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## Stock Market & Company

### [Dhaka stocks open week on low note](#)

The New Age, May 21, 2023

- DSEX, the key index of the Dhaka Stock Exchange, lost 8.90 points, or 0.14 per cent, and settled at 6,281.29 points on Sunday after gaining 8.94 points in the previous trading session on May 18.
- The DS30 index also decreased by 4.37 points to finish at 2,190.90 points and the DSE Shariah index dropped by 2.01 points to close at 1,366.23 points on the day. The turnover on the Dhaka Stock Exchange decreased to Tk 811.74 crore on Sunday compared with that of Tk 932.91 crore on May 18.
- Out of the 361 issues traded, 65 advanced, 104 declined and 192 remained unchanged on the day. Bangladesh General Insurance, Trust Islami Life Insurance, CAPM IBBL Islamic Mutual Fund, Global Insurance Company, National Tea Company, Orion Infusion, Simtex Industries, Rupali Life Insurance, Prime Finance First Mutual Fund and Bangas were the top 10 gainers considering their closing prices on the day.
- Miracle Industries, Sea Pearl Beach Resort, Chartered Life Insurance, Pragati Life Insurance, Far Chemical, Gemini Sea Food, Monospool Paper, Metro Spinning, Apex Foods and Agni Systems were the top 10 losers considering their closing prices on the day.
- Bangladesh Shipping Corporation topped the turnover chart with its shares worth Tk 58.24 crore changing hands. Rupali Life Insurance, Intraco Refueling Station, Chartered Life Insurance, Orion Infusion, Gemini Sea Food, Simtex Industries, Eastern Housing, Meghna Life Insurance and Aamra Networks were the other turnover leaders on the day.

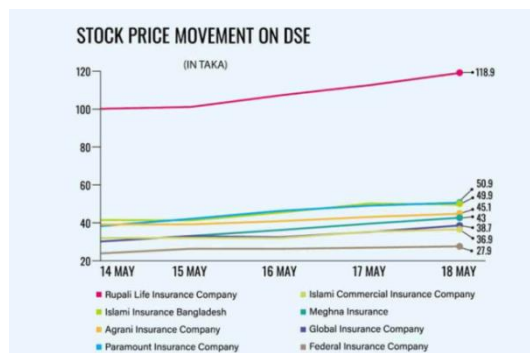
<https://www.newagebd.net/article/202234/dhaka-stocks-open-week-on-low-note>

### [Investors' increased appetite for insurance stocks beyond belief](#)

The Financial Express, May 22, 2023

- Most insurers, especially non-life ones, have been flying on the Dhaka Stock Exchange for the last 15 trading sessions, achieving double digit price gains. The rally happened because of, insiders say, a rumour that motor vehicle insurance would be made compulsory. Investors felt encouraged to put bets on the insurance companies in anticipation of good returns.

- Insurers dominated the last week's chart of top 10 gainers too, with price appreciation by 19.53- 60 per cent on the DSE. The companies include Meghna Insurance Company, Paramount Insurance Company, Global Insurance Company, Rupali Life Insurance Company, and Islami Insurance BD. But the sudden jump in the stock prices is not backed up by the companies' earnings.
- For example, Meghna Insurance Company and Islami Insurance BD reported a year-on-year decline in income in the latest quarter through March this year.
- Meghna Insurance remained stuck at the floor price of Tk 29.90 until May 11. The following day, the company moved up from the floor. The stock soared 44 per cent in just five sessions executed last week.
- Paramount Insurance Company and Global Insurance Company also escalated during the same period. In case of abnormal price surges, the stock exchanges make queries to know if there was any reason behind them. However, there was no disclosure of any price-sensitive information that could trigger the rally.



