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Stock Market & Company

Stocks slump as economic worries deepen

The Newage, July 18, 2022

- Dhaka stocks plunged on Monday, stretching the losing streak to the fifth session as economic concerns deepened after the government decided to shut production at all diesel-run power plants amid an energy crisis. DSEX, the key index of the Dhaka Stock Exchange, lost 1.38 per cent, or 87.39 points, to close at 6,216.89 points on Monday.
- The DSEX lost 150 points in the past five sessions. Share prices of around 180 companies hit the lowest limit on Monday. DSMEEX, the index of DSE's SME board, plummeted by 9.66 per cent, or 189.89 points, to close at 1,775.78 points on Monday.
- Share prices of 12 out of total 13 companies on the SME board hit the lower limit on Monday after media reports on possible manipulation with share prices of SME companies in recent times. The turnover on the DSE plunged to Tk 515.29 crore on Monday compared with that of Tk 593.5 crore in the previous session. The DS30 index slumped by 31.72 points to finish at 2,235.83 points and the DSE Shariah index shed 16.61 points to close at 1,359.63 points.
- Delta Life Insurance topped the turnover chart with its shares worth Tk 35.66 crore changing hands. BEXIMCO, Fortune Shoes, Grameenphone, Orion Infusions, KDS Accessories, Titas Gas, British American Tobacco, Orion Pharma and HR Textiles were the other turnover leaders. Orion Infusion was the day's best performer, posting a gain of 2.14 per cent, while Meghna Insurance was the worst loser, shedding 2 per cent.

<https://www.newagebd.net/article/176164/stocks-slump-as-economic-worries-deepen>

Mutual funds fail to meet investors' expectations: BSEC commissioner

The Financial Express, July 18, 2022

- A commissioner of Bangladesh Securities and Exchange Commission Sunday said mutual funds play an important role in the stock market. But in the last 10 years, mutual funds have failed to meet the investors' expectations. Dr. Mizanur Rahman, commissioner of BSEC commented this while joining launching of "Sandhani AML SLIC Fixed Income Fund" --- first of its kind in Bangladesh on the day.
- He said if the market falls, mutual funds underperform and cannot provide a steady return to the investors. In this context, Sandhani AML SLIC Fixed Income Fund may play a major role and provide the investor a healthy return with a minimal risk. "Investors can withdraw their investments at any time and have the opportunity to take capital gains if any. I hope this will be an example to other fund managers," he said.
- Sandhani Asset Management Ltd launched the unit fund. This is the country's first no-dividend, open-ended fixed-income mutual fund, approved by BSEC, officials said.

<https://thefinancialexpress.com.bd/stock/mutual-funds-fail-to-meet-investors-expectations-bsec-commissioner-1658118228>

Al-Haj Textile's shares soar unusually

The Business Standard, July 18, 2022

- The share price of Al-Haj Textile Mills has seen an unusual rise of 15% in around two weeks until 7 July without any price-sensitive information. On 19 June, the share price jumped to Tk131.9 from Tk114.9 each until the company snapped its 15-day streak of gaining.
- The shares have since been on the downward trajectory and closed at Tk128.7 each on Monday, a 0.69% or Tk0.9 decline over the previous trading session. On 17 July, the Dhaka Stock Exchange (DSE) sent a query to the company about the recent unusual price hikes.
- In its reply, the company said there was no undisclosed price-sensitive information for the recent unusual price hike and increase in the volume of shares in recent times. In the first nine months of fiscal 2021-22, its revenue more than doubled to Tk28.49 crore from Tk11.89 crore in the corresponding period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/al-haj-textiles-shares-soar-unusually-460514>

