

Key News

- ✓ [Dhaka stocks drop amid sell-offs](#)
- ✓ [Market participants to work on more stocks to get rid of floor](#)
- ✓ [Islamic Finance lends Tk373cr without collateral](#)
- ✓ [Pubali Bank director to buy 20 lakh shares](#)
- ✓ [Mercantile Bank investors receive stock dividend, CDBL credits bonus shares to BO accounts](#)
- ✓ [Investors receive Premier Bank stock dividend](#)
- ✓ [Dhaka Bank holds 28th Annual General Meeting](#)
- ✓ [NPL's unstoppable rise](#)
- ✓ [NBFIs now get new interest rate setting formula](#)
- ✓ [Global stocks mostly drop](#)

Stock Market & Company

[Dhaka stocks drop amid sell-offs](#)

The New Age, June 20, 2023

- DSEX, the key index of the Dhaka Stock Exchange, lost 12.34 points, or 0.19 per cent, and settled at 6,301.79 points on Tuesday after gaining 33.07 points on Monday.
- The turnover on the DSE increased to Tk 590.99 crore on Tuesday compared with that of Tk 533.22 crore in the previous trading session.
- Out of the 353 issues traded on Tuesday, 59 advanced, 115 declined and 179 remained unchanged. On the sectoral front, life insurance issues exerted the highest turnover, followed by pharmaceutical and food stocks.
- The DSE Shariah index lost 2.54 points, or 0.18 per cent, to close at 1,367.41 points on the day. The DS30 index shed 3.79 points, or 0.17 per cent, to finish at 2,184.81 points.

<https://www.newagebd.net/article/204728/dhaka-stocks-drop-amid-sell-offs>

Market participants to work on more stocks to get rid of floor

The Business Standard, June 20, 2023

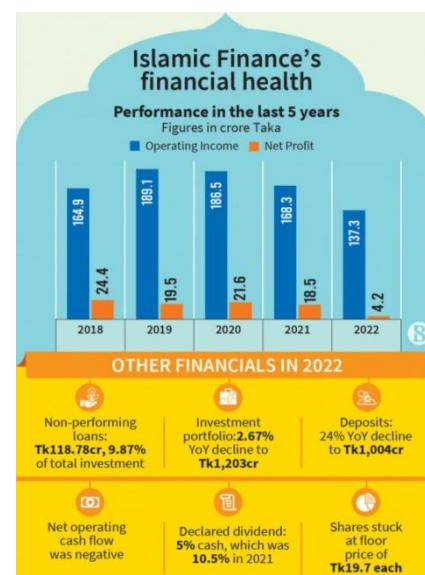
- Market intermediaries would work on more stocks to create demand, especially the fundamentally strong large-cap ones, to make the market vibrant, discussed a meeting of top broker-dealers with the securities regulator.
- The Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat Ul Islam along with his team sat with the top stockbrokers on Tuesday (20 June), and the regulator assured the market people that it would continue its efforts to increase fund flow and the liquidity in the market. "The market did enter a vibrant rhythm and recently there had been some abnormal selling pressure," Professor Islam told The Business Standard, "We mainly tried to hear from the brokerage industry why it was happening."
- Around a hundred stocks came up from the floor prices over a hundred days till the first week of June and some of them again fell back to the floor prices in the last two weeks. High volatility already halved daily turnover in the bourses of Dhaka and Chattogram and the meeting discussed how the market could continue recovery.

<https://www.tbsnews.net/economy/stocks/market-participants-work-more-stocks-get-rid-floor-653430>

Islamic Finance lends Tk373cr without collateral

The Business Standard, June 20, 2023

- Islamic Finance and Investment Limited – a non-bank financial institution – has disbursed loans of Tk372.70 crore without any eligible security, such as a mortgage or a lien on shares, according to its independent auditor.
- In the audit report for 2022, Kazi Zahir Khan and Co mentioned that the collateral-free loans represent 31% of the company's total leases, loans, and advances.
- The hesitation of a borrower to provide collateral could signal to the financial institution that the borrower is fully aware of the implications of making this pledge, and if he does provide collateral, then he is likely to do everything to avoid the loss of the pledged asset, it added.
- Besides, Islamic Finance's non-performing loan jumped by 140% to Tk118.78 crore year-on-year, which was 9.87% of its total disbursement in 2022. The classified loan ratio was 4% a year ago.



