

Key News

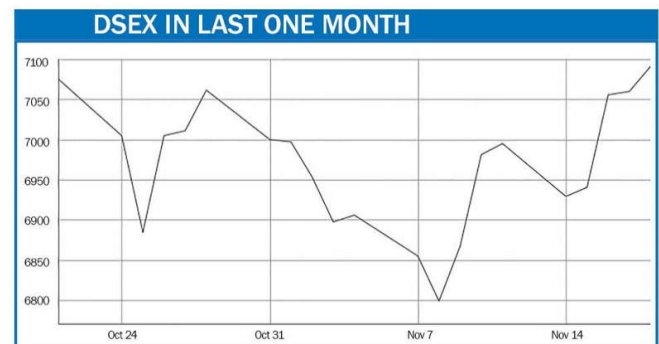
- ✓ [Dhaka stocks advance for 2nd week on BSEC moves](#)
- ✓ [Most listed MNCs make higher profits in July-Sept](#)
- ✓ [Subscription of two perpetual bonds opens tomorrow](#)
- ✓ [Baraka Power to issue zero-coupon bonds](#)
- ✓ [Stock brokers allowed to open two additional consolidated customers' accounts](#)
- ✓ [RSRM incurs Tk38cr loss in FY21](#)
- ✓ [Tung Hai stock price surges over AGM news](#)
- ✓ [Copper industry back to pre-pandemic sales](#)
- ✓ [BSEC chair reassures of capital market's due role in dev financing](#)
- ✓ [Making the most of bonds](#)
- ✓ [Backward linkages face growing challenges](#)
- ✓ [European stocks, euro retreat on Austria lockdown](#)

Stock Market & Company

Dhaka stocks advance for 2nd week on BSEC moves

Newage, November 20, 2021

- Dhaka stocks in the past week advanced for the second week as investors went for buying shares, especially those of banks while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange, increased by 1.37 per cent, or 95.9 points, over the past week to close at 7,091.82 points on November 18, the last trading session of the week after gaining 89.21 points in the previous session.
- Investors turned their focus to the bank sector that resulted in an average gain of 8.5 per cent.
- Share prices of BRAC Bank shot up for the second week following reports in the media that Tokyo-based tech company SoftBank has decided to acquire 20 per cent shares of bKash, a subsidiary of BRAC Bank.
- Besides, share prices of Square Pharmaceuticals, IFIC Bank, British American Tobacco and Islami Bank soared in the week. Average share prices of non-bank financial institution, general insurance and pharmaceutical sectors advanced by 2.8 per cent, 1.6 per cent and 0.7 per cent respectively.



- Average share prices of textile, energy and engineering sectors dropped by 3.8 per cent, 1.8 per cent and 0.8 per cent respectively. DSE's blue-chip index DS30 soared by 0.52 per cent, or 13.98 points, to finish at 2,694.95 points.
- The daily average turnover on the DSE dipped to Tk 1,398.52 crore in the past week compared with that of Tk 1,179.7 crore in the previous week. Shariah index DSES added 2.75 per cent, or 0.19 points, over the past week to close at 1,480.33 points.
- The Bangladesh Export Import Company led the turnover chart in the past week with shares worth Tk 764.01 crore changing hands. IFIC Bank, BRAC Bank, Orion Pharma, NRB Commercial Bank, Delta Life Insurance Company, Fortune Shoes, Genex Infosys, Square Pharmaceuticals and LafargeHolcim Bangladesh were the other turnover leaders in the week.