BTRC caps the bandwidth capacity of Aamra Technologies by 50%

The Business Standard, July 18, 2022

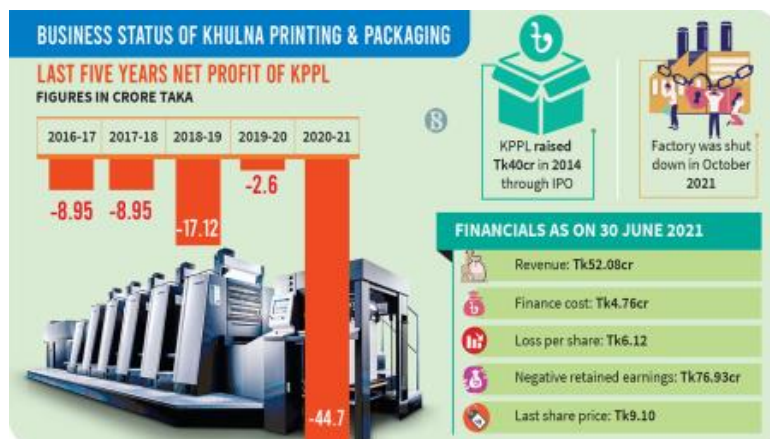
- The Bangladesh Telecommunication Regulatory Authority (BTRC) has capped the bandwidth capacity of international internet gateway service provider Aamra Technologies Limited at 50%. The telecom regulator has issued the directive, which is supposed to be effective from 18 July, as the company did not clear the government's revenue sharing dues on time.
- A letter containing the directive has been sent to the Bangladesh Submarine Cable Company Limited, the Bangladesh Telecommunication Company Limited and six international terrestrial cable companies.
- It is not known how much money BTRC will get from the company. However, according to the financial statement for fiscal 2020-21, the amount of revenue sharing with the telecom regulator in that financial year was Tk12.03 crore. The revenue sharing option in the financial report mentions Payment & Adjustment made to BTRC at Tk81.13 lakh.

<https://www.tbsnews.net/economy/stocks/btrc-caps-bandwidth-capacity-aamra-technologies-50-460566>

Special auditor to look into Khulna Printing's financials

The Business Standard, July 18, 2022

- A special auditor will review the financial statements of Khulna Printing and Packaging Limited, a concern of Lockpur Group, for the last three years to find out the reasons why the firm had not declared dividends for its shareholders. Islam Jahid & Co, Chartered Accountants will also investigate any involvement in money laundering activities by the company's board of directors and the top management.
- On Monday, the Bangladesh Securities and Exchange Commission (BSEC) appointed the audit firm in the interest of investors, asking it to complete the audit work within 30 working days and submit the report to the regulator.
- The auditor will review the balance sheets and other parts of financial statements to present a true and fair view of the assets, liabilities, and equity of the company as per international accounting standards.
- It will also look into the revaluation process of the company's fixed assets, the procurement of raw materials, the cost of goods sold, and imports. The commission had earlier observed that the turnover of Khulna Printing sharply fell in fiscal 2020-21, but its costs increased suspiciously. Moreover, its financial statement did not represent the truth, the stock market regulator observed.



<https://www.tbsnews.net/economy/stocks/special-auditor-look-khulna-printings-financials-460578>

