

Key News

- ✓ [Stocks inch up after bumpy ride](#)
- ✓ [Conditions for corporate tax cut unrealistic: Listed firms](#)
- ✓ [Best Holdings now wants to raise fund thru IPO book building](#)
- ✓ [Eight firms replaced in CSE30 index](#)
- ✓ [Navana Pharma's bidding starts on 4 July to set a cut-off price](#)
- ✓ [Default loans now stand at Tk 126,389cr](#)
- ✓ [Loan moratorium facility extended till December](#)
- ✓ [UK inflation hits 40-year high](#)

Stock Market & Company

Stocks inch up after bumpy ride

The Financial Express, June 19, 2022

- Stocks edged up on Wednesday after high volatility as investors were mostly cautious amid growing economic worries. The market moved between positive and negative several times before closing slightly higher after a three-day losing streak.
- DSEX, the prime index of the Dhaka Stock Exchange, went up by 6.14 points to settle at 6,317, after losing over 114 points in the past three consecutive days. Turnover, the crucial indicator of the market, however, dropped further to Tk 6.94 billion, which was 4.28 per cent lower than the previous day's tally of Tk 7.25 billion.
- The DSE Shariah Index (DSES) also advanced 2.56 points to close at 1,381. However, the DSE 30 Index, comprising blue chips, lost 1.46 points to finish at 2,293. Beximco was the most traded stock with shares worth Tk 447 million changing hands, followed by Shinepukur Ceramics (Tk 259 million), JMI Hospital Requisite (Tk 182 million), Alif Manufacturing Company (Tk 179 million) and Sonali Papers (Tk 156 million).
- Junk stock Meghna Pet Industries was the top gainer, posting a 9.96 per cent gain while Bangladesh National Insurance was the day's worst loser, losing 1.98 per cent. The Chittagong Stock Exchange (CSE) also edged up after three days with the CSE All Share Price Index – CASPI –gaining 11.19 points to settle at 18,602 and the Selective Categories Index – CSCX –rising 6.15 points to close at 11,152.

<https://thefinancialexpress.com.bd/stock/stocks-inch-up-after-bumpy-ride-1655894631>

Conditions for corporate tax cut unrealistic: Listed firms

The Business Standard, June 22, 2022

- The conditions of cashless transactions imposed on companies for availing the benefit of the corporate tax cut are unrealistic in the context of the Bangladesh economy, said listed firms. The Bangladesh Association of Publicly Listed Companies (BAPLC), in their letter to Finance Minister AHM Mustafa Kamal, earlier this week, appreciated the government's proposal to cut listed firms' corporate tax by 250 basis points to 20% which would help boost corporate earnings and the capital market.
- But, the "conditions to be eligible for the reduced tax rate seems to be unrealistic," said the association as the Finance Bill 2022 stated all the receipts and incomes of companies to be through banking channels and also all expenses and investments exceeding Tk12 lakh in a year must be carried out through banking channels.
- The country's economic activities, mode of carrying out transactions, size of the cash economy, the availability of banking network, use of digital money and the overall prevailing socio-economic environment are yet to be supportive of going so cashless in business, opined BAPLC.
- Companies which are directly selling products to retailers instead of distributors, which have retail chain business, or those engaged in agricultural inputs and outputs will not be able to satisfy the condition of collecting money through a banking channel in full.



<https://www.tbsnews.net/economy/stocks/conditions-corporate-tax-cut-unrealistic-listed-firms-445110>

Best Holdings now wants to raise fund thru IPO book building

The Newage, June 22, 2022

- Best Holdings Limited, the owning company of Le Meridien Hotel, now wants to raise around Tk 250 crore through the book building method of initial public offering after its attempt to go public through direct listing was discarded over controversies. The company has recently appointed Shanta Equity Limited as issue manager of the IPO.
- Arif Khan is also an independent director in Strategic Finance and Investments Limited, a non-bank financial institution owned by Padma Bank's chairman Chowdhury Nafiz Sharafat. The mutual funds managed by RACE Asset Management made a substantial investment in Best Holdings.
- Best Holdings' sponsors hold 52.01 per cent shares and private placement-holders own 47.99 per cent shares. Among the private placement shareholders, four state-owned banks own 29.58 per cent of the paid-up capital, according to the previous direct listing filings.

