

## Key News

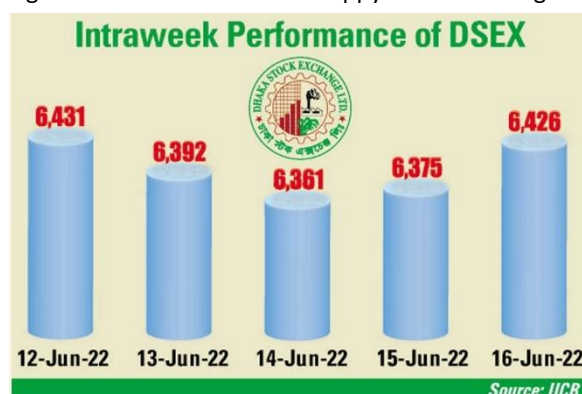
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## Stock Market & Company

### Weekly market review: Stocks tank as budget fails to attract investors

The Financial Express, June 18, 2022

- Stocks drifted lower in the first week after unveiling the national budget as investors were not happy with the budgetary measures on the capital market. Week on week, DSEX, the key index of Dhaka Stock Exchange (DSE), shed 54.56 points or 0.84 per cent to settle at 6,425.74, after gaining over 242 points in the past two weeks.
- Two other indices also ended lower with the DSE 30 Index, comprising blue chips, losing 24.44 points to finish at 2,327 and the DSE Shariah Index (DSES) falling 10.49 points to close at 1,403.
- Most sectors faced price correction with general insurance losing the most of 5.20 per cent, followed by cement 1.60 per cent, banking 1.40 per cent, food 1.30 per cent, telecom 0.70 per cent and pharma 0.60 per cent.
- On the other hand, the ceramic sector witnessed a phenomenal gain of 10.70 per cent over the week, followed by cement with 3.40 per cent, services & real estate 3.40 per cent and travel & leisure 1.30 per cent. Losers took a strong lead over the gainers, as out of 389 issues traded, 251 declined, 117 advanced and 21 remained unchanged on the DSE trading floor.



- Newly listed Meghna Insurance was the week's top gainer, posting a 59.50 per cent gain, while Bangladesh General Insurance Company was the worst loser, losing 9.33 per cent.
- The Chittagong Stock Exchange (CSE) also ended lower after two weeks with the CSE All Share Price Index (CASPI) losing 127 points to settle at 18,898 and its Selective Categories Index (CSCX) shedding 80 points to close the week at 11,410.

<https://thefinancialexpress.com.bd/stock/weekly-market-review-stocks-tank-as-budget-fails-to-attract-investors-1655525878>

## Express Insurance's 4.3 lakh shares sold at 'unusually' low price

The Newage, June 16, 2022

- More than four lakh shares of Express Insurance Limited were sold at Tk 3 each on Thursday on the Dhaka Stock Exchange though the day's opening price of the company's shares was Tk 29.90 each. If the opening price of Tk 29.90 each is considered, the value of the 4.3 lakh shares was Tk 1.28 crore, but the shares were sold at Tk 12.9 lakh only.
- There was no price limit on the company's shares on Thursday due to its corporate declaration. BSEC executive director and spokesperson Rezaul Karim told New Age that the commission observed an 'unusual' execution of shares of Express Insurance.
- 'We are analysing the transaction to see whether any malfunction or violation of rules was occurred in the trade,' he said. Rezaul said that the BSEC would find whether the trader executed the sale order at such a low price intentionally or not.

