

## Key News

- ✓ [A Rouf Chowdhury: a dreamer and a trailblazer](#)
- ✓ [Weekly market review: Stocks flounder on selling spree](#)
- ✓ [Mid-cap drug makers lose, wiping out much of market value](#)
- ✓ [Confidence Cement's Q2 profit slides 20pc](#)
- ✓ [Despite inflation, most food makers earn double-digit profit growth in H1, FY23](#)
- ✓ [Robi's profit squeezed for forex crisis](#)
- ✓ [Higher internet demand boosts IT firms' half-yearly profits](#)
- ✓ [Reckitt Benckiser declares 40.6% lower dividend for 2022](#)
- ✓ [BSEC to extend time for inspecting RACE-operated mutual funds' assets](#)
- ✓ [Interest rate hike won't bring down inflation](#)
- ✓ [Survey finds poor accountability key challenge for development work](#)
- ✓ [US stocks mostly fall to conclude mixed week](#)

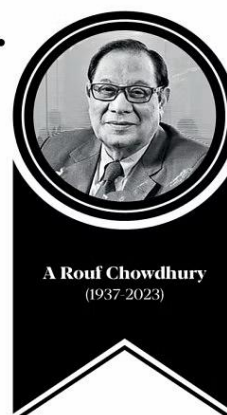
### A Rouf Chowdhury: a dreamer and a trailblazer

The Daily Star, February 19, 2023

- Bangladesh's banking sector has long been going through a difficult time as a majority of banks are plagued by challenges stemming from a lack of corporate governance. But Bank Asia Ltd stands out thanks to its unwavering focus on following rules strictly under the leadership of a strong board of directors led by A Rouf Chowdhury.
- Chowdhury died yesterday at the age of 86, ending an illustrious entrepreneurial journey spanning more than four decades during which he set up over 50 companies and created jobs for around 35,000 people.
- He not only built a successful bank. Rather, the prolific businessman founded companies with business interests in automobiles, pharmaceuticals, real estate, IT, deep-sea fishing, telecommunications, electronics, food processing and insurance.
- Chowdhury spearheaded the creation of Bank Asia in 1999 by acquiring the Bangladesh operations of the Canadian Bank of Nova Scotia. It later acquired the Bangladesh operations of Pakistani bank Muslim Commercial Bank.

#### CAREER

- Started his career in a pharmaceutical company
- Was the resident manager of two American pharma companies in Bangladesh
- Was in the senior management position in Jamuna Oil Company
- He started his own business in 1979
- Was founding chairman of Rangs Group, Rancon Group, Sea Resources Group
- Was the founder director of Mediaworld, the parent company of leading English daily The Daily Star
- Spearheaded the creation of Bank Asia in 1999 by acquiring the Bangladesh operations of the Canadian Bank of Nova Scotia



#### BUSINESS INTERESTS

Bank, automobiles, pharmaceuticals, real estate, IT, deep-sea fishing, telecom, electronics, food processing, insurance, etc.

#### TOTAL COMPANIES

Founded over 50 companies in the last four decades

#### MAJOR VENTURES

- Bank Asia
- Rangs Motors
- Rangs Pharmaceuticals
- Rangs Real Estate
- Rangs Construction
- Rangs Power Tech
- Sea Resources
- Sea Fishers

- He helped Bank Asia become an efficient financial institution, which is described as a model when it comes to financial inclusion as it took banking services to the doorsteps of millions of unbanked people through its agent banking.
- A pioneer in the banking industry, the lender introduced the country's first agent banking service in January 2014, giving the country's financial inclusion agenda a shot in the arm. The alternative banking platform of Bank Asia has gained huge traction among the unbanked and underbanked and has already had 55 lakh account-holders.
- Chowdhury was born on September 22 in 1937 and went on to study business management at the prestigious Massachusetts Institute of Technology in the United States. He started his career at a pharmaceutical company. He began his own business in 1979.
- He founded Sea Resources Group (SRG) in 1982 with a vision to establish the deep-sea fishing sector in Bangladesh as one of the prominent contributors to the economy.