<https://www.newagebd.net/article/174016/best-holdings-now-wants-to-raise-fund-thru-ipo-book-building>

Eight firms replaced in CSE30 index

The Business Standard, June 22, 2022

- Eight listed firms entered the blue-chip index CSE30 of the Chittagong Stock Exchange (CSE), replacing eight others. The reviewed index will be effective from 30 June, said the port city bourse, adding that the index is reviewed twice a year.
- Bank Asia, Baraka Patenga Power, BSRM Steels, Confidence Cement, Linde Bangladesh, Matin Spinning, Power Grid Company, and Premier Cement Mills are the new entrants in the CSE's blue-chip club. On the other hand, Aamra Networks, Al-Arafah Islami Bank, Aman Feed, BBS Cables, Esquire Knit Composite, Khulna Power Company, Sandhani Life, and Singer Bangladesh have been excluded from the list.
- The CSE in a statement said blue-chip stocks make up 17.53% of the bourse's total market capitalisation, which is 23.06% in terms of free-float market capitalisation. Free-float market capitalisation counts the value of the shares which need no prior disclosure to be sold in the public market.

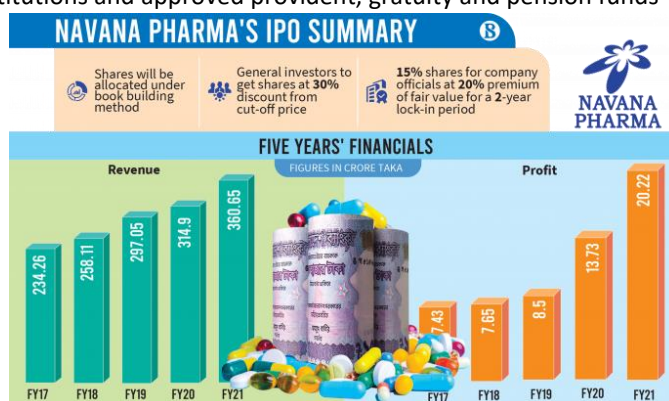
- BSRM Ltd, Dhaka Bank, Doreen Power, Eastern Bank, Eastern Housing, Green Delta Insurance, IDLC Finance, Jamuna Bank, Jamuna Oil, Meghna Petroleum, MJL Bangladesh, Olympic Industries, Padma Oil Company, Prime Bank, Pubali Bank, Square Pharmaceuticals, Summit Power, Acme Laboratories, City Bank, Premier Bank, Titas Gas, and Uttara Bank are the continuing constituents of the CSE30 Index.

<https://www.tbsnews.net/economy/stocks/eight-firms-replaced-cse30-index-445114>

Navana Pharma's bidding starts on 4 July to set a cut-off price

The Business Standard, June 22, 2022

- To determine the cut-off price of Navana Pharmaceuticals Limited's shares, the Dhaka Stock Exchange (DSE) will arrange 72-hour bidding from 5 pm on 4 July. Only eligible investors – institutions and approved provident, gratuity and pension funds – can participate in the process which will continue till 5 pm on 7 July.
- Each investor needs to bid for a minimum of Tk20 lakh to participate in the bidding which will take place through the electronic subscription system of the country's premier bourse.
- According to the securities regulator's direction, the institutions having a minimum of Tk3 crore investments in the secondary market will be eligible for the bidding. But in the case of provident, pension and gratuity funds, the minimum investment amount is Tk1.50 crore.
- Earlier, on 19 June, the Bangladesh Securities and Exchange Commission (BSEC) allowed Navana Pharma to raise Tk75 crore from the stock market through an initial public offering (IPO) under the book-building method.
- When a company wants a premium on the face value of its shares during an IPO, it has to go through the book-building method. In this way, eligible investors determine the share price with a premium, which is called the cut-off price, and general investors get a 30% discount on the cut-off price.