<https://www.tbsnews.net/economy/stocks/islamic-finance-lends-tk373cr-without-collateral-653370>

Pubali Bank director to buy 20 lakh shares

The Business Standard, June 20, 2023

- Trouser Line Limited, a corporate director of Pubali Bank Ltd, has expressed its intention to buy 20 lakh shares of the company. The director wants to buy these shares at the prevailing market price (in the Public and Block markets) through Dhaka Stock Exchange.
- Rana Laila Hafiz is the managing director of Trouser Line Limited (a representative) and a director of Pubali Bank Ltd. The private sector lender recommended a 20% dividend and 12.50% cash for its shareholders for 2022.
- During the year, the consolidated earnings per share of the company stood at Tk5.49, which was Tk4.23 in 2021. In the first quarter of 2023, its consolidated EPS stood at Tk1.33 up from Tk1.19 compared to the same period of the previous year. The share price of the company stood at Tk25.70 on the Dhaka stock exchange, on Tuesday.

<https://www.tbsnews.net/economy/stocks/pubali-bank-director-buy-20-lakh-shares-652994>

Mercantile Bank investors receive stock dividend, CDBL credits bonus shares to BO accounts

The Business Standard, June 20, 2023

- The Central Depository Bangladesh Limited (CDBL) successfully credited the bonus shares of Mercantile Bank Limited to the beneficiary owner (BO) accounts of its investors earlier this week. Back on 2 May this year, Mercantile Bank, a prominent private sector lender, had recommended a dividend of 12% for its shareholders for the fiscal year 2022. The dividend comprised of 10% cash and 2% stock.
- Notably, the company's consolidated earnings per share (EPS) for the year stood at Tk2.17, compared to Tk3.29 in the previous year (2021). In terms of performance in the first quarter of 2023, Mercantile Bank witnessed a consolidated EPS of Tk0.63, reflecting a decline from Tk0.82 during the same period last year. As of Tuesday (20 June), the share price of Mercantile Bank Limited on the Dhaka stock exchange was recorded at Tk13.30.

<https://www.tbsnews.net/economy/stocks/mercantile-bank-investors-receive-stock-dividend-cdbl-credits-bonus-shares-bo>

Investors receive Premier Bank stock dividend

The Business Standard, June 20, 2023

- The Central Depository Bangladesh Limited (CDBL) credited bonus shares of Premier Bank to the beneficiary owner (BO) accounts of its investors on Tuesday. On 2 May, the private sector lender recommended a 20% dividend – 12.50% cash and 7.50% stock – for its shareholders for 2022.
- During the year, the consolidated earnings per share of the company stood at Tk3.42, which was Tk2.86 in 2021. In the first quarter of 2023, its consolidated EPS stood at Tk0.64 up from Tk0.59 compared to the same period of the previous year.
- The share price of the company stood at Tk12.80 each on the trading floor of the Dhaka stock exchange on Tuesday.

<https://www.tbsnews.net/economy/stocks/investors-receive-premier-bank-stock-dividend-652974>

Dhaka Bank holds 28th Annual General Meeting

The Business Standard, June 20, 2023

- The 28th Annual General Meeting of Dhaka Bank Ltd was virtually held on 18 June according to Bangladesh Securities and Exchange Commission's directives at Head Office of Dhaka Bank Limited.
- Abdul Hai Sarker, chairman of the Board of Directors of the bank presided over the meeting, reads a press release. Shareholders approved 6% cash dividend and 6% stock dividend in the AGM for the year 2022.
- Besides, the shareholders passed their valuable opinion/comments on the Audited Financial Statements for the year ended on 31 December, 2022 and regarding the activities of the bank.