<https://www.thedailystar.net/business/economy/news/rouf-chowdhury-dreamer-and-trailblazer-3251626>

## Stock Market & Company

### Weekly market review: Stocks flounder on selling spree

The Financial Express, February 18, 2023

- Stocks extended the losing streak for a third straight week to Thursday as sellers kept their dominance on the trading floor amid lack of clear direction of the market. Investors' appetite for taking long term positions in equities has been weakened due to the dismal financial performance of the majority of listed companies in the most recent quarter.
- Of the five trading days this week, three sessions suffered losses while the two others posted modest gains but failed to pare those losses.
- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), ultimately finished the week at 6,246.21, with a fall of 37.10 points. The DSEX lost 50 points in the past three weeks in a row.
- As a result, investors' participation in the market dropped 35 per cent to Tk 21.11 billion in total. And the average daily turnover stood at Tk 4.22 billion as against Tk 6.49 billion in the week before.
- Bangladesh Shipping Corporation became the week's turnover leader with shares worth Tk 1.44 billion changing hands, closely followed by Genex Infosys (Tk 1.40 billion), Shinepukur Ceramic (Tk 1.03 billion), Olympic Industries (953 million) and Sonali Paper & Board Mills (Tk 898 million).
- Of 375 issues traded, 197 remained unchanged, 151 declined while 27 advanced on the DSE floor. Al-Haj Textile Mills was the top gainer, posting a 15.12 per cent rise while ICB AMCL CMSF Golden Jubilee Mutual Fund was the worst loser, losing 24.24 per cent.
- Most of the major sectors suffered losses with general insurance incurring the highest loss of 3.73 per cent, followed by mutual fund 2.55 per cent, life insurance 1.54 per cent, pharma 0.61 per cent and food 0.32 per cent.
- The Chittagong Stock Exchange (CSE) also ended lower, with the CSE All Share Price Index (CASPI) shedding 107 points to settle at 18,428 and its Selective Categories Index (CSCX) losing 65 points to close the week at 11,047.

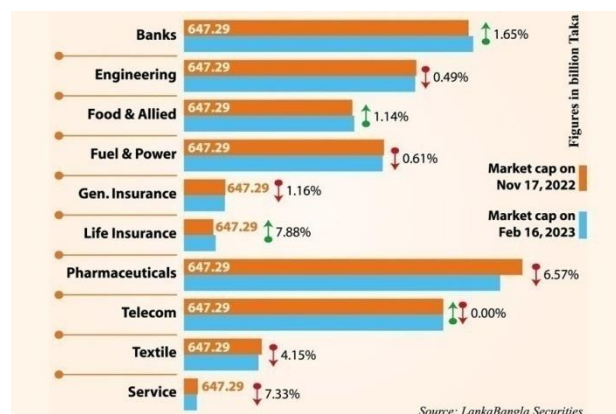


<https://thefinancialexpress.com.bd/stock/weekly-market-review-stocks-flounder-on-selling-spre-1676690425>

## Mid-cap drug makers lose, wiping out much of market value

The Financial Express, February 18, 2023

- The pharmaceuticals and chemicals sector lost over 6.5 per cent in market capitalisation to Tk707.6 billion in the three months through February 16 this year, at a time when a good number of stocks on the Dhaka Stock Exchange have been languishing at floor prices.
- Though it is the second highest fall in market cap during the time, its contribution is more than any other sectors to the decline of the total market cap since the pharma sector has the highest market share at 9.26 per cent.
- The pharma sector's market value eroded mainly because of price corrections endured by mid-cap stocks, such as Central Pharma-ceuticals, ACI, and Navana Pharmaceuticals.
- The sector leaders -- Square Pharmaceuticals, Renata, and Marico Bangladesh - made little impact on the decline in market value.
- Central Pharmaceuticals fell 17 per cent, ACI 5 per cent, Navana Pharma-ceuticals 9 per cent, and Orion Pharma 9 per cent during the period.
- Central Pharmaceuticals had reduced its year-on-year loss in October-December, 2022 while ACI and Navana Pharmaceuticals experienced a decline in their earnings for the period compared to the same quarter in the previous year, according to disclosures made by them. Big stocks -- Renata and Marico Bangladesh -- remained unchanged at floor prices of Tk 1217.90 and Tk 2421.50 per share since November 17 last year.



