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## Stock Market & Company

### Stocks end 2-week fall amid regulator's measures

The Newage, April 23, 2022

- Dhaka stocks in the past week snapped two-week plunge as Bangladesh Securities and Exchange Commission clamped down on aggressive sales of shares and pushed market intermediaries to inject fresh funds in the market. The prime index of the Dhaka Stock Exchange, DSEX, advanced by 1.2 per cent, or 77.39 points over the past week, to close at 6,662 points on April 23, the last trading session of the week, after losing 172.6 points in the previous two weeks.
- Out of 385 issues traded, 204 advanced, 140 declined and 42 remained unchanged. Two other DSE indexes also finished positive on the week. The DS30, comprised of 30 large capitalised companies, soared by 37.62 points to finish at 2,478 points and the DSE Shariah Index, DSES, also added 16.84 points to close at 1,464 points.
- The daily average turnover, a key indicator of the investors' participation, dropped to Tk 548 crore in the week compared with that of Tk 565.9 crore in the previous week. Bangladesh Export Import Company Limited was the most traded company with shares worth Tk 216 crore changing hands.
- JMI Hospital Requisite Manufacturing Company, Bangladesh Shipping Corporation, Sonali Paper, Aman Feed, IPDC Finance, LafargeHolcim Bangladesh, Fortune Shoes, Square Pharmaceuticals and BDCOM Online were the other turnover leaders.

<https://www.newagebd.net/article/168836/stocks-end-2-week-fall-amid-regulators-measures>

## No headway in enlisting state-run companies on stock market

The Newage, April 23, 2022

- No state-run company was enlisted on the stock market for the last 10 years due mainly to the government's apathy and the companies' unwillingness. The government has taken several initiatives since 2007 to enlist the government-owned companies on the stock market but was able to enlist only Bangladesh Submarine Cables Company in 2012.
- On February 2, 2020, finance minister AHM Mustafa Kamal declared that the government instructed five energy companies to go public and gave them two months to assess the current value of their assets prior to offloading shares of the companies. However, no company has filed IPO documents with the Bangladesh Securities and Exchange Commission so far.
- Besides, the assets of a company must be revalued and also government share money deposited in the company must be converted into shares before getting listed on the market, which delays the listing process. The Financial Reporting Council on February 11, 2020 issued a notification, making it mandatory for companies to convert share money deposits into shares within six months.
- BSEC officials said that the non-listed government companies usually do not follow the accounting standard and corporate governance code. However, companies must prepare financial statements to comply with Bangladesh financial reporting standards to be listed on the stock exchanges.

<https://www.newagebd.net/article/168834/no-headway-in-enlisting-state-run-companies-on-stock-market>

## ICB allowed to buy more than 5pc shares of DS30 cos

The Newage, April 21, 2022

- The Bangladesh Securities and Exchange Commission has allowed Investment Corporation of Bangladesh to buy more than 5 per cent of paid up capital of companies under the Dhaka Stock Exchange blue-chip index, DS30. The BSEC issued a letter in this regard on Wednesday.
- In May 2021, the BSEC restricted the ICB to buy more than 5 per cent shares of any listed company after observing irregularities in the process. There are 30 companies under the DS30 index, a composition of large capitalised companies.

<https://www.newagebd.net/article/168677/icb-allowed-to-buy-more-than-5pc-shares-of-ds30-cos>

## Union Bank added to key DSE index

The Financial Express, April 22, 2022

- The Dhaka Stock Exchange (DSE) has added newly listed Union Bank Ltd to its benchmark DSEX index as it met all the criteria for interim quarterly IPO addition. The indices committee of the DSE nominated the Union Bank as an eligible constituent for inclusion in the DSEX after reviewing its performance for January-March 2022 quarter on the basis of the index methodology designed by S&P Dow Jones Indices.
- The revised list will come into effect on April 24, according to a DSE press release issued on Thursday. With the new inclusion, the DSEX will have 339 listed companies, accounting for about 95 per cent of the prime bourse's total market capitalisation.
- Union Bank's IPO is the largest ever in the banking sector and the fourth largest among listed companies after Robi Axiata (Tk 5.23 billion), Grameenphone (Tk 4.86 billion) and MJL Bangladesh (Tk 4.60 billion), the DSE data show. The bank has reported a profit after tax of Tk 1,219.58 million in nine months for January-September 2021 as against Tk 1,157.56 million for the same period of the previous year.