<https://www.newagebd.net/article/155236/dhaka-stocks-advance-for-2nd-week-on-bsec-moves>

Most listed MNCs make higher profits in July-Sept

Newage, November 18, 2021

- Most of the listed multinational companies posted profit growth in the July-September period of 2021 compared with that in the same period of the past year.
- According to the financial reports of 13 listed MNCs, profits of seven companies advanced and those of four declined in the third quarter of 2021 compared with that in the same period in the previous year. The rest two companies posted losses in the period.
- Loss of Bata Shoes Limited, however, declined in July-September of 2021. Loss per share of the company came down to Tk 8.36 compared with that of Tk 37.55 in the same period in the previous year. Loss of Heidelberg Cement increased in Q3 as loss per share of the company stood at Tk 1.91 against Tk 0.48 in the same period in the previous year.
- Profits of Robi advanced the most in the third quarter with the company posting EPS of Tk 0.17 against Tk 0.08 in the same period in the previous year. Reckitt Benckiser declared EPS of Tk 43.17 against Tk 33.93 crore in the same period of the previous year.
- The EPS of Marico Bangladesh increased by 13.66 per cent, that of Reckitt Benckiser 27.23 per cent, that of Unilever Bangladesh 18.93 per cent, that of British American Tobacco Bangladesh 8.34 per cent, that of RAK Ceramics 58.62 per cent and that of LafargeHolcim Bangladesh 44.64 per cent in the July-September period of 2021 compared with those in the same period of the previous year. BATBC in its financial statement said that its EPS increased due to higher profits after tax as of September 30, 2021 compared with that as of September 30, 2020.

<https://www.newagebd.net/article/155049/most-listed-mnacs-make-higher-profits-in-july-sept>

Subscription of two perpetual bonds opens tomorrow

The Financial Express, November 20, 2021

- Two new mudaraba perpetual bonds -- IBBL 2nd Mudaraba Perpetual Bond and SJIBL Mudaraba Perpetual Bond -- will open for public subscription tomorrow (Sunday). The subscription through the electronic subscription system of the stock exchanges will continue until December 02, according to Dhaka Stock Exchange (DSE).
- The Islami Bank Bangladesh Limited (IBBL) has issued the "IBBL 2nd Mudaraba Perpetual Bond" to raise Tk 8.0 billion while Shahjalal Islami Bank Limited issued the "SJIBL Mudaraba Perpetual Bond" to raise Tk 5.0 billion. The minimum subscription amount is Tk 5,000 and there is no maximum bar for both bonds.
- Islami Bank: Bangladesh Securities and Exchange Commission (BSEC) on September 5 this year accorded its consent to Islami Bank for raising a total of Tk 8.0 billion through the IBBL 2nd Mudaraba Perpetual Bond as additional Tier- I capital of the bank. Of Tk 8.0 billion, Tk 7.20 billion will be raised through private placement and the remaining Tk 800 million through public offering in compliance with the BSEC public offering rules.
- Shahjalal Bank: The stock market regulator on September 5 this year accorded its consent to Shahjalal Bank for raising a total of Tk 5.0 billion through SJIBL Mudaraba Perpetual Bond as additional Tier-1 capital of the bank. Of Tk 5.0 billion, Tk 4.50 billion will be raised through private placement and the remaining Tk 500 million through public offering in compliance with the BSEC public offering rules.

<https://thefinancialexpress.com.bd/stock/subscription-of-two-perpetual-bonds-opens-tomorrow-1637378386>

Baraka Power to issue zero-coupon bonds

The Financial Express, November 19, 2021

- Baraka Power has decided to issue zero coupon bonds amounting to Tk 1.80 billion in face value to repay the existing debts. The company will issue the bonds under private placement, the company said in a filing with the Dhaka Stock Exchange (DSE) recently.
- The bond issue is subject to approval of the regulatory authority -- Bangladesh Securities and Exchange Commission (BSEC)-- according to the filing. Each share of the power generation company, which was listed on the DSE in 2011, closed at Tk 25.80 on Thursday, gaining 0.78 per cent over the previous day.
- Its shares traded between Tk 22.10 and Tk 33.80 in the last one year. The board of directors of the company has recommended 10 per cent cash dividend for the year ended on June 30, 2021.
- The company has also reported consolidated earnings per share (EPS) of Tk 0.84 for July-September 2021, as against Tk 0.82 for July-September 2020. The company's paid-up capital is over Tk 2.35 billion, authorised capital is Tk 4.0 billion and the total number of securities is 235.46 million.