<https://thefinancialexpress.com.bd/stock/mid-cap-drug-makers-lose-wiping-out-much-of-market-value-1676777137>

## Confidence Cement's Q2 profit slides 20pc

The Financial Express, February 18, 2023

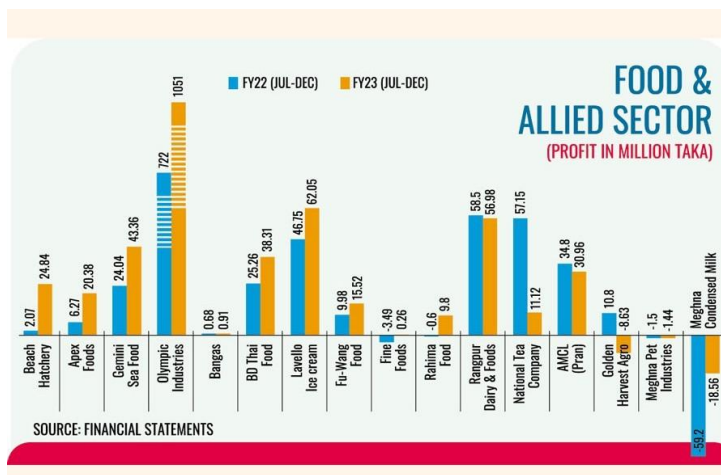
- Confidence Cement Limited, a concern of Chattogram-based Confidence Group, on Thursday reported a 20 per cent drop in profit year on year in the second quarter (Q2) of fiscal year 2023. The company attributed the lower profit to higher raw material prices in the international market and sharp depreciation of local currency against the US dollar.
- The cement maker raked in a profit of Tk 214.62 million in October-December 2022 as against Tk 267.88 million in the same quarter a year earlier.
- As a result, its consolidated earnings per share (EPS) stood at Tk 2.74 for Q2, down from Tk 3.42 in the same quarter a year before, according to its unaudited financial statements. The cement manufacturer's revenue also edged down by 1.37 per cent year on year to Tk 1.05 billion in the three months through December 2022.
- Its consolidated profit for six months (July-December 2022) also dropped 23 per cent year on year to Tk 346 million. And the net operating cash flow per share (NOCFPS) was Tk (4.98) for July-December 2022 as against Tk (5.25) for the same period of the previous year.

<https://thefinancialexpress.com.bd/stock/confidence-cements-q2-profit-slides-20pc-1676690259>

## Despite inflation, most food makers earn double-digit profit growth in H1, FY23

The Financial Express, February 17, 2023

- A majority of listed food makers gained double-digit profit growth year-on-year in the first half of the ongoing financial year even when inflation is sky high and all other indicators portray a turbulent economic situation.
- Olympic Industries, which owns some of the best-selling biscuit and bakery brands, saw its earnings jump by a remarkable 46 per cent to Tk 1.05 billion in July-December 2022, compared to the same period last year.
- In fact, the latest six-month's profit was equivalent to the annual profit of the previous fiscal year.
- The biscuit maker's sales revenue also grew 32 per cent year-on-year to Tk 13.67 billion in the six months through December 2022 as both local sales and exports rose.
- Having been manufacturing confectionary items, as well as dry cell batteries, Olympic Industries reported a 14 per cent export growth to Tk 144.4 million in the first half of the FY23. Similarly, 9 other companies showed double-digit growth year-on-year in the first half of the FY23.
- Among the 21 stocks listed under the food and allied sector, 16 have been studied. Biscuit manufacturers and shrimp exporters had impressive growth in sales and profit while milk, juice and tea companies' profit slumped, according to the disclosures by the companies.



