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Stock Market & Company

Dhaka stocks keep falling amid investors' poor participation

The Newage, April 18, 2022

- Dhaka stocks slumped for the second day on Monday with the turnover hitting a fresh one-year low as investors, unnerved by the recent volatility on the market, continued selling shares heavily to avoid further losses. DSEX, the key index of the Dhaka Stock Exchange, declined by 1.1 per cent, or 72.5 points, to close at 6,482.38 points on Monday after losing 30.1 points in the previous session.
- Prices of more than 160 companies finished at the lowest limit of circuit breaker of 2 per cent on Monday. The turnover on the DSE dropped to Tk 390.38 crore on Monday compared with that of Tk 393.97 crore in the previous session.
- Monday's turnover was the lowest after April 5, 2021 when it was at Tk 236.60 crore.
- Among the large capitalised companies, a plunge in share prices of BEXIMCO, Beximco Pharmaceuticals, Square Pharmaceuticals, LafargeHolcim Bangladesh and British American Tobacco Company fuelled the volatility on Monday. Average share prices of all the sectors dropped on Monday while share prices of general insurance, textile, non-bank financial institution, energy and engineering sectors dropped the most.
- DS30 index comprising of 30 large capitalised companies slumped by 25.31 points to finish at 2,409.68 points and the DSE Shariah index lost 13.54 points to close at 1,428.67 points. JMI Hospital Requisite Manufacturing topped the turnover chart with its shares worth Tk 73.6 crore changing hands.
- LafargeHolcim Bangladesh, Kattali Textile, Square Pharmaceuticals, BEXIMCO, Bangladesh Shipping Corporation, Beacon Pharmaceuticals, Doreen Power, Beximco Pharmaceuticals and British American Tobacco Company were the other turnover leaders.
- JMI Hospital Requisite Manufacturing was the day's best performer, posting a gain of 7.96 per cent, while Central Insurance was the worst loser, shedding 2 per cent.

<https://www.newagebd.net/article/168414/dhaka-stocks-keep-falling-amid-investors-poor-participation>

BSEC suspends 15 authorised traders for aggressive selling

The Business Standard, April 18, 2022

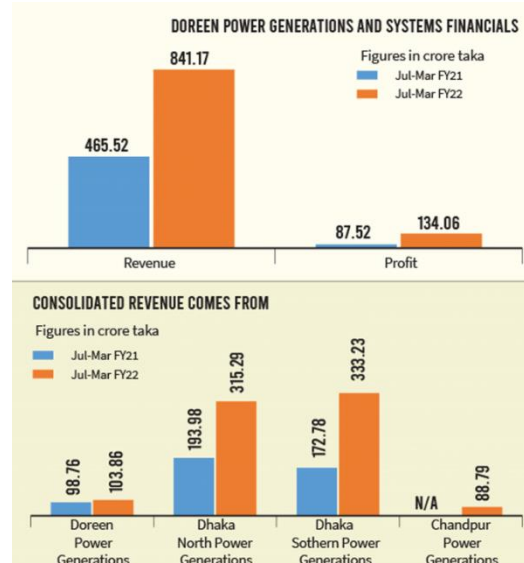
- The Bangladesh Securities and Exchange Commission (BSEC) on Monday ordered the suspension of 15 authorised traders for aggressively selling off shares of several companies and thus creating panic among investors. "Our surveillance found several brokerage firms engaging in the creation of abnormal sell pressure in some large-cap scrips. They put zero-price bulk orders that dragged down the stocks' price abnormally and that is why the commission ordered nine brokerage firms to suspend 15 of their traders," BSEC Executive Director Rezaul Karim told The Business Standard.
- Authorised representatives or traders execute buy-sell orders at brokerage firms. Of the 15 suspended traders, five worked for ICB Securities Trading, two for Rashid Investment Services and Shyamol Equity Management, and one each for brokerage firms Parkway Securities, Quayum Securities, Mercantile Bank Securities, TA Khan Securities, JKC Securities, and Kazi Equities.
- Whoever is violating the trading rules and creating panic in the market would face the music, Rezaul Karim warned. "We have got complaints that some traders are discouraging buyers to bid for available prices and encouraging sellers to go aggressive and thus artificially hurting the market," he added.