<https://www.newagebd.net/article/173436/express-insurances-43-lakh-shares-sold-at-unusually-low-price>

## Esquire Knit to invest Tk 47.77 million in a subsidiary

The Financial Express, June 17, 2022

- The board of directors of Esquire Knit Composite, a concern of Esquire Group, has approved an investment decision amounting to Tk 47.77 million for its subsidiary L' Esquire Limited. "This investment is part of a continued investment in a subsidiary company that will meet upcoming export opportunities and secure profit and dividend for the company," the company said in a filing with the Dhaka Stock Exchange (DSE) on Thursday.
- This investment will be financed on the basis of withdrawal of equivalent capital invested earlier in two associate companies -- Esquire Electronics and Esquire Accessories. The Esquire Knit Composite invested Tk 37.50 million in Esquire Electronics and Tk 10.27 million in Esquire Accessories, according to the filing.
- "The company has decided to withdraw the invested funds as they have not declared any dividend since Esquire Knit invested in its two associate companies," said the filing. Esquire Knit Composite raised a capital worth Tk 1.50 billion from the capital market in early 2019 under the book building method for business expansion.

<https://thefinancialexpress.com.bd/stock/esquire-knit-to-invest-tk-4777-million-in-a-subsiary-1655437923>

## Saif Powertec to acquire a company in UAE to provide marine supply chain solutions

The Business Standard, June 18, 2022

- Saif Powertec Limited is going to acquire a marine supply chain solutions provider company which was set up this year in the United Arab Emirates (UAE) by Saif Power Group and Dubai-based investors. To provide cost-effective shipping and logistic solutions to its clients from abroad, Saif Powertec's board at a meeting on 16 June decided to acquire all shares of Saif Maritime LLC for Tk1.26 crore.
- After the acquisition, Saif Powertec expects revenue of Tk26 crore and profit of Tk4 crore from Saif Maritime which will be treated as a full subsidiary company of its acquirer. The company has also decided to build a new inland container depot (ICD) with an estimated expense of Tk300 crore. It is also going to start a gas and oil exploration business by investing Tk473 crore as the first local private company in this field.
- Saif Powertec earned Tk233 crore from the port operation and Tk64 crore from selling batteries at the end of the first nine months of fiscal 2021-22. During the period, its consolidated profit was Tk42 crore. However, its debt burden increased alarmingly.

<https://www.tbsnews.net/economy/stocks/saif-powertec-acquire-company-uae-provide-marine-supply-chain-solutions-442350>

## BSEC seeks the business plan of Rangamati Food

The Business Standard, June 18, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has sought the current business status of Rangamati Food Products Ltd - a food processing company - within seven working days. The BSEC issued a letter to the company in this regard last week.
- Earlier, the commission allowed the share transfer of the company's sponsors and directors within August 2021 subject to compliance with some conditions. But since the approval, the BSEC has neither received any comprehensive business plan from the company nor the status of the demat process and completion of share transfer to date.
- As such, the BSEC asked the company to submit its current operational status, the demat process and share transfer status, and a statement regarding the comprehensive business plan and its implementation along with relevant documents. Besides, the statement of investment was made only by the buyers of Rangamati Food Products Limited as per the submitted plan to the BSEC.

<https://www.tbsnews.net/economy/stocks/bsec-seeks-business-plan-rangamati-food-442298>

## Excelsior Shoes gets BSEC ultimatum to comply with the 30% shareholding rule

The Business Standard, June 18, 2022


- The Bangladesh Securities and Exchange Commission (BSEC) has given an ultimatum to Excelsior Shoes Ltd - a 100% export-oriented shoemaker - to hold at least 30% shares of paid-up capital within 15 July 2022. If the company misses the deadline, BSEC will reconstitute its board. The commission issued a letter in this regard last week.
- Currently, the sponsors and directors of the company hold only 6.3% shares of its paid-up capital, whereas institutional investors have 23% and general investors 70.43%. Earlier, BSEC directed the Dhaka Stock Exchange (DSE) to inspect the premises of the company to assess its operational and financial status.
- Excelsior Shoes will be transferred from the over-the-counter (OTC) market to a new board, called the alternative trading board (ATB), once it opens on the DSE. Eligible non-listed securities can be traded in the ATB, and all types of investors will be able to trade.
- According to sources, the BSEC is working to transfer some of the OTC companies to the ATB, and some to the SME board. But before transferring Excelsior Shoes to the ATB, the commission wants to know the company's situation. Recently, the BSEC has discussed the business of Excelsior Shoes with the company and will take the next step after getting the inspection reports.