<https://thefinancialexpress.com.bd/stock/despite-inflation-most-food-makers-earn-double-digit-profit-growth-in-h1-fy23>

## Robi's profit squeezed for forex crisis

The Daily Star, February 17, 2023

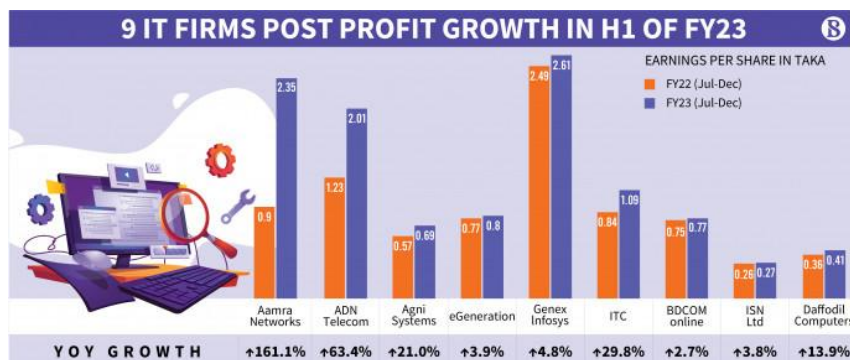
- Mobile phone operator Robi Axiata missed clocking an additional Tk 178 crore in profit in 2022 due to the massive depreciation of the local currency against the US dollar. The second-largest mobile operator of Bangladesh saw a 1.3 per cent year-on-year higher profit to Tk 183 crore last year.
- But Robi could have made a profit of Tk 361 crore instead of Tk 183 crore, said the company's chief corporate and regulatory officer Mohammed Shahedul Alam. The gradual fall of the taka against the US dollar wiped out half of Robi's profit after tax in 2022, he said.
- The taka lost its value by about 20 per cent against the American greenback last year owing to the shortage of the US dollar caused by escalated import bills against moderate remittance and export earnings. Still, the telecom operator's revenue rose 5.5 per cent year-on-year to Tk 8,586 crore last year.
- The earnings per share for the company were Tk 0.35 in 2022, up from Tk 0.34 a year earlier, according to the price-sensitive information.

<https://www.thedailystar.net/business/economy/news/robis-profit-squeezed-forex-crisis-3250121>

## Higher internet demand boosts IT firms' half-yearly profits

The Business Standard, February 18, 2023

- Nine, out of the ten listed IT firms that have published earnings for the July to December period of the ongoing 2022-23 fiscal year, have posted profit growth year-on-year, and the credit goes to an ever-growing demand for the internet in the country.
- According to industry people, IT-enabled services (ITES) in the country are increasing rapidly because of higher demand for the internet, automation of various public and private institutions, and extensive use of IT in financial transactions and educational institutes.
- From the pandemic time, companies from pretty much every sector have been leaning more towards automation in order to reduce costs, which has created more business for the IT sector companies.
- Even small-scale merchants like coconut sellers, jhalmuri sellers, and cobblers are also turning to cashless transactions. Recently, about 1,200 such merchants in the capital's Motijheel have signed up for digitalisation.
- Now coming to the listed IT firms' performances, Aamra Networks reported the highest 161% profit growth in the first half of FY23. The company's earnings per share (EPS) stood at Tk2.35. During the period, the firm's revenue also increased because of an increase in its IT and software related services, as well as internet sales.



<https://www.tbsnews.net/economy/stocks/higher-internet-demand-boosts-it-firms-half-yearly-profits-587086>

## Reckitt Benckiser declares 40.6% lower dividend for 2022

The Business Standard, February 18, 2023

- UK-based multinational Reckitt Benckiser Bangladesh declared a 980% cash dividend to its shareholders for the year that ended on 31 December 2022, which was 40.6% lower than the previous year.
- In 2021, it had paid the highest ever 1,650% cash dividend in its history. The company saw profit growth in the previous years, mainly due to the increase in sales of health and hygiene products because of the Covid-19 pandemic. And based on this profit growth, the company declared handsome dividends for 2019, 2020, and 2021.
- But in 2022, the company's health and hygiene product sales decreased owing to the easing of the pandemic situation. Its profit also fell because of the high price of raw materials, and appreciation of the dollar.
- In 2020, the company spent a lot of money to create mass awareness about the strength of its products and then later slashed the spending, according to Reckitt's financial statement. Last year, the company's earnings per share (EPS) dropped by 18% to Tk139.50 and its net asset value also declined by 12% to Tk176.80, compared to the previous year.
- Also, in the first nine months of 2022, the company witnessed EPS decline. In its financial report at the time, the company said cost of sales increased around 21.23% compared to the same period in 2021 due to unprecedented hikes in prices of key ingredients (soap and noodles).