<https://thefinancialexpress.com.bd/stock/union-bank-added-to-key-dse-index-1650599837>

## High cost of listing, trading hinders bond market development

The Business Standard, April 24, 2022

- Despite a delayed start, moves to popularise bonds as a financing instrument are gaining momentum as more and more lenders, corporates, a few municipalities and non-governmental organisations are issuing bonds and the listing of many is widening capital market investors' scope to diversify their portfolios.

- However, the secondary bond market is miles behind its needed status to be called popular or vibrant, experts observe, due to several reasons. The very high cost of listing and trading bonds here is at the top end of the barriers list and investment bankers now are pushing the Dhaka Stock Exchange (DSE) to rationalise the costs, while the securities regulator is discussing the need for supportive tax policies and other issues with the National Board of Revenue.
- On behalf of the market intermediaries, merchant bank City Bank Capital Resources, an industry champion in managing and arranging bond issuance, has recently written to the premier bourse to address the high costs that are hindering the development of the bond market.
- The Dhaka Stock Exchange (DSE) charges 0.25% of the total size of a corporate bond until the bond size exceeds Tk10 crore, and for bonds bigger than that it charges 0.15% of the total as an initial listing fee.

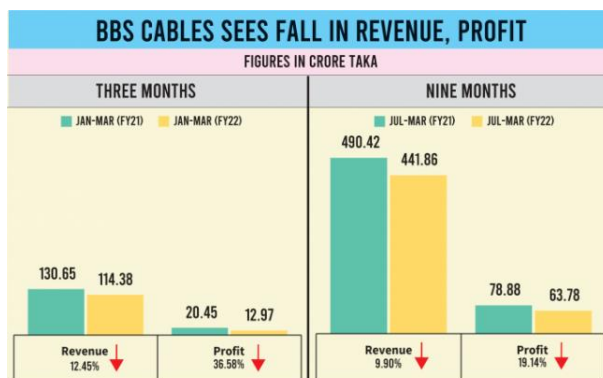


<https://www.tbsnews.net/economy/stocks/high-cost-listing-trading-hinders-bond-market-development-408390>

## BBS Cables' profit, revenue decline as government tenders drop

The Business Standard, April 23, 2022

- BBS Cables – the second-largest cable manufacturer in the country – witnessed a decline in revenue and profit in the third quarter of the current fiscal year following a drastic drop in government tender. During the January-March period, its revenue fell by 12% to Tk114 crore, and profit (after tax) by 37% to Tk13 crore compared to the same period of the previous fiscal year.
- Despite the fall in revenue, its selling and distribution expenses surged by 75% to Tk7.73 crore, up from Tk4.41 crore in the January-March of 2020-21.
- Up to 40% of the revenue of BBS Cables comes from the sale of products to government companies and the rest to corporations and retailers. The company's revenue and profits plummeted in 2020-21 due to the Covid-19 epidemic.
- In the first nine months of the current financial year, its revenue decreased by about 10% and profit decreased by 19%. During the period, its total revenue was Tk441.86 crore which was Tk490.42 crore in the same period last year.
- The profits fell to Tk63.78 crore from Tk78.88 crore in the previous year.



<https://www.tbsnews.net/economy/stocks/bbs-cables-profit-revenue-decline-government-tenders-drop-408374>

## Bangladesh Building System profit jumps on share sale gains

The Business Standard, April 23, 2022

- The profit of Bangladesh Building System has jumped significantly to Tk23.14 crore in the first nine months of the current fiscal year riding on gains from the sales of shares of its associate company. The prefabricated steel structure manufacturer, which got listed on the capital market in 2013 – had reported Tk1.55 crore in profit in the same period of the previous fiscal year.
- It also saw a jump in revenue thanks to an increased demand for the product, said sources in the company. According to the unaudited financials, in the January-March quarter, its profit rose to Tk7.53 crore compared to a net loss of Tk1.89 crore a year ago due to the Covid-19 pandemic.
- The revenue jumped by 37% to Tk30.51 crore from Tk22.28 crore in the same quarter of fiscal 2020-21. According to its half-yearly financials, in the July-December period, the company earned Tk13.85 crore from share sales of its associate.