<https://www.tbsnews.net/economy/stocks/bsec-suspends-15-authorised-traders-aggressive-selling-405398>

Subsidiaries help Doreen Power to exceed annual profit in nine months

The Business Standard, April 18, 2022

- Doreen Power Generations and Systems — an electricity supplier to the national grid — surpassed its last fiscal's annual profit in the July to March period of the ongoing fiscal year thanks to its subsidiaries. During the first nine months of fiscal 2021-22, Doreen Power's profit stood at Tk134.06 crore, whereas its whole year's profit for fiscal 2020-21 was Tk116.86 crore.
- According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Monday, Doreen Power's profit increased because of significant growth in the revenue and profit of its subsidiaries.
- The company has three subsidiaries: Dhaka Northern Power Generations, Dhaka Southern Power Generations which were formed in 2016, and Chandpur Power Generation which was formed in February this year.
- Not only the revenues of Dhaka Northern Power, and Dhaka Southern Power soared more than the previous fiscal, but the newly established Chandpur Power also earned a decent revenue of Tk88.79 crore within a month of its launch.
- According to Doreen Power's unaudited financial statements, the revenue of its subsidiary Northern Power grew 62% to Tk315.29 crore, and that of its other subsidiary Southern Power grew 93% to Tk333.23 crore in the January to March quarter of the current fiscal.
- In the ongoing fiscal's third quarter, Doreen Power's consolidated revenue increased by 172% to Tk377.58 crore, and consolidated profit by 120% to Tk55.01 crore, compared to the same quarter of the previous fiscal.



<https://www.tbsnews.net/economy/stocks/subsidiaries-help-doreen-power-exceed-annual-profit-nine-months-405382>

New EC of AACOBB

The Financial Express, April 17, 2022

- A new executive committee of Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB) for 2022-2023 has been elected unanimously at the CAMLCO Conference held in Cox's Bazar recently.
- Mohammad Ziaul Hasan Molla, Deputy Managing Director of Bank Asia Limited and Chowdhury Moinul Islam, Deputy Managing Director of BRAC Bank Limited, have been elected as Chairman and General Secretary respectively, said a statement.

- Other elected office-bearers of the committee are Md. Mustafa Khair, Additional Managing Director, First Security Islami Bank Limited--Vice Chairman-1; Syed Faridul Islam, Additional Managing Director, United Commercial Bank Limited--Vice Chairman-2; Maksuda Khanam, Deputy Managing Director, EXIM Bank Bangladesh Limited-treasurer; Mohammad Ali, Additional Managing Director, Pubali Bank Limited--Joint Secretary-1; and Sharon Dsouza, Chief Compliance Officer of HSBC--Joint Secretary-2.
- Eight elected members of the executive committee are CAMLCO of Rupali Bank Limited, National Bank Limited, Shimanto Bank Limited, Jamuna Bank Limited, The City Bank Limited, Agrani Bank Limited, Al-Arafah Islami Bank Limited and Habib Bank Limited.

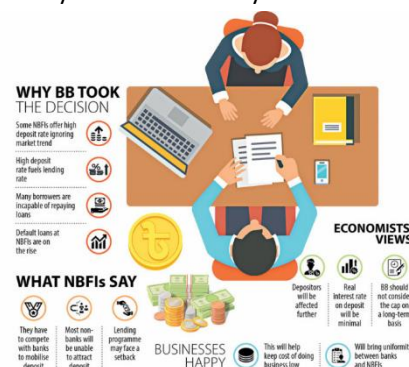
<https://thefinancialexpress.com.bd/stock/new-ec-of-aacobb-1650341192>

