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## Stock Market & Company

### Stocks extend losing streak amid lack of confidence

The Financial Express, February 20, 2023

- Stocks extended the losing streak for the second straight session on Monday as sellers kept their dominance on the trading floor amid a lack of clear direction in the market.
- Investors' appetite for taking long-term positions in equities has been weakened due to the dismal financial performance of the majority of listed companies in the most recent quarter.
- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), went down by 9.10 points or 0.14 per cent to close at 6,218.83. The DSEX lost over 28 points in the past two trading days.
- The daily trade turnover remained low and amounted to Tk 3.26 billion, a 14 per cent higher, from the previous day's 6-week lowest turnover of Tk 2.85 billion.
- Most of the stocks suffered losses as out of 297 issues traded, 142 declined, 14 advanced and 141 remained unchanged on the DSE floor.



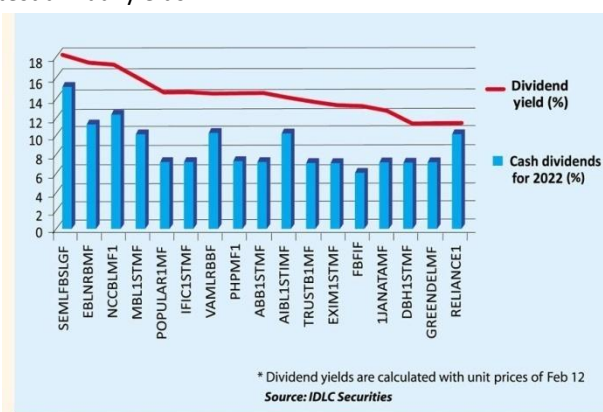
- Genex Infosys became the turnover leader with shares worth Tk 381 million changing hands, closely followed by Bangladesh Shipping Corporation, Sea Pearl Beach Resorts, Shinepukur Ceramics and Olympic Industries.
- CB AMCL CMSF Golden Jubilee Mutual Fund was the top gainer, posting a 9.75 per cent rise while BGIC as the worst loser, losing 9.78 per cent. The Chittagong Stock Exchange (CSE) also ended lower, with the CSE All Share Price Index (CASPI) losing 23 points to settle at 18,360 and its Selective Categories Index (CSCX) shedding 14 points to close at 11,005.

<https://thefinancialexpress.com.bd/stock/stocks-extend-losing-streak-amid-lack-of-confidence-1676885630>

## How to explain listed MFs' latest double-digit returns on investments

The Financial Express, February 21, 2023

- Half of listed mutual funds (MFs), which have been receiving lukewarm responses from investors since the 2010 stock market debacle, surpassed all other listed securities in terms of latest annual yields.
- The fund units trade mostly around the face value of Tk 10 without much movement on the bourses.
- The 7-15 per cent cash dividends provided by the MFs last year take the dividend yields to 10-17.9 per cent, annualized, which are much higher returns on investments than what investors receive from other stocks.
- For the calculation of dividend yields, the unit prices on February 12 were taken into account. The data provided by IDLC Securities shows that 17 of 36 listed MFs recorded double digit yields.
- The dividend yield from the MF stands at 15.30 per cent considering the price on the record date, while the ratio is 17.90 per cent if the current price of Tk 8.40 (floor price) is taken into account.



<https://thefinancialexpress.com.bd/stock/how-to-explain-listed-mfs-latest-double-digit-returns-on-investments-1676946426>

## DSE gets four new independent directors

The New Age, February 20, 2023

- The Bangladesh Securities and Exchange Commission on Monday approved four persons as independent directors for the Dhaka Stock Exchange for the next three-year term. The approval came at a commission meeting presided over by BSEC chairman Shibli Rubayat-UI-Islam.
- The DSE had submitted a list of 18 persons in the BSEC for choosing six from them as the bourse's independent directors by the stock market regulator. However, the BSEC decided to allow four persons as independent directors from the list.
- Abdullah Al Mahmud, professor of banking and insurance at the University of Dhaka, Rubaba Dowla, country managing director of Oracle Bangladesh, Nepal and Bhutan, Md Afzal Hossain, former chairman of Bangladesh Trade and Tariff Commission, Hafiz Md Hasan Babu, dean of the faculty of engineering and technology of the University of Dhaka, are the new independent directors for the DSE.
- The new board of directors of the DSE must form a nomination and remuneration committee and the new NRC will nominate at least three applicants against two remaining positions of independent directors. Six positions of independent director were vacated on February 18 due to completion of tenure.

