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Stock Market & Company

Stocks return to negative zone

The New Age, March 19, 2023

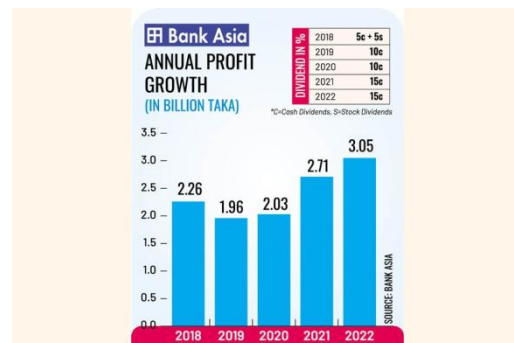
- DSEX, the key index of the Dhaka Stock Exchange, lost 12.91 points, or 0.20 per cent, and settled at 6,207.32 points on Sunday after gaining 6.87 points on March 16.
- The turnover on the DSE decreased to Tk 452.29 crore on Sunday from that of Tk 483.99 crore on March 16. Out of the 317 issues traded, 19 advanced, 85 declined, and 213 remained unchanged on the day. On the sectoral front, pharmaceutical issues exerted the highest turnover, followed by life insurance and IT stocks.
- Almost all the sectors displayed dismal returns, out of which IT, services and life insurance exerted the most corrections, while food, travel and bank exhibited the slight positive returns on the bourse on the day.
- Rangpur Dairy, Unilever Consumer Care, Fine Foods, Bank Asia, Gemini Sea Food, Delta Life Insurance, Sea Pearl Beach Resort and Spa, Monno Agro, Sonali Paper and Al-Haj Textile were the top 10 gainers considering their closing prices on the day.
- Bengal Windsor Thermoplastics, Rupali Life Insurance, Meghna Life Insurance, IFIL Islamic Mutual Fund-1, Metro Spinning, Orion Infusion, Pragati Life Insurance, BDCOM Online, ADN Telecom, and Information Services Network were the top 10 losers considering their closing prices on the day.
- The DS30 index also decreased by 0.97 points to finish at 2,217.78 points and the DSE Shariah index decreased by 3.95 points to close at 1,352.89 points on the day.
- Rupali Life Insurance topped the turnover chart with its shares worth Tk 29.93 crore changing hands. Sea Pearl Beach Resort and Spa, Sonali Paper, Rangpur Dairy, Orion Pharma, ADN Telecom, Meghna Life Insurance, Genex Infosys, Eastern Housing and Aamra Networks were the other turnover leaders on the day.

<https://www.newagebd.net/article/197238/stocks-return-to-negative-zone>

Bank Asia's 2022 profit goes up 13pc, on higher dollar-taka gap

The Financial Express, March 20, 2023

- Bank Asia Ltd has registered a 13 per cent year-on-year rise in profit to Tk 3.05 billion for the year ended in December 2022, thanks to higher income from export-import business. Its consolidated earnings per share stood at Tk 2.62 in 2022, up from Tk 2.34 the year before, according to a disclosure posted on the Dhaka Stock Exchange (DSE) on Sunday.
- Meanwhile, the bank's share rose 2.48 per cent to close at Tk 20.70. Bank Asia's profit from foreign exchange transactions jumped 770 per cent year-on-year to Tk 2 billion in the first six months of 2022, according to media reports.
- The board of directors of Bank Asia declared a 15 per cent cash dividend for 2022. Having been listed on the Dhaka bourse in 2004, it disbursed 15 per cent cash dividend for 2021 as well.
- The final approval of the dividend will come at the annual general meeting scheduled for April 30. The record date is April 6. Bank Asia also reported consolidated net asset value (NAV) per share of Tk 24.41 and consolidated net operating cash flow per share of Tk 13.82 for 2022 as against Tk 23.33 and Tk 15.23 respectively for the previous year.



<https://thefinancialexpress.com.bd/stock/bangladesh/bank-asias-2022-profit-goes-up-13pc-on-higher-dollar-taka-gap>

Depressed stock market pushes down LankaBangla Securities' profit by 56pc

The Financial Express, March 20, 2023

- LankaBangla Securities, which started trading at the newly-introduced alternative trading board (ATB) early January this year, reported a 56 per cent plunge in profit for 2022, compared to the previous year.
- The first-ever brokerage firm in Bangladesh that offloaded shares in the stock market logged a net profit of Tk 329.53 million for 2022, according to a regulatory filing.
- Its consolidated net profit also fell 35 per cent year-on-year to Tk 338.36 million in 2022.
- Despite the decline in profit, the board of directors of the brokerage firm recommended a 10 per cent cash dividend for its shareholders, excluding sponsor-directors, subject to regulatory approval.
- Khandoker Saffat Reza, director & CEO of LankaBangla Securities, blamed the downward trend in the stock market for the plunge in profit. "The stock market was bearish and trading also sluggish in 2022, which impacted the profits," said Mr Reza.
- The firm has a strong client base but many investors could not participate in trading after a certain period due to the price restriction, said Mr Reza. The market's movement relied mostly on a handful of stocks, he added.