<https://www.tbsnews.net/economy/stocks/bangladesh-building-system-profit-jumps-share-sale-gains-408378>

## Bluechip Securities gets ultimatum to resolve complaints

The Business Standard, April 23, 2022

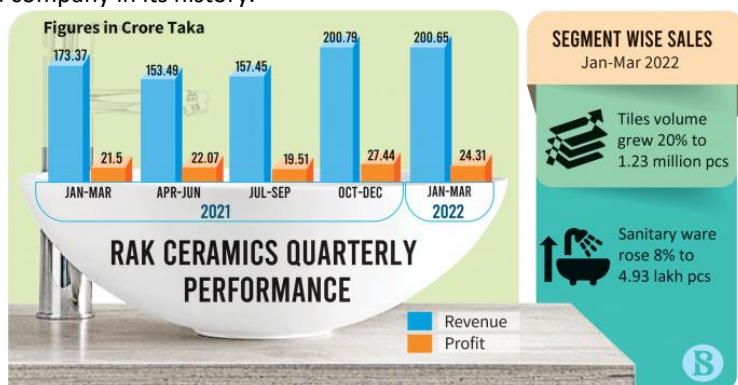
- The stock market regulator has issued an ultimatum to Bluechip Securities Ltd – previously known as Khurshid Securities Ltd – to resolve all complaints from its clients and employees within 31 May this year. On Wednesday, the Bangladesh Securities and Exchange Commission (BSEC) issued the ultimatum.
- The brokerage firm has been accused of selling shares to customers without permission from their clients, sources said. The firm allegedly did not pay Tk62.70 crore to its employees from 2008 to 2017, added the sources. The employees did not get their dues despite numerous attempts.
- The market regulator met with the management of Bluechip Securities Ltd through the Dhaka Stock Exchange. If the firm failed to resolve the allegations within 31 May 2022, the commission will suspend the free limit facilities the brokerage firm gets from the stock exchange, initial public offering (IPO) quota facilities that make the firm eligible as a qualified investor, and the dividends they get as a member of the stock exchange, according to BSEC sources.

<https://www.tbsnews.net/economy/stocks/bluechip-securities-gets-ultimatum-resolve-complaints-408334>

## RAK Ceramics retains Tk200cr in quarterly revenues

The Business Standard, April 21, 2022

- Despite a decline in construction, RAK Ceramics (Bangladesh) Limited, a leading tiles and sanitary ware manufacturer in the country, has maintained a Tk200 crore mark in revenues for the last two consecutive quarters. The back-to-back quarter ly Tk200 crore footprint is also a record for the UAE-based company in its history.
- The increase in the company's business performance has not had any effect on its share prices. Its share prices have plunged 29% from February to 21 April this year. On Thursday, the RAK share price closed at Tk43.60 on the Dhaka Stock Exchange.
- In the first quarter of 2022, its revenue stood at Tk200.65 crore, 15% higher than in the previous year at the same time. In the last quarter of 2021, its revenue was Tk200.79 crore.
- In the January-March quarter this year, the sales of its tiles increased 20% and sanitary ware sales grew 8% compared to the same quarter a year ago.
- RAK Ceramics Bangladesh posted Tk0.57 in earnings per share for the first quarter of 2022 against Tk0.50 in the previous year at the same time. The company's gross profit margin – the ratio of sales revenue to cost of production – improved to near 30% which was in decline since the end of 2018 and dropped to below 23% in 2020. The 66-day nationwide shutdown had dragged the company down to a quarterly loss in the April-June period with a 59% drop in annual profits.