<https://thefinancialexpress.com.bd/stock/baraka-power-to-issue-zero-coupon-bonds-1637291400>

Stock brokers allowed to open two additional consolidated customers' accounts

The Financial Express, November 19, 2021

- The securities regulator has allowed stock brokers to open two additional consolidated customer's accounts (CCA) to smoothen the maintenance of investors' funds deposited for investment purposes. The Bangladesh Securities and Exchange Commission (BSEC) paved the way for maintaining two additional CCAs through a directive issued on Wednesday.
- "Every stock broker may open two additional CCAs in its name with any scheduled bank in the same manner as mentioned in sub-rule (1) of rule 6 of the Securities and Exchange Rules, 2020," said the BSEC directive. The securities regulator said the decision was taken in the interest of investors and development of securities market.
- As per existing rules, stock brokers maintain one CCA only for the deposit of the money received from and for, and payment of money to and for, the customers. The account is opened with any scheduled bank with intimation to the exchange(s).
- In another directive issued on Tuesday, the securities regulator has also revised qualifying criteria for independent scrutiner for annual general meeting (AGM) or extra-ordinary general meeting (EGM) of listed companies.

<https://thefinancialexpress.com.bd/stock/stock-brokers-allowed-to-open-two-additional-consolidated-customers-accounts>

RSRM incurs Tk38cr loss in FY21

The Business Standard, November 20, 2021

- Ratanpur Steel Re-rolling Mills (RSRM) Limited has incurred a loss of Tk38 crore for the year that ended on 30 June 2021. The company's revenue also decreased by 55% to Tk145 crore in FY21, compared to the previous year.
- As per the company's financial statements, the main reason behind the loss was the decrease in RSRM's production and sales because the company's procurement of raw materials was severely hampered due to Covid-19. Also, it purchased raw materials from local suppliers at a high cost.
- The annual general meeting (AGM) of RSRM will be held on 30 December 2021. The record date for the AGM will be 8 December. The loss per share of the company stood at Tk3.75 at the end of FY21.

<https://www.tbsnews.net/economy/stocks/rsrm-incurs-tk38cr-loss-fy21-332359>

Tung Hai stock price surges over AGM news

The Business Standard, November 18, 2021

- Tung Hai Knitting and Dyeing share price moved up by 14% on the Dhaka Stock Exchange's (DSE) secondary trading platform in two days as the company has got approval from the high court to conduct an annual general meeting (AGM). On the second day, Thursday, its share saw a 10% price hike as no one showed interest in selling the share. At the end of the Thursday trading session, its share price on the premier bourse closed at Tk6.60 each.

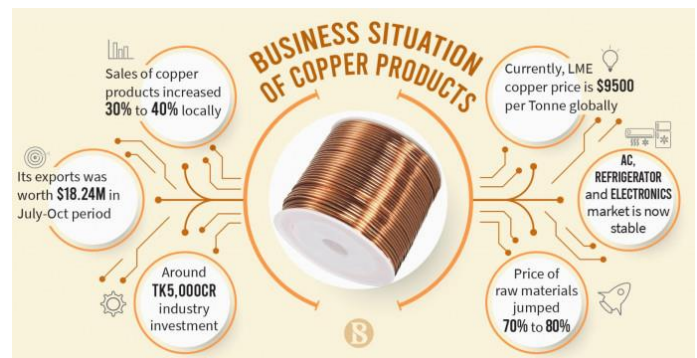
- The company's factory has remained closed since the middle of the 2016-17 fiscal year. It also failed to hold an AGM since then. The company also did not publish the quarterly unaudited financial report since March 2017.
- Following the failure of the company due to mismanagement, the Bangladesh Securities and Exchange Commission (BSEC) has frozen the bank accounts of the company and its directors to protect the interest of general investors. The securities regulator also found that the company's directors violated securities rules.
- BSEC sources said several months ago the commission held a meeting with the chairman and directors of the company at which the directors were asked to give opinion about the reopening of the company. Based on their opinion, they have been given the opportunity to come up with specific proposals for the management of the company. In addition, the decision to freeze their bank accounts has been withdrawn.

