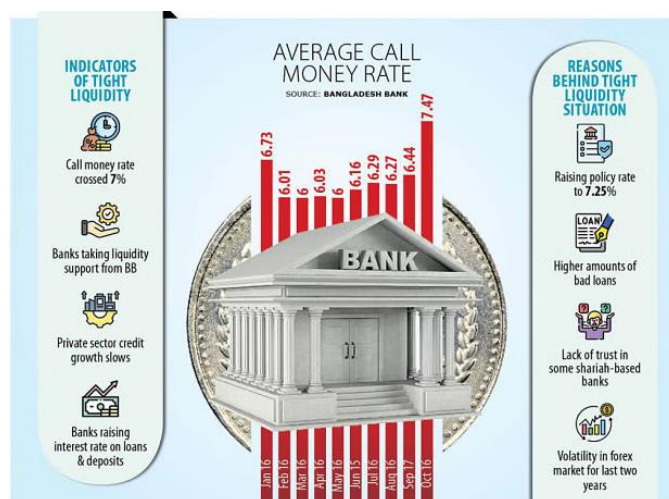
- Amidst these challenges, many brokerage houses have been hesitant to invest in integrated OMS technology, fearing that the substantial costs may not yield immediate returns.

<https://www.thedailystar.net/business/economy/news/are-we-ready-adopt-oms-technology-3445976>

Banks suffering for growing liquidity stress

The Daily Star, October 17, 2023

- A majority of banks in Bangladesh, including some Shariah-based ones, are facing difficulties in running their activities due to a liquidity crisis, according to industry people.
- The liquidity crunch deepened further as the central bank recently raised the policy rate to tackle ongoing inflationary pressure in the country.
- The average overnight call money rate stood at 7.47 percent yesterday, the highest in the last several years, as per the latest data of Bangladesh Bank.
- The call money rate stood at 6.44 percent on September 16.
- The average call money rate crossed the 7 percent mark on October 5, when the banking regulator raised the policy rate by 75 basis points to 7.25 percent to step up its fight against inflation.



<https://www.thedailystar.net/business/economy/news/banks-suffering-growing-liquidity-stress-3445351>

Bangladesh's exports to India drop in Q1

New Age, October 17, 2023

- Bangladesh's export earnings from India in the first quarter (July-September) of the current financial year 2023-24 fell by 11.22 per cent to \$543.90 million compared with those of \$612.66 million in the same period of FY23 due to an economic slowdown in the country.
- Exporters said that the ongoing economic turmoil affected all over the world and the consumption also decreased in India due to the devaluation of the rupee against the dollar.
- They said that the overall imports of India had decreased in recent months as people were spending less for other than food and medicine to adjust their income with inflation.
- According to the Export Promotion Bureau data, Bangladesh's apparel exports to India in July-September period of FY24 decreased by 7.69 per cent to \$282.82 million compared with those of \$306.39 million in the same period of FY23.

<https://www.newagebd.net/article/215246/bangladeshs-exports-to-india-drop-in-q1>

International

China tightens curbs on foreign travel by bankers, state workers

New Age, October 17, 2023

- Chinese civil servants and employees of state-linked enterprises are facing tighter constraints on private travel abroad and scrutiny of their foreign connections, according to official notices and more than a dozen people familiar with the matter, as Beijing wages a campaign against foreign influence.
- Ten current and former employees told Reuters the curbs had been widened since 2021 to include bans on overseas travel, tighter limits on trips' frequency and duration, onerous approval processes, and pre-departure confidentiality training. They said the measures were unrelated to COVID-19.

- The individuals' accounts varied but were consistent in describing heightened scrutiny of overseas travel even after China reopened borders in January. The people, who worked across the country as civil servants, in state-owned enterprises or the public sector more broadly, spoke on the condition of anonymity because of the issue's sensitivity.
- Reuters also found eight public announcements over the past two years by eight government entities, including the national pension fund, that indicated they were strengthening rules around workers' personal trips outside China, without detailing all the changes.

<https://thefinancialexpress.com.bd/economy/global/china-tightens-curbs-on-foreign-travel-by-bankers-state-workers>

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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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