<https://www.newagebd.net/article/194971/dse-gets-four-new-independent-directors>

## Two-day IOSCO-APRC meeting begins tomorrow in Dhaka

The New Age, February 19, 2023

- A two-day meeting of Asia Pacific Regional Committee (APRC) of International Organization of Securities and Exchange Commission (IOSCO) will be held in Dhaka for the first time. The meeting will be held on February 22 and 23 at the Hotel Sheraton in the city.
- Bangladesh Securities and Exchange Commission made the announcement at a press conference held at its office on Monday. The APRC is one of four regional committees constituted by IOSCO to focus on regional issues relating to securities regulation in the Asia-Pacific region.
- On Wednesday, two meetings will be held, namely supervisory director meeting and enforcement director meeting. BSEC chairman and IOSCO-APRC vice-chair Shibli Rubayat-ul-Islam will chair both the meetings. The meeting will be closed after APRC plenary meeting on Thursday.

<https://www.newagebd.net/article/194973/two-day-iosco-aprc-meeting-begins-tomorrow-in-dhaka>

## Investing in weak sectors, poorly-governed cos does not pay off: CEO, CWT Asset Management Company

The Business Standard, February 21, 2023

- Investing in companies that represent weak industries or have a lacking in terms of corporate governance does not pay off ultimately, CWT Asset Management Company CEO Md Tareq Ibrahim has learned in his decade-long investment career.
- "In the early days of our careers, we often ignored the corporate governance factor while looking for investment opportunities. And it was a mistake; we realise that now looking back, even if we had profitable exits," he said in a recent interview with The Business Standard.
- The asset manager, who successfully generated an average annual return of around 25% for investors of three mutual funds under his management cares, even more about the industry potential from where he picks stocks from.
- The CWT has invested as much as the regulator allows in the consumer sector as the mutual fund regulations don't allow a mutual fund to pour more than 25% of its total assets into a single sector and more than 10% into a single stock.

<https://www.tbsnews.net/stocks/investing-weak-sectors-poorly-governed-cos-does-not-pay-ceo-cwt-asset-management>

## Two Aramit firms post sluggish performance in Dec quarter

The Business Standard, February 21, 2023

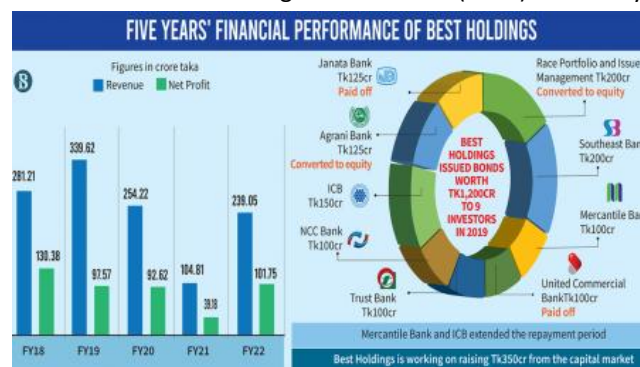
- Aramit Ltd and Aramit Cement – two concerns of the Aramit Group – posted dismal financial performances in the October to December quarter of the fiscal 2022-23. During the period, Aramit Ltd's profit dropped by 28% year-on-year, and Aramit Cement's losses deepened compared to the same period of the 2021-22 fiscal year.
- Aramit Ltd: In the second quarter of FY23, the company's revenue decreased by 10% to Tk14.74 crore, from Tk16.40 crore in the same quarter of the previous fiscal. And, its profit decreased to Tk1.34 crore, from Tk1.87 crore in the October to December quarter of the previous fiscal.
- Aramit Cement: Aramit Cement's revenue in the December quarter decreased by 83% to Tk6.86 crore, from Tk39.87 crore in the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/two-aramit-firms-post-sluggish-performance-dec-quarter-588590>

## 'Best Holdings' IPO move stuck for not complying with rules

The Business Standard, February 21, 2023

- Best Holdings Limited's application to raise Tk350 crore from the stock market with an initial public offering (IPO) got stuck for not complying with related rules.
- Public issue rules do not allow increasing paid-up capital within two years before filing for an IPO. However, the company has not complied with the rules, due to which the Bangladesh Securities and Exchange Commission (BSEC) has not yet approved the IPO.
- Engaged in the business of hotels and agro-based products and owned by the Le Meridien Hotel in Dhaka, Best Holdings also has agro-projects in Noakhali and Bhaluka, Mymensingh. It is in the process of raising fresh funds to build a resort in Bhaluka.
- Claiming it was a state-owned institution with a reference to a government letter, the private sector firm had earlier tried to get listed on the Dhaka Stock Exchange (DSE) through direct listing. But the market regulator blocked the move.
- And this time, the company has violated the rules directly by applying for an IPO. Now its officials are out to convince the BSEC to get a concession on complying with the rules.