<https://www.tbsnews.net/economy/stocks/tung-hai-stock-price-surges-over-agm-news-331696>

Copper industry back to pre-pandemic sales

The Business Standard, November 19, 2021

- Sales of copper products have surged back to pre-pandemic rate, thanks to a marked increase in demand both in the local and international markets following the reopening of economies around the world. The copper industry in the country registered around a 40% jump in sales in the first quarter of the current fiscal year 2021-22, said market insiders, adding the Covid induced economic downturn had dented the demand for copper products but the industry rebounded quickly along with the electronics market.
- They said the production of air conditioners and refrigerators has increased as the pandemic situation has become normal. Now, customers are buying more ACs and refrigerators besides electronics products, they added.
- This year, prices of raw materials of copper products have increased by 70%-80% internationally. Therefore, local entrepreneurs also have increased prices of their products.
- According to the London Metal Exchange (LME), the current price of copper is about \$9,500 per tonne while that of aluminum alloy is \$2,400 per tonne and nickel is below \$19,500 per tonne.
- In the July-October period this year, exports of copper wire jumped by 88.04% due to surging demand internationally. During the period, Bangladesh exported \$18.24 million worth of copper wire while the target set for the period was \$22.77 million.



<https://www.tbsnews.net/economy/industry/copper-industry-back-pre-pandemic-sales-331687>

BSEC chair reassures of capital market's due role in dev financing

The Business Standard, November 19, 2021

- Capital market would drive the economy through financing development and growth, reiterated Professor Shibli Rubayat-Ul-Islam, the chief of the securities regulator, on Friday. He was speaking as the chief guest at the inauguration of the Capital Market Journalists Forum's (CMJF) new office at Al-Razi Complex at Paltan in the capital.
- Bangladesh's capital market belongs to the frontier market group, while the story of its fast growing economy is drawing more attention globally. Critics have long been speaking against the market's shallow nature, lack of diversified products, especially, backwardness in the field of debt securities.
- Shibli Rubayat-Ul-Islam and his fellow commissioners joined the Bangladesh Securities and Exchange Commission (BSEC) in May last year and began working on the issues with a commitment that the market would better support the growth through providing companies and projects with more equity and debt.
- Addressing the capital market reporters, he stressed the free flow of information for the sake of transparency and accountability and urged them to continue publishing objective and investigative reports.

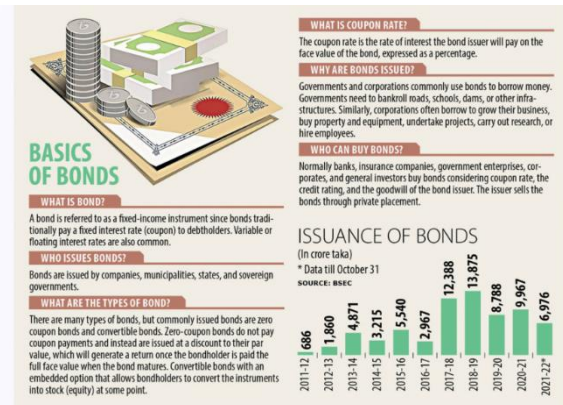
<https://www.tbsnews.net/economy/stocks/bsec-chairman-reassures-capital-markets-due-role-while-inaugurating-cmjf-office>