<https://www.tbsnews.net/economy/stocks/reckitt-benckisers-dividend-drops-4060-586998>



## BSEC to extend time for inspecting RACE-operated mutual funds' assets

The Business Standard, February 16, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) is extending time for looking into the assets of mutual funds managed by the Bangladesh RACE Management PCL, a mutual fund asset management company.
- In January, the stock market regulator formed three separate committees to inspect the assets of three fund managers – Race Asset Management, LR Global Bangladesh, and ICB Asset Management. The committees are ordered to submit reports within a month.
- According to Mohammad Rezaul Karim, executive director and spokesperson of the BSEC, the inspection period of RACE assets is being extended by another month as per the request of the committee. He, however, could not say anything about the inspection of the other two fund managers.
- The BSEC formed the committees after a report emerged saying that UFS Asset Management had embezzled Tk158 crore from investors' funds. RACE currently manages 12 mutual funds, of which 10 are Closed-End funds and two are Open-End funds. These funds have more than Tk2,000 crores of assets.

<https://www.tbsnews.net/economy/stocks/bsec-extend-time-inspecting-race-operated-mutual-funds-assets-586226>

## Economy & Industry

### Interest rate hike won't bring down inflation

The Daily Star, February 19, 2023

- Inflation or prices of many products, including essential commodities, will come down if the same happens in international markets or if import duties are adjusted, not if interest rates are hiked, said FBCCI President Md Jashim Uddin yesterday. "If the interest rate is increased, will people buy less? Already people are buying less in the current economic situation. Since then, the price of many products has increased," he said.
- Although inflation in Bangladesh has maintained a downward trend for the past five consecutive months, it is still high enough to affect those living in the middle-income category and below, experts say.
- The Consumer Price Index rose 8.57 per cent last month, a decrease of 14 basis points from 8.71 per cent in December, according to data from the Bangladesh Bureau of Statistics. January's inflation figure was the lowest since August when consumer prices surged to a 10-year high of 9.52 per cent.
- The interest for lending came to the spotlight last month when Bangladesh Bank unveiled its monetary policy statement for the January-June period. The key targets of any monetary policy are usually set to diffuse the price pressure. The banking sector has been following a 9 per cent cap on interest for lending since April 2020 as per the instruction of the central bank.
- The objectives include securing concrete investment proposals, developing a solid investment pipeline for important sectors and facilitating effective networking, dialogue and partnership opportunities among national and international investors, policymakers and stakeholders.

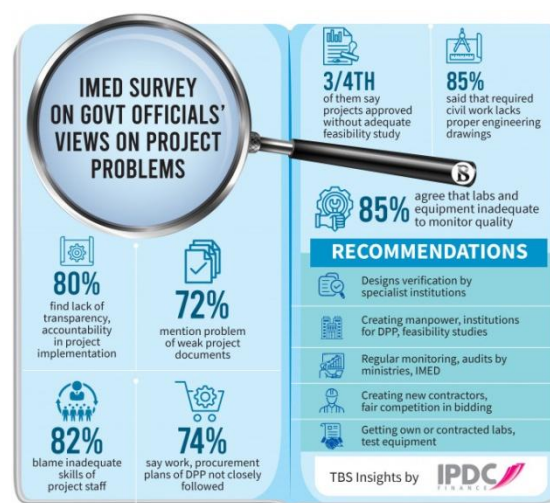
<https://www.thedailystar.net/business/economy/news/interest-rate-hike-wont-bring-down-inflation-3251581>

### Survey finds poor accountability key challenge for development work

The Business Standard, February 19, 2023

- More than 80% of project officials in Bangladesh have identified the lack of transparency and accountability as a major challenge in implementing the country's development works marred by chronic problems like inadequate feasibility study and flawed design, resulting in cost- and time overruns and reducing intended benefits, according to a government study.

- Conducted by the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry, the study found that three-quarters of the respondents believed that 40% of the projects are affected by such challenges.
- Moreover, 75% of government officials expressed their concerns that projects are approved without proper feasibility studies and consultations with stakeholders.
- In addition, the study, titled "Issues and Challenges of Implementation of Development Projects in Bangladesh with Special Focus on Time and Cost over-run", revealed that 85% of officials involved in project implementation believed that the engineering design of civil works is crucial to the successful completion of projects. However, most civil works lack proper engineering drawings, leading to design changes for 61%-100% of the projects.