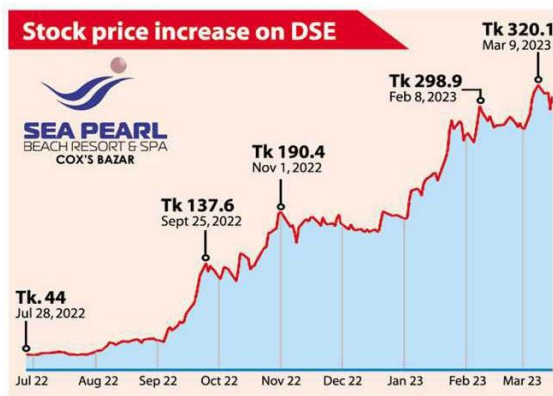


<https://thefinancialexpress.com.bd/stock/bangladesh/depressed-stock-market-pushes-down-lankabangla-securities-profit-56pc>

Sea Pearl Beach Resort soars 600pc in more than 7 months

The Financial Express, March 19, 2023

- The imposition of floor price has led to a handful of junk stocks becoming dominant in daily transactions on the Dhaka bourse. But Sea Pearl Beach Resort & Spa, which falls into 'A' category stocks, has been behaving differently from its peers.
- It has been flying high on the Dhaka Stock Exchange (DSE) since the Bangladesh Securities and Exchange Commission (BSEC) brought the price movement restriction into effect for the second time in July last year.
- The stock of the five-star hotel in Cox's Bazar started climbing on July 28, 2022. In more than seven and a half months to Thursday, the price per share was multiplied by seven times to Tk 308.20.
- Financial Performance-Sea Pearl Resort's revenue jumped more than 111 per cent year-on-year to Tk 1.1 billion in the six months through December 2022.
- The revenue growth is attributed to optimum utilization of rooms, operation of a fully fledged water park, running of cruise ships and other activities.
- The company posted an impressive profit growth of 385 per cent year-on-year to Tk 422 million in the first half of the current fiscal year. Its profit jumped 120 per cent to Tk 161 million in the FY22, compared to the previous year, with Covid-related social restrictions gone and people going on vacations that had been pending for long.



<https://thefinancialexpress.com.bd/stock/bangladesh/sea-pearl-beach-resort-soars-600pc-in-more-than-7-months>

United Insurance clocks 6% higher profit

The Daily Star, March 20, 2023

- United Insurance Company Ltd registered a 6 per cent year-on-year growth in profit to Tk 7.79 crore last year, thanks to higher premium collections and interest incomes. Its profit stood at Tk 7.34 crore in 2021, according to a disclosure on the Dhaka Stock Exchange.
- The company reported earnings per share of Tk 1.75 for the year that ended on December 31, which was Tk 1.65 in 2021. Net asset value per share decreased to Tk 32.68 in 2022 from Tk 36.45 in 2021 whereas the net operating cash flow per share (NOCFPS) fell to Tk 0.69 from Tk 2.49.
- The NOCFPS decreased due to higher claim and reinsurance premium payments while the NAVPS declined because of a decline in the fair value of investments in shares of United Finance Ltd. The board of directors recommended a 10 per cent cash dividend for 2022. United Insurance shares closed unchanged at Tk 37.90 on the DSE yesterday.

<https://www.thedailystar.net/business/economy/news/united-insurance-clocks-6-higher-profit-3275566>

Why govt sugar mills' shares soar amid mounting losses

The Business Standard, March 19, 2023

- Although there is no sign of financial progress, profitability, or returns for shareholders in the near future, three state-owned firms have recently experienced an increase in their share prices. According to audited data, the listed firms under the Bangladesh Sugar and Food Industries Corporation (BSFIC) have been counting losses in the past few years.
- Zeal Bangla Sugar Mills and Shyampur Sugar Mills have been incurring losses for many years while Renwick Jaineswar & Co (BD) – an engineering firm that manufactures products for the sugar mills – has been incurring losses since fiscal 2018-19,

- How are govt sugar mills faring? Day after day, the state-owned sugar mills have been losing market share to the private firms in the country. Now, private sector firms are dominant in the sugar industry, while government-owned mills contribute around 5% of the total 18-20 tonnes demand annually.
- For many years, the listed sugar mills have failed to pay any dividends to their shareholders. According to the audited report, the total loss or retained earnings of the Zeal Bangla Sugar Mills up to fiscal 2020-21 was Tk568.09 crore. A year later, its losses soared to Tk594.61 crore.
- According to DSE data, its share price was Tk118.1 on 28 February. Without any price-sensitive information, its shares soared to Tk147.6 each on 13 March. After the hike, its share price declined. But on Sunday, it soared to Tk139.30 each, a 2.8% increase from the previous trading session.