<https://thefinancialexpress.com.bd/stock/bangladesh/investors-increased-appetite-for-insurance-stocks-beyond-belief>

## UCB, IFIC get nod to issue stock dividend

The Daily Star, May 22, 2023

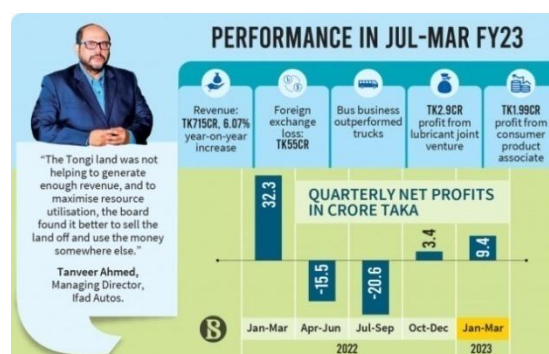
- United Commercial Bank Ltd and IFIC Bank PLC have received consent from the Bangladesh Securities and Exchange Commission (BSEC) to declare stock dividends for the year that ended on December 31.
- In a post on the Dhaka Stock Exchange yesterday, UCB said the commission has accorded its consent for the bank's declaration of 5 per cent stock dividend for 2022.
- In another filing, IFIC said it has received permission from the regulator to raise its paid-up capital by issuing a 2.50 per cent stock dividend for the last financial year.

<https://www.thedailystar.net/business/economy/news/ucb-ific-get-nod-issue-stock-dividend-3326141>

## Why Ifad Autos selling its Tongi land

The Business Standard, May 21, 2023

- Ifad Autos Ltd board of directors has decided to sell out a 90 decimal land at the Himardhighi area in Tongi, Gazipur for Tk16.5 crore. The land, once bought cheaper, was not in sufficient use that could help generate revenue. That's why the company was in efforts to sell such assets off and use the cash in higher revenue generation, Ifad Autos Managing Director Tanveer Ahmed told TBS.
- Other properties outside the office or factory were being used as truck sheds or something relevant to the company's commercial vehicle business, which was not the case for the Tongi land, according to Ahmed.
- Ifad's commercial vehicle making plant is at Dhamrai while its consumer products factory is at Ashulia. The sales proceeds would help strengthen the company's capital needs to generate higher revenue in coming days, Ahmed said declining to share any particulars.



<https://www.tbsnews.net/economy/stocks/why-ifad-autos-selling-its-tongi-land-635774>

## Nagad incurs Tk625cr loss, builds hope on Tk510cr bond

The Business Standard, May 21, 2023

- Mobile financial services (MFS) provider Nagad has incurred a loss of Tk625 crore since its inception in 2018, mainly due to substantial promotional and administrative expenses, says a prospectus submitted to the Bangladesh Securities and Exchange Commission (BSEC).
- The company, which operates under an agreement with Bangladesh Post Office on the basis of sharing revenue by 51%, has got BSEC's approval to issue a bond worth Tk510 crore, which will help it to repay loans and become profitable in a couple of years.
- Nagad spends more than 60% of its revenue on "uddokta commission," reads the prospectus. The company states in its prospectus that it hopes to become a profitable company by 2025.
- As per projection, its revenue will grow to Tk1,144 crore in 2024, and Tk1,324 crore in 2025, with net profit being Tk28 crore in 2025. According to the prospectus, at its inception, the MFS provider generated no revenue but incurred a loss of Tk2.94 crore.
- Why Nagad is issuing bond -Nagad took out loans to expand its business. Now it wants to repay the loans by issuing a bond worth Tk510 crore. The BSEC has recently allowed the company to go ahead with its plan. The tenure of the bond will be five years.
- According to its financial statement for fiscal 2021-22, the MFS provider has a loan of Tk617.60 crore. It will pay off Tk400 crore from the bond amount. The rest will be used as working capital, as per its prospectus.
- Rezaul Karim, executive director and spokesman for BSEC, told TBS, "Initially, the commission had issued conditional approval to Nagad as it had no CIB (Credit Information Bureau) clearance. After it secured the clearance, the commission has now given final consent to Nagad."