<https://www.tbsnews.net/economy/stocks/excelsior-shoes-gets-bsec-ultimatum-comply-30-shareholding-rule-442218>

## Spondon oil returns

The Business Standard, June 16, 2022

- Emerald Oil Industries is bringing rice-bran oil Spondon back to the market amid a crisis and rising prices of the cooking ingredient. According to the company's target, people can buy the oil in one-litre, two-litre, and five-litre bottles from next week.
- Emerald Oil Industries – the producer of the rice-bran oil – plans to cater for Dhaka first, and gradually it will expand the marketing network to the whole country.
- After a four-year halt to production due to loan scams by its owners, Minori Bangladesh – a subsidiary of Japanese farming company Minori Co Limited – extended its hand to manufacturing the oil after taking over sponsor-directors shares of Emerald Oil Industries.
- After the production disruptions since 2017, Emerald Oil Industries' full-fledged production started in January this year with a fresh investment by Minori Bangladesh.



**SPONDON OIL TO HIT THE LOCAL MARKET IN A WEEK**

**EMERALD OIL INDUSTRIES' BRIEF**

- Got listed in 2014
- Production was halted in 2017 due to a loan scam by owner
- Minori Bangladesh acquired the company last year
- Then operation resumed in January this year
- Used to produce crude, and DORB oil serving the local feed industry
- Now, will produce edible oil for consumers

- Estimated price will be Tk220 per litre
- Will be produced in Dhaka first
- Supply chain network of Fu-Wang Foods will be utilised
- Natural gas and LPG will be the main sources of its gas supply

- The production of the company is now running, and using available raw materials from rice bran, Emerald Oil has been producing crude oil and DORB oil. Now, it will produce cooking oil Spondon.

<https://www.tbsnews.net/economy/stocks/spondon-oil-returns-441162>

## Haji Ahmad Brothers included in ICB Capital's panel broker

The Business Standard, June 16, 2022

- ICB Capital Management Limited has included Haji Ahmad Brothers Securities for the first time from the private sector in its panel broker. **Asit Kumar Chakravoty**, chief executive officer of ICB Capital, and **Raquib Mohammad Fakhurul**, chairman of Haji Ahmad Brothers Securities, on Wednesday, signed an agreement on behalf of their respective companies.
- In addition to the panel brokering service, if any private limited company wants to issue shares to the capital market, the securities firm can facilitate them through ICB Capital. **Asit Kumar Chakravoty** said at the signing ceremony that at present the private sector is very advanced in brokerage services. These companies are working on new ideas in share transactions. Private sector brokerage firms have been included in the panel to be associated with this change.
- Although ICB Capital is involved in the merchant banking business, it can manage customers' portfolios through discretionary and non-discretionary accounts. However, the securities houses' platform is used for share trading. So far, transactions have been done through ICB's own securities house.

<https://www.tbsnews.net/economy/stocks/haji-ahmad-brothers-included-icb-capitals-panel-broker-441098>

## 'Investment Toolkits' published

The Financial Express, June 15, 2022

- The securities regulator has continued its efforts to conduct regulatory activities amid different obstacles created by many groups in the capital market. The chairman of the Bangladesh Securities and Exchange Commission (BSEC) Prof. Shibli Rubayat Ul Islam on Thursday said this at a publication of a research-based book namely 'Investment Toolkits'.
- "Now, many ones are creating obstacles in our activities. Nevertheless, we still keep on working and we will move ahead with our activities," Prof. Islam said this as the chief guest of the programme held at the BSEC office. "We are always in danger for overall situation. We know obstacles will come and we are moving forward with our activities," said Prof. Islam.
- He said investors send SMS when they incur losses. "But no one speak anything when they incur profits." He said investors will have to decide as to how they will manage their portfolios.