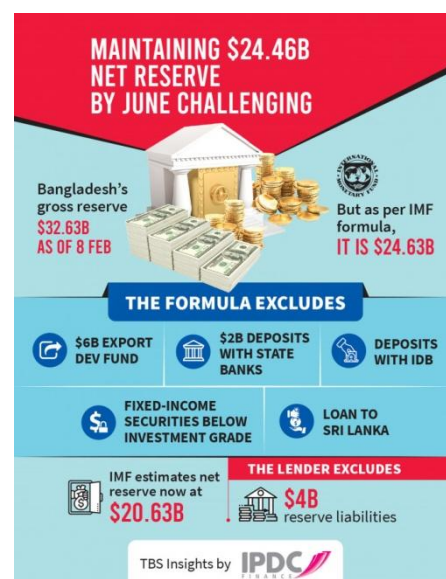
<https://www.tbsnews.net/economy/stocks/best-holdings-ipo-move-stuck-not-complying-rules-588594>

## Economy & Industry

### Cenbank races for IMF's \$3b reserve goal by June

The Business Standard, February 21, 2023

- The Bangladesh Bank needs to rebuild more than \$3 billion foreign exchange reserve in four months by June as per performance criteria set by the International Monetary Fund (IMF) to get the second tranche of the \$4.7 billion loan package – a task made difficult by the fact that the country's financial accounts have gone negative first time in recent history.
- The IMF set the floor on net reserves at \$24.46 billion for June – when the lender will conduct the first review of the performance criteria of the central bank.
- The net reserve will have to be calculated according to the new formula prescribed by the IMF. According to the central bank data, Bangladesh now has a \$20 billion-plus net reserve if the new formula is applied.
- This net reserve amount is readily available for intervention in the foreign exchange market and can cover imports for three months if monthly import bills remain within \$6 billion. A country is considered in a comfort zone if it has enough forex reserves to cover imports for the next three months.
- However, the Bangladesh Bank committed to the Washington-based lender that it will improve its net reserve to four months' of prospective imports by FY26 through prudent aggregate demand management policies, increased exchange rate flexibility, and structural reforms to bolster competitiveness, according to the IMF country report on loan approval for Bangladesh.



<https://www.tbsnews.net/economy/cenbank-races-imfs-3b-reserve-goal-june-588634>

## Economy bleeds while reality only getting harsher for people

The Daily Star, February 22, 2023

- Russia's war in Ukraine might be taking place 5,800 kilometres away from Bangladesh and the country is not involved militarily in the dragging conflict in any way, but its economy and people have been paying heavy prices.
- The war, which began on February 24 last year, has hit Bangladesh's robust economic recovery from the coronavirus pandemic. The economy grew at a slower-than-expected pace in the last fiscal year and the growth might decline further in the current financial year as well.
- Inflation has stayed at an elevated level after surging to a multi-year high in August owing to global supply disruptions, higher import costs and a spike in fuel, gas and electricity prices. Higher consumer prices have hit hard the poor and the fixed-income groups disproportionately since their earnings did not rise in line with the expenses, forcing them to slash consumption, both food and non-food.
- The war-induced higher global commodity prices and slowdown in external demand have led to a sharp widening of the current account deficit, depreciation of the taka and a decline in foreign exchange reserves.



<https://www.thedailystar.net/business/economy/news/economy-bleeds-while-reality-only-getting-harsher-people-3254146>

## International

### France says tax on tech giants 'blocked' in global talks

The New Age, February 20, 2023

- International talks aimed at taxing global tech giants that only declare profits in a few jurisdictions have hit a standstill due to opposition from countries including the US and India, France's finance minister said Monday.
- The talks covered taxing multinationals where they make their profits in a bid to reduce tax avoidance, and come ahead of a meeting of the G20 group of large economies in India this week. 'As of today things are blocked, in particular by the United States, Saudi Arabia and India' and 'chances of success are slim,' Bruno Le Maire told a press conference.
- He said France had always argued that if G20 countries were unable to get agreement on the issue, a 'European solution' should be sought instead. The Organisation for Economic Cooperation and Development, a club of mostly rich countries based in Paris, has spearheaded talks on the tax which primarily targets digital giants. A separate agreement calling for a global minimum 15 per cent tax rate on multinational businesses, also coordinated by the OECD, has had more success, and is to be implemented in the 'coming months', Le Maire said.

<https://www.newagebd.net/article/194963/france-says-tax-on-tech-giants-blocked-in-global-talks>



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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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