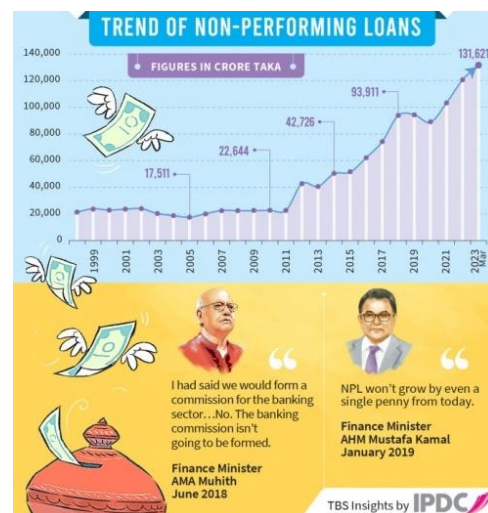
<https://www.tbsnews.net/economy/corporates/dhaka-bank-holds-28th-annual-general-meeting-653426>

Economy & Industry

NPL's unstoppable rise

The Business Standard, June 20, 2023

- Finance Minister AHM Mustafa Kamal, soon after taking over in January 2019, had asserted that non-performing loan (NPL) would not grow "by even a single penny from today". Four years later, it emerged as even a bigger problem in the central bank's new monetary policy statement as default loan has soared by nearly Tk38,000 crore since then to Tk131,621 crore now.
- "The country's financial sector has also been burdened by a high non-performing loan," says the latest MPS unveiled on 18 June. The outgoing monetary policy, announced in January this year, also stated how a high level of NPLs was considerably disrupting the stability within the financial sector.
- The banking system has been scourged by bad loans for decades concerning previous finance ministers as well.
- Its result: default loans kept growing, from Tk62,000 crore in 2016 to Tk94,000 in 2019 to Tk1.31 lakh crore today. It is now the deepest wound in the banking system, drying up their liquidity and draining of taxpayers' money to refill the empty vaults to save ailing banks from near-collapse.
- Big borrowers got the benefits of the steps like rescheduling, one-time exit by making a meagre down payment, and moratorium on interest during pandemic – giving banks enough ruse to make their books look good and hide the real face.



<https://www.tbsnews.net/economy/banking/npls-unstoppable-rise-653410>

NBFIs now get new interest rate setting formula

The Daily Star, June 21, 2023

- The Bangladesh Bank yesterday introduced a new interest rate-setting method for non-bank financial institutions (NBFIs), a day after it took a similar move for banks. As per the new formula, the interest rates on deposits and loans will go up from next month when the new monetary policy for 2023-24 comes into effect.
- Under the new arrangement, the BB will introduce a market-driven six-month moving average rate of treasury bills known as SMART for all types of NBFI loans, replacing the lending rate cap. The move aims to enhance competitiveness in the banking sector and foster a favourable lending environment for businesses and individuals.
- The central bank will initially set a monthly SMART based on the weighted average rate that would be calculated on the basis of the interest rates of the six-month short-term treasury bills. The benchmark rate will see adjustments every month. As per the new formula, the interest rates on deposits and loans will go up from next month when the new monetary policy for 2023-24 comes into effect.

<https://www.thedailystar.net/business/economy/news/nbfis-now-get-new-interest-rate-setting-formula-3351666>

International

Global stocks mostly drop

The New Age, June 20, 2023

- Asian and European stocks mostly fell Tuesday, as China's smaller-than-forecast interest rate cut failed to dispel worries over its flagging powerhouse economy.
- Sentiment was also subdued before the return of Wall Street traders from a long holiday weekend. London stocks firmed on the eve of critical UK inflation data and ahead of Thursday's expected interest rate increase from the Bank of England.
- Frankfurt and Paris slid one week after the European Central Bank also lifted rates but the US Federal Reserve hit pause, while both flagged more hikes. World oil prices meanwhile advanced and the dollar wavered against rival currencies.
- 'Developments in China, where the central bank cut its reference interest rate by ten basis points, continue to point to a slower-than-predicted post-pandemic recovery in the world's second-largest economy,' said ActivTrades analyst Ricardo Evangelista.
- 'With China's economy struggling to regain momentum, the headwinds for the global economy get stronger,' he warned. The People's Bank of China reduced its benchmark five-year rate by 10 basis points, less than the 15 points expected, though it did meet forecasts for a 15-point reduction in the one-year rate.
- Traders were left disappointed by Beijing's lack of action to kickstart the country's lumbering economic recovery. The move came after the PBoC had last week lowered two other key rates and pumped billions into financial markets.

<https://www.newagebd.net/article/204752/global-stocks-mostly-drop>

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: +8809666702070 Beraid

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 (2nd Floor),
Station Road,
Alokar Moor,
Rajshahi – 6100,
Phone: 0088 02-088852318-9

Bogura Digital Booth

Jamil Shopping Center (3rd 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.