Economy & Industry

Non-bank interest cap goes against global trends

The Daily Star, April 19, 2022

- The Bangladesh Bank yesterday imposed an interest rate cap on deposits and loans at non-bank financial institutions aligning with the ceiling now prevailing at banks although rates are rising globally to tame runaway inflation. So, NBFIs will have to charge a maximum of 7 per cent on deposits and 11 per cent on loans from July 1, according to a BB notice.
- The central bank move came two years after it capped the interest on lending at 9 per cent and deposits at 6 per cent for banks, igniting the debate whether such intervention is the right approach as it sidesteps market forces.
- The interest cap comes at a time when countries are raising rates to combat inflation. For example, in March, the US central bank approved its first interest rate increase in more than three years.
- A number of economists and the International Monetary Fund (IMF) have already opposed such intervention.
- Economists and top executives of NBFIs say the interest cap would hand a blow to the financial health of the majority of non-banks, which are already struggling to keep pace with banks in mobilising deposits. Besides, the interest rate cap on deposits will further penalise savers as they have been hit hard by the lower interest rate regime given the upward trend of inflation.
- Some NBFIs have recently begun offering interest rates that are higher than the market rates with a view to collecting deposits, the BB said. The high-interest rates have fueled the cost of funds for the NBFIs. The higher interest rate on deposits quoted by NBFIs has pushed up the lending rate, bringing an adverse impact on borrowers.



<https://www.thedailystar.net/business/economy/banks/news/non-bank-interest-cap-goes-against-global-trends-3007516>

Central bank sets deposit rate at 7%, lending rate 11% for NBFIs

The Business Standard, April 17, 2022

- The central bank has set interest rates on deposit collection at 7% and loans at 11% for the country's non-banking financial institutions (NBFI). These interest rates will be effective from 1 July this year, according to a Bangladesh Bank circular issued to the commercial banks' chief executives and managing directors on Monday.
- The circular said recently it has been observed that some financial institutions are collecting deposits at high interest rates without complying with the existing market rates in terms of deposit collection and disbursement of loans. As a result, the cost of funds of the institutions is increasing unreasonably, which has resulted in disbursement of loans at high interest rates.
- Consequently, the borrowers are failing to repay loans on time and the amount of defaulted loans is increasing, which is having a negative impact on the economy as a whole, including production.

- The circular further said from 1 July 2022, interest rates on any types of deposits and loans cannot exceed the prescribed rates. However, the interest rate on deposits taken by the customers earlier will remain the same till the term of those debts expire.
- The central bank at its 420th board meeting on 17 March this year took a decision in principle to rationalise the interest rates on deposits and loans of financial institutions, but the formal directive regarding the actual rate came a month later on Monday.

<https://www.tbsnews.net/economy/banking/bb-fixes-7-interest-deposits-11-loans-nbfis-405362>

International

Asian markets slide on inflation, Covid fears

The Daily Star, April 19, 2022

- Asian stocks closed lower on Monday in cautious trade, as figures showed China's economic growth accelerated in the first quarter of the year, but the government warned of "significant challenges" ahead. Tokyo's benchmark Nikkei 225 ended down more than one percent and Shanghai posted small losses, while Hong Kong and Sydney were closed for holidays.
- Shanghai reported its first Covid-19 deaths since the start of its weeks-long lockdown. China's largest city and economic powerhouse has stewed under a patchwork of restrictions this year amid the country's worst Covid-19 outbreak since the start of the pandemic.
- The country reported first-quarter economic growth of 4.8 per cent, the National Bureau of Statistics said, as the pandemic threatens Beijing's ambitious annual growth target. That figure was up from 4.0 per cent in the final months of 2021. The world's second-biggest economy was already losing steam in the latter half of last year as it endured a property slump and regulatory crackdowns.
- "We must be aware that with the domestic and international environment becoming increasingly complicated and uncertain, economic development is facing significant difficulties and challenges," said NBS spokesman Fu Linghui.

<https://www.thedailystar.net/business/global-economy/news/asian-markets-slide-inflation-covid-fears-3007431>

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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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