<https://www.tbsnews.net/economy/nagad-incurs-tk625cr-loss-builds-hope-tk510cr-bond-635438>

## Economy & Industry

### End of zero tax!

The Business Standard, May 20, 2023

- The government is considering a minimum Tk2,000 tax on individuals who will file tax returns even if they do not have taxable income. But, analysts argue that such a move would burden low-income people and contradict the concept of tax-free income thresholds.
- According to finance ministry officials involved in the process, the budget proposals for the fiscal year 2023-24 are expected to incorporate the new rule regarding the minimum tax and the provision for deregistering from TIN in the event of death or no income.
- Currently, there are around 86 lakh individual TIN holders, but only 32 lakh of them submit tax returns, indicating that they declare their income, expenses, and pay taxes accordingly.
- Among the individuals who submit tax returns, approximately eight lakh do not have taxable income. If these eight lakh individuals are made to pay the minimum tax of Tk2,000, the government will generate an additional revenue of Tk160 crore.
- If the minimum tax rule is applied to all TIN holders, it would be imposed on 62 lakh individuals (86 lakh minus 24 lakh), resulting in an additional revenue generation of Tk1,240 crore.



<https://www.tbsnews.net/nbr/end-zero-tax-635786>

## 'Duty-free access sought again for RMG made from US cotton'

The Daily Star, May 21, 2023

- Bangladesh again demanded duty-free access to the American markets today for the locally made garments made from the US cotton, Senior Commerce Secretary Tapan Kanti Ghosh said. Bangladesh placed the demand in a meeting with the senior officials of the United States Trade Representative (USTR) at the secretary's office in the capital's commerce ministry.
- Earlier, Bangladesh made the same in the last meeting of the Trade and Investment Cooperation Forum Agreement (TICFA) held in Washington in December last year, he said. The secretary shared the information at a press conference after the meeting with the senior officials of the USTR.
- The US government usually does not allow duty-free access to garment items imported from any country, Ghosh said. Bangladesh lifted the rule of mandatory fumigation of US cotton this month and, in reciprocity, the south Asian nation asked for the special access for the locally produced apparels, he said.
- However, the fumigation is still mandatory for raw cotton brought in from other North American countries, as those are not scientifically tested like the ones imported from the USA.

<https://www.thedailystar.net/business/news/duty-free-access-sought-again-rmg-made-us-cotton-3325861>

## International

### UK unveils £1b semiconductor strategy

The Daily Star, May 22, 2023

- The British government on Friday unveiled a new £1 billion semiconductor strategy to invest in infrastructure, research and security as the UK tries to diversify its chip supply chain. The plan would "safeguard supply chains from disruption and protect tech against national security risks", the UK government's department for business, energy and industrial strategy said in a statement.
- The investment over the next decade would include up to £200 million (\$215 million) between now and 2025. The new 20-year strategy would "boost the UK's strengths and skills in design, R&D and compound semiconductors, while helping to grow domestic chip firms across the UK", the department added.
- It comes as European carmaker Stellantis has warned it could close some UK factories should the British government fail to tweak Brexit trade rules to ease the supply of batteries for electric vehicles, for which semiconductor technology is a key part.
- Visiting Tokyo Thursday, British Prime Minister Rishi Sunak announced Japanese investment of more than \$22 billion into the UK, but accepted carmakers' concern about Brexit trade rules as he confirmed talks with the European Union. "Semiconductors underpin the devices we use every day and will be crucial to advancing the technologies of tomorrow," Sunak was quoted as saying in the statement.

<https://www.thedailystar.net/business/economy/news/uk-unveils-ps1b-semiconductor-strategy-3326136>

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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).

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

### Bogura Digital Booth

Jamil Shopping Center (3<sup>rd</sup> Floor),  
288/325 Rangpur Road, Bogura Poura shava  
Bogura Sadar, Bogura. 5800  
Mobile#01739872483

# BASL DAILY NEWS



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*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](mailto:research@basl-bd.com).*