<https://www.tbsnews.net/economy/stocks/navana-pharmas-bidding-starts-4-july-set-cut-price-445098>

Economy & Industry

Default loans now stand at Tk 126,389cr

The Daily Star, June 20, 2022

- Finance Minister AHM Mustafa Kamal told parliament yesterday that people had defaulted on repayments against loans amounting to Tk 126,389 crore in the country as of March this year according to Credit Information Bureau. Banks and financial institutions are unable to realise another Tk 21,046 crore due to High Court stay orders, he added while responding to a question.
- Highlighting government steps, Kamal said cases were being filed against loan defaulters, a defaulter of one bank cannot take loans from another and banks have been advised to use alternative dispute resolution methods to recover loans. He also said the bank company act would be amended where intentional loan defaulters would face various restrictions.
- Some 20,41,534 Singaporean dollar has been returned on November 20, 2012 which was smuggled to Singapore. The Anti-Corruption Commission is currently investigating a number of cases involving the purchase of flats or houses or money laundering in other ways abroad, such as to Singapore, Malaysia, Hong Kong, Australia, United Kingdom, United States and Canada.

<https://www.thedailystar.net/business/economy/news/default-loans-now-stand-tk-126389cr-3054261>

Loan moratorium facility extended till December

The Business Standard, June 23, 2022

- Borrowers have been given time till December this year to avoid their loans being classified as defaulted by paying 25-75% of their instalments for 2022. The Bangladesh Bank issued a circular on Wednesday night, extending the loan moratorium facility for all borrowers.
- Under the new facility, large industrial borrowers are allowed to repay their term loans, which became unclassified on 1 April, in phases – 50% by June, 60% in July-September, and 75% from October to December – without becoming a defaulter.
- The remaining amount of the benefited instalments will have to be repaid in the same instalment of one year after the expiry of the loan period. Islamic banks are also asked to follow the same policy in their investments.
- The central bank will later issue instructions on the interest/profit of the beneficiary loan. In addition, unclassified term loans disbursed to cottage, micro, small and medium enterprises (CMSMEs) and agricultural sector cannot be classified if 25% of a loan is repaid from April to June, 30% in July-September, and at least 40% in October-December of this year.

<https://www.tbsnews.net/economy/banking/loan-moratorium-facility-extended-till-december-445214>

International

UK inflation hits 40-year high

The Daily Star, June 23, 2022

- British annual inflation has hit a fresh 40-year high, official data showed Wednesday, further eroding workers' wages and pressuring the Bank of England to keep on raising interest rates. The rate edged higher to 9.1 per cent in May from 9.0 per cent in April, remaining at the highest level since 1982, the Office for National Statistics (ONS) said in a statement.
- UK inflation is set to top 11 per cent before the end of the year according to the Bank of England, fuelled by soaring energy prices that have raised the prospect of a global recession. UK inflation increased in May on "continued steep food price rises and record high petrol prices", said ONS chief economist Grant Fitzner.
- This was offset by clothing costs rising by less than a year earlier and a drop in prices of computer games, he added. Decades-high inflation is causing a cost-of-living crisis. Britain's railway workers are this week staging the sector's biggest strike action in more than 30 years, as soaring prices erode the value of wages.

<https://www.thedailystar.net/business/global-economy/europe/news/uk-inflation-hits-40-year-high-3054216>

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

Bijoynagar Extension

Prime Tower (3rd Floor),
180-181
Dhaka-1213
Phone: +880248318685

Nikunja Branch

DSE Tower, Level 10,
Room# 200, Nikunja,
Dhaka-1229
Phone: +8809666702070

Khulna Branch

28, Sir Iqbal Road (1st Floor)
Khulna
Phone: +88-041-731208-9

Chattogram Branch

Bank Asia Bhawan (3rd Floor)
39, Agrabad Commercial
Area
Chattogram-4001
Tel : +8801730338091

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.