<https://www.tbsnews.net/economy/stocks/rak-ceramics-retains-tk200cr-quarterly-revenues-407478>

## BSEC rejects Tk15cr QIO of Saraz Fiber

The Business Standard, April 21, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has rejected the qualified investors offer (QIO) of Saraz Fiber Tech Ltd because the recycled yarn spinning company does not meet regulatory requirements. The company wanted to raise Tk15 crore from the SME platform of the Dhaka Stock Exchange (DSE) by issuing 1.5 crore ordinary shares.
- It had intended to use the QIO fund for repaying bank loans, purchasing machinery, building a warehouse, and increasing working capital. Saraz Fiber Tech, which went into commercial operation in 2012, processes different types of wastes and makes recycled yarns.
- According to sources, the company established its business on leased land but BSEC requires it to acquire the land for doing business. After the land acquisition, the company will apply for the QIO afresh.

<https://www.tbsnews.net/economy/stocks/bsec-rejects-tk15cr-qio-saraz-fiber-407474>

## Economy & Industry

### You can insure yourself at banks from this year

The Business Standard, April 21, 2022

- Bancassurance, the distribution of insurance products through banking channels, is set to be introduced by the end of this year with the central bank close to finalising the guidelines. The model is based on partnerships between banks and insurance companies, which will be a win-win for both the sectors, say both bankers and insurers.
- An insurance company will be able to leverage a partner bank's distribution channel and client base to sell its products while the bank will enjoy revenue growth as well.
- The global Bancassurance market is growing steadily with a rising popularity in Asian countries including Malaysia, South Korea, Singapore, Indonesia and the Philippines.
- A technical committee comprising representatives of the Bangladesh Bank, the Insurance Development and Regulatory Authority (IDRA), commercial banks, insurance companies and the consulting firm PricewaterhouseCoopers (PwC) Bangladesh Pvt Ltd is working on finalising the guideline for the Bancassurance business.
- Once introduced, people will be able to purchase insurance products from nearly 11,000 branches of the banks operating across Bangladesh. The banks will set up dedicated desks for their partner insurance companies, allowing insurance customers to deposit premiums and seek related information directly from the banks.



<https://www.tbsnews.net/economy/you-can-insure-yourself-banks-year-407938>

### Strictly monitor agent banking activities

The Daily Star, April 22, 2022

- Bangladesh Bank yesterday asked banks in the country to closely monitor their agent banking programmes by appointing dedicated officials in order to ensure transparency of operations.
- Quarterly or monthly physical visits by bank staff or other authorised personnel will have to be carried out to ensure that agents strictly conduct their financial operations within the purview of related guidelines and contracts, according to a central bank notice.
- Banks will have to submit a quarterly report to Bangladesh Bank providing information on any financial irregularities, fraud, forgeries, scams, and so on within seven working days after the end of each quarter. No agent will relocate, transfer, replace or close their agent banking outlet without prior written consent of the respective bank, the notice said.
- Subsequently, banks have to take prior approval from Bangladesh Bank for the relocation of any outlet as well as transfer or replacement of the outlet's ownership. However, no such approval would be required in case of the closure of an outlet, it added.

<https://www.thedailystar.net/business/economy/banks/news/strictly-monitor-agent-banking-activities-3010006>

## International

### Global stocks mostly sink on Fed chief's remarks

The Newage, April 22, 2022

- Asian and European stocks mostly sank Friday on hawkish comments from the Federal Reserve about its monetary tightening plans, sending the dollar sharply higher against the euro. Frankfurt stocks dived 1.9 per cent and Paris slid 1.7 per cent in early afternoon eurozone deals, as investors shrugged off a survey showing that the bloc's economic activity accelerated in April.
- London shed 0.7 per cent around midday with losses capped by the slumping pound that boosts share prices of multinationals. Sterling slumped against the dollar after data showed tumbling retail sales as Britons face a cost-of-living crisis.
- The pound briefly hit an October 2020 low as British prime minister Boris Johnson comes under renewed political pressure. Oil prices slumped on demand fears arising from rising interest rates in the United States and on-going Covid restrictions in China.
- Markets remain shaken after Fed chairman Jerome Powell exacerbated worries over higher US interest rates late on Thursday. Powell, who has signalled that the Fed will have to move more aggressively to counter decades-high US inflation, stated that a half-point interest rate increase was 'on the table' for next month's meeting, sending Wall Street tanking.

<https://www.newagebd.net/article/168761/global-stocks-mostly-sink-on-fed-chiefs-remarks>

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## 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).

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