Economy & Industry

Making the most of bonds

The Daily Star, November 21, 2021

- In recent years, banks in Bangladesh have raised a sizable amount of funds by issuing bonds chiefly to comply with regulatory standards. Corporates have also borrowed using the tool to cut their cost of funds and as a hedge against any future interest rate spike. The Daily Star's Ahsan Habib explores various aspects of the budding bond market and its prospects and challenges
- Appetite for bonds growing:** Scheduled banks and corporates in Bangladesh have been opting for issuance of bonds for the last couple of years to diversify treasury management and strengthen capital base. The amount of funds raised through issuance of bonds rose 13 per cent year-on-year to Tk 9,967 crore in fiscal 2020-21. This was 13 times the Tk 686 crore raised in fiscal 2010-11, according to data of the Bangladesh Securities and Exchange Commission (BSEC).
- Banks need to maintain capital as per Bangladesh Bank's regulations and the Basel III guidelines, said Ershad Hossain, CEO of City Bank Capital Resources. Tier 1 capital is a bank's core capital and includes shareholders' equity and retained earnings.
- Tier 2 capital is a bank's supplementary capital that includes undisclosed funds, which do not appear on a bank's financial statements, revaluation reserves, hybrid capital instruments, subordinated term debt and so on. Issuance of tier 1 or tier 2 bonds is cost-effective compared to share issuance as the interest rate is paid before tax payments whereas dividend payments on common equity are made after tax deductions, Hossain said.
- In Bangladesh, the bond market lacks an investor base and banks are the primary investors of bonds. However, good-rated corporate bonds can woo insurance companies and pension funds.



<https://www.thedailystar.net/business/economy/news/making-the-most-bonds-2234926>

Backward linkages face growing challenges

The Business Standard, November 20, 2021

- Owing to an increase in raw material and fuel prices, the export growth of readymade garments and other products did not bring any benefit to the country's backward linkage companies. Entrepreneurs say in the first four months of the current financial year, the prices of raw materials of various industries have increased by 20-40% in the international market.
- And truck owners have pushed up transportation costs by 20-25% due to an increase in diesel prices locally but the prices of accessories are not increasing at that rate, they added. The businesses said although it has been possible to increase the product prices by 5-10%, they cannot post any profit due to the cost escalation.
- As a result, even if the business grows, the profit of all the big and small companies are decreasing. It is taking 4-6 months for LC products to arrive owing to an increase in freight cost and transportation crisis. During this time, the prices of raw materials are rising again. As a result, challenges are increasing despite business growth.
- Abdul Quader Khan, president of the Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA), said the business of the companies has increased as the economy has become normal after the easing of coronavirus. "However, due to rising raw material prices and cost of transporting goods locally and internationally, profits are declining," he added.
- In the first three months of the current financial year, Olympic Accessories Ltd incurred a total loss of Tk1.19 crore. The profit of the company – listed on the stock market – has been continuously declining since 2017. Even for the last two years, it has been incurring losses.

<https://www.tbsnews.net/economy/stocks/backward-linkages-face-growing-challenges-332353>

International

European stocks, euro retreat on Austria lockdown

Newage, November 19, 2021

- European stock markets fell on Friday and the euro slumped as Austria announced a new strict lockdown to try to curb surging Covid cases, triggering heavy losses for oil prices. The lockdown in Austria will begin Monday and vaccination against Covid-19 in the eurozone country will become mandatory from February, said chancellor Alexander Schallenberg.
- European stocks 'turned red... as a new lockdown in Austria and the prospect of similar action in Germany wiped out earlier gains', said Craig Erlam, senior market analyst at Oanda trading group.
- Asian stock markets mostly closed higher on Friday, but Chinese e-commerce titan Alibaba plunged by more than 10 per cent after warning of a weaker outlook following China's crackdown on the tech sector and slowing growth in the world's second-biggest economy. With Alibaba a big player on Hong Kong's Hang Seng Index, the market dropped more than 1 per cent, and other tech firms including Tencent and JD suffered smaller losses.
- Other major Asian indices ended the week higher, with Tokyo up as the government announced plans to inject \$490 billion into the Japanese economy to kickstart recovery from the pandemic. Traders had been given a positive lead from Wall Street overnight, where the S&P 500 and Nasdaq indices ended at record highs.
- Focus remains on surging inflation that is expected to push central banks like the Bank of England (BoE) and Federal Reserve to raise interest rates sooner than had been expected. Data this month have shown prices rising at levels not seen for three decades in the United States, 18 years in Canada and 10 years in Britain owing to soaring energy costs and global supply chain snarls.

<https://www.newagebd.net/article/155150/european-stocks-euro-retreat-on-austria-lockdown>

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