<https://www.tbsnews.net/economy/stocks/why-govt-sugar-mills-shares-soar-amid-mounting-losses-602186>

Economy & Industry

Lending rate cap to be lifted in June

The New Age, March 19, 2023

- The Bangladesh Bank has decided to introduce a benchmark lending rate, also known as a reference rate, lifting the current 9% rate cap in the following monetary policy, which will be announced in the third week of June for the next fiscal year.
- The decision was made at a monetary policy committee meeting held on Sunday at the Bangladesh Bank head office. The meeting was presided over by Governor Abdur Rouf Talukder.
- The central bank is preparing a mechanism to calculate the benchmark lending rate as prescribed by the International Monetary Fund (IMF) as part of its \$4.7 billion loan approved in February, said a senior executive of the Bangladesh Bank.
- With these three significant policy changes, the Bangladesh Bank will enter a new interest rate regime, adopting the new monetary policy model suggested by the IMF, said another senior executive of the Bangladesh Bank.
- The proposed benchmark lending rate will be the reference rate for commercial banks in setting interest rates for borrowers. It will come into effect in July, said the Bangladesh Bank senior executive.
- For instance, the central bank will announce a single lending rate based on various existing rates like government treasury bills, bonds, and inter-bank rates. Banks will use this as the reference rate. If the benchmark rate is 7%, commercial banks will set their lending rate accordingly, adding some premium of around 3%. The benchmark rate will be changed every month based on market demand.

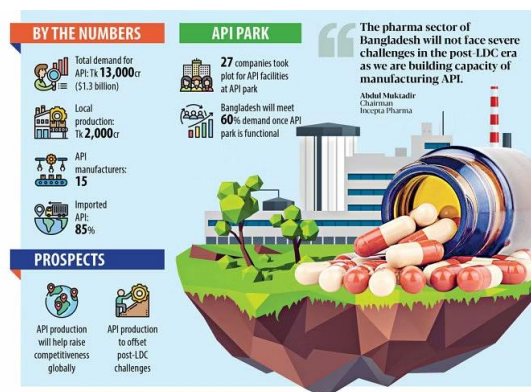
<https://www.tbsnews.net/economy/banking/lending-rate-cap-be-lifted-june-602198>

Local production of pharma raw materials gaining traction

The Daily Star, March 20, 2023

- Pharmaceutical companies are gradually enhancing their capacity to produce the raw materials needed to make medicines, which will go on to reduce Bangladesh's over-reliance on imports and augment the country's competitive edge in the global market.
- In the last 12 years, the value of active pharmaceutical ingredients (APIs) made in the country grew four times to more than Tk 2,000 crore thanks to the entry of more firms in the segment in recent years. It was about Tk 500 crore in 2010.

- Currently, 15 firms, including Eskayef, Square, Beacon and Beximco, produce APIs, up from 10 a couple of years ago, said SM Shafiuzzaman, secretary-general of the Bangladesh Association of Pharmaceutical Industries, which represents 265 domestic drug-makers.
- A significant development in API production will provide a huge gain to the pharmaceuticals industry in a country where 97 per cent of the demand for medicines is met through local manufacturing.
- Although API production has not grown in keeping with the pharmaceutical sector, local companies produce high-quality raw materials, albeit on a limited scale, helping the drug industry add value to their products.
- Currently, Bangladesh has to depend on imports to meet around 85 per cent of requirements for APIs. This costs the country about \$1.3 billion annually.



<https://www.thedailystar.net/business/economy/news/local-production-pharma-raw-materials-gaining-traction-3275646>

International

UBS to take over Credit Suisse to stem global crisis of confidence

The Daily Star, March 20, 2023

- UBS will take over Credit Suisse, Swiss authorities said on Sunday, in a deal to combine Switzerland's top two banks designed to contain a widening crisis of confidence in global finance. The deal includes 100 billion Swiss francs (\$108 billion) in liquidity assistance for UBS and Credit Suisse from the Swiss central bank. A price wasn't given.
- Credit Suisse, a 167-year-old bank, has been the biggest name ensnared in market turmoil unleashed by the recent collapse of U.S. lenders Silicon Valley Bank and Signature Bank, forcing it to tap \$54 billion in central bank funding last week. Authorities had been scrambling to rescue Credit Suisse, among the world's largest wealth managers, before financial markets reopened on Monday.
- UBS and Credit Suisse are both in a group of the 30 global systemically important banks watched closely by regulators, and Credit Suisse's failure would ripple throughout the entire financial system. The announcement came in a make-or-break weekend after some rivals grew cautious in their dealings with the struggling Swiss lender, and its regulators urged it to pursue a deal with UBS.
- The two banks' fortunes have diverged sharply over the past year. UBS earned \$7.6 billion in profit in 2022, while Credit Suisse lost \$7.9 billion. Credit Suisse's shares are down 74% from a year ago, while UBS's are relatively flat.

<https://www.thedailystar.net/business/global-business/news/ubs-take-over-credit-suisse-stem-global-crisis-confidence>

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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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