<https://thefinancialexpress.com.bd/stock/investment-toolkits-published-1655438107>

## Economy & Industry

### Laundered money: Tk 1,294cr confiscated since FY17

The Daily Star, June 19, 2022

- The Bangladesh Financial Intelligence Unit (BFIU) has confiscated Tk 1,294 crore from money launderers since the fiscal year of 2016-17 as per court orders, said the agency yesterday. A total of 46 court cases were involved in the confiscation process.
- In addition, Tk 1,330 crore was seized since FY16 from entities and persons who were allegedly involved in money laundering. Speaking at the ceremony, Fazle Kabir, governor of the Bangladesh Bank, said bankers have a bigger role in stopping money laundering and terrorist financing. The government has adopted a zero-tolerance policy against terrorism, he said, urging banks to comply with rules and regulations so as to tackle money laundering in an effective manner.
- The country's foreign currency reserves now stand at \$41.5 billion, which is enough given the current trend of imports. As per global standard, a country has to ensure a reserve of American greenbacks that can settle import payments for at least three months, Kabir said.

<https://www.thedailystar.net/business/economy/news/tk-1294cr-confiscated-fy17-3050771>

## Relaxed policy extended for NBFIs defaulters

The Daily Star, June 19, 2022

- Defaulters of non-bank financial institutions (NBFIs) will get two months more to reschedule their bad debts under a relaxed loan classification policy, according to a notice issued by Bangladesh Bank yesterday.
- Bangladesh Bank said in February that defaulters of NBFIs would be permitted to reschedule their non-performing loans (NPLs) by giving 2 per cent down payment under a one-time only exit policy within April this year.
- But many defaulters have failed to apply for this on time, which is why Bangladesh Bank extended the deadline until July, the central bank notice said. As such, NBFIs will have to settle new applications by September.
- Loans that turned sour within December 31 last year can enjoy the relaxed policy, which allows NBFIs to waive 50 per cent of the interest on NPLs. The defaulters will get the waiver facility after they repay the entire amount of the bad loan within a year. The relaxed repayment facility will be annulled if the defaulter fails to pay back the loan on time.

<https://www.thedailystar.net/business/economy/news/relaxed-policy-extended-nbfi-defaulters-3049446>

## International

### Stocks in biggest weekly loss since 2020 on interest-rate worries

The Business Standard, June 18, 2022

- World stocks on Friday closed out their steepest weekly slide since the pandemic meltdown of March 2020, as investors worried that tighter monetary policy by inflation-fighting central banks could damage economic growth. The U.S. Federal Reserve's biggest rate hike since 1994, the first such Swiss move in 15 years, a fifth rise in British rates since December and a move by the European Central Bank to bolster the indebted south all took turns roiling markets.
- The Bank of Japan was the only outlier in a week where money prices rose around the world, sticking on Friday with its strategy of pinning 10-year yields near zero. read more After sharp early losses, world stocks (.MIWD000000PUS) steadied somewhat to ending Friday's session down by just 0.12%. The weekly slide of 5.8% was the steepest since the week of March 20, 2020.
- Wall Street's Dow Jones Industrial Average (.DJI) slipped 0.13%, the S&P 500 (.SPX) added 0.22%, and the Nasdaq Composite (.IXIC) jumped 1.43%. For the week, the S&P 500 dropped 5.8%, also its biggest fall since the third week of 2020.
- The Fed on Friday said its commitment to fight inflation is "unconditional". read more Fears that its rate hikes could trigger a recession supported Treasury prices and slowed the rise in yields, which fall when prices rise. Ten-year Treasury yields retreated to 3.22944% after hitting an 11-year high of 3.498% on Tuesday.

<https://www.tbsnews.net/world/stocks-biggest-weekly-loss-2020-interest-rate-worries-441894>

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## 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).

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