<https://www.tbsnews.net/economy/survey-finds-poor-accountability-key-challenge-development-work-587130>

## International

### US stocks mostly fall to conclude mixed week

The Daily Star, February 19, 2023

- Wall Street stocks finished mostly lower Friday to conclude a mixed week pressured by worries over more interest rate hikes. The yield on the 10-year US Treasury note inched lower, but stood within striking distance of four per cent after inflation reports earlier in the week lifted yields.
- The rise has come as Federal Reserve officials talked up the need for more interest rate increases in recent days. 'It isn't just Fed expectations that are rising, traders are also expecting the (European Central Bank) to send rates much higher,' said Oanda's Edward Moya.
- 'It looks like global growth will definitely take a harder hit as monetary policy gets even more restrictive over the next few months,' he added. The Dow Jones Industrial Average ended up 0.4 per cent at 33,826.69.
- The broad-based S&P 500 declined 0.3 per cent to 4,079.09, while the tech-rich Nasdaq Composite Index shed 0.6 per cent to 11,787.27. Stocks have been volatile this week as investors weigh hopes of a 'soft landing' from a period of elevated inflation against worries that central bank actions could prompt a serious recession.
- Among individual firms, Deere & Company jumped 7.5 per cent after reporting higher profits and offering an upbeat assessment of its market, with 'low machine inventories' boosting demand for agriculture equipment.

<https://www.newagebd.net/article/194819/us-stocks-mostly-fall-to-conclude-mixed-week>

## Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

## About Bank Asia Securities Ltd

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).

## BASL Research Team

Mr. Shariful Alam Chowdhury  
Head of Research & Investments

tushar@basl-bd.com

Mr. Shohidul Islam  
Research Analyst

shohidul@basl-bd.com

## BASL Networks

### Head Office

Hadi Mansion (2nd Floor)  
2, Dilkusha Commercial Area  
Dhaka-1000, Bangladesh  
Phone: +88-02-9515826-28  
E-mail: info@basl-bd.com

### Dhanmondi Branch

Meher Plaza (1st Floor),  
House # 13/A, Road # 05  
Dhanmondi, Dhaka - 1207  
Phone: +8802-44611923-24

### Mirpur Branch

Nishi Plaza, plot # 01,  
Avenue-04, Section-06, Block-C  
Mirpur, Dhaka - 1216  
Phone: +8802-58055449, 48032449

### Uttara Branch

House # 79/A, (4th Floor),  
Road # 07, Sector # 04  
Uttara Model Town, Dhaka-1230  
Phone: +88-02-48958389, 48958371

### Banani Branch

Nur Empori, Plot # 77 (1st Floor),  
Road No # 11, Banani,  
Dhaka-1213  
Phone: +88028836155, 8836849

### Nikunja Branch

DSE Tower, Level 10, Room# 200,  
Nikunja, Dhaka-1229  
Phone: +8809666702070Beraid

### Bijoy Nagar Extension

Prime Tower (3rd Floor), 180-181  
Dhaka-1213  
Phone: +880248318685

### Khulna Branch

28, Sir Iqbal Road (1st Floor)  
Khulna  
Phone: +88-041-731208-9

### Chattogram Branch

Bank Asia Bhaban (3rd Floor)  
39, Agrabad Commercial Area  
Chattogram-4001  
Tel : +8801730338091

### Badda Digital Booth

Digital Booth (Beraid Badda)  
Chairman Building (Ground Floor),  
390, Bhuyian Para (Beraid Bazar),  
Badda, Dhaka-1212.

### Rajshahi Digital Booth

Chamber Bhaban (2<sup>nd</sup> Floor),  
Station Road,  
Alokar Moor,  
Rajshahi – 6100,  
Phone: 0088 02-088852318-9

### Bogura Digital Booth

Jamil Shopping Center (3<sup>rd</sup> Floor),  
288/325 Rangpur Road, Bogura Poura  
shava  
Bogura Sadar, Bogura. 5800  
Mobile#01739872483

For International Trade & Sales, please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at [research@basl-bd.com](mailto:research@basl-bd.com).