Economy & Industry

Central bank finally moves to solve exposure problem

The Business Standard, July 18, 2022

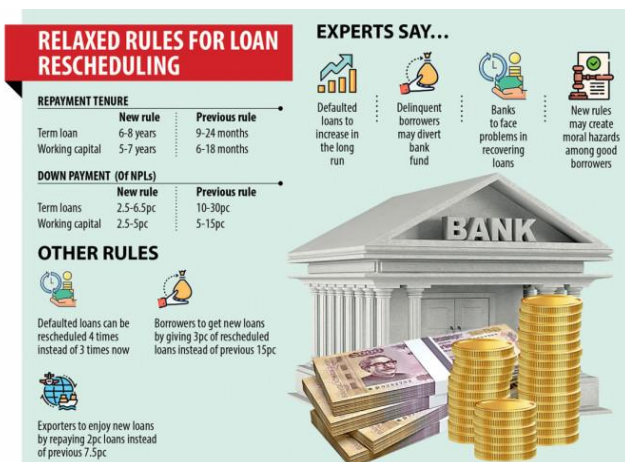
- The Bangladesh Bank has finally moved toward a solution to banks' capital market exposure problem. It wrote to the Ministry of Finance on Monday regarding some changes in the capital market exposure part of the Bank Companies Act, said Md Serajul Islam, executive director and spokesperson of the central bank.
- He declined to share the details of the letter. However, sources said among many recommendations from the capital market groups, the central bank has responded to two of the demands – keeping all secured bonds off-exposure and calculating banks' capital market exposure based on the cost price of the listed securities, instead of the existing market price method.
- Following new Governor Abdur Rouf Talukder's joining and his courtesy meeting with Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-ul-Islam recently, the Bangladesh Bank is being believed to give a hand to the capital market.
- Banks can invest in listed securities up to 25% of their equity on a solo basis and 50% on a consolidated basis, according to the Bank Companies Act. And the market price method often forces banks to sell shares to keep their capital market exposure within the limit when the secondary market prices soar.
- The BSEC and capital market institutions have been requesting the Bangladesh Bank to calculate exposure based on the actual cost of the held securities to avert the selling pressure. Also, banks' investments in bonds should be excluded from their market exposure calculation, BSEC has been recommending in recent years.

<https://www.tbsnews.net/economy/banking/central-bank-finally-moves-solve-exposure-problem-460634>

Loan defaulters get a big break

The Daily Star, July 19, 2022

- Bangladesh Bank yesterday substantially relaxed the policy for rescheduling defaulted loans, allowing defaulters to repay term loans over a maximum period of eight years whereas it was previously two years. Defaulters will also be allowed to reschedule their non-performing loans (NPLs) four times whereas previously they could do so three times, according to a Bangladesh Bank notice.
- As per the new rules, defaulters who took term loans would be allowed to repay funds over a period of six years to eight years. In contrast, it was previously nine months to two years. The BB has also declared a big relaxation of rules on down payments which are required to be made by defaulters.
- As per the rules, defaulters who took term loans would have to give only 2.5 per cent to 6.5 per cent of their total NPLs instead of the previous 10 per cent to 30 per cent.
- They will have to provide down payments of 2.5 per cent to 5 per cent of their total NPLs if they have taken working capital or demand loans. The earlier range of the down payment was from five per cent to 15 per cent.



<https://www.thedailystar.net/business/economy/news/loan-defaulters-get-big-break-3073776>

International

Stocks climb, euro inches higher in big week for markets

The Daily Star, July 19, 2022

- World equity markets got off to a solid start on Monday and the euro pulled away from parity as market participants scaled back bets on the Federal Reserve interest rate hike next week and on optimism spurred by central bank pledges to support China's economy. U.S. stock futures were up more than 1 per cent while European stock indices were a sea of green in a big week for the region.
- The European Central Bank is set to raise rates for the first time in more than a decade on Thursday, the same day the bloc will be hoping Russia resumes gas supplies. Italy, meanwhile, is again in the grip of a political crisis. The pan-European STOXX 600 index was up 1.3 per cent by 1030 GMT after posting a 0.8 per cent drop last week. Gains on Monday were broad-based and led by miners, energy stocks and banks.
- It came too as the high-flying dollar, which has had its strongest start to a year in recent memory, eased on Monday. The uncertainty will haunt the ECB at a policy meeting where it is likely to kick off a tightening cycle with a rise of 25 bps, with markets hanging on details of an anti-fragmentation tool intended to ease pressure on borrowing costs for the Union's most indebted members.
- Friday's rally on Wall Street reverberated through global markets with MSCI's broadest index of Asia-Pacific shares outside Japan up 1.4 per cent, having shed 3.5 per cent last week. A wider index of global stocks was up 0.4 per cent.

<https://www.thedailystar.net/business/global-economy/news/stocks-climb-euro-inches-higher-big-week-markets-3073721>

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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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