

Key News

- ✓ [Stocks end flat as prices fall in large-cap](#)
- ✓ [AB Bank, NRBC Bank allowed to float bonds worth Tk 900 crore](#)
- ✓ [Beximco's price falls despite director's massive share purchase news](#)
- ✓ [People's Leasing to face stockmarket regulator's special audit](#)
- ✓ [Olympic to invest Tk25.65cr for construction, capacity enhancement](#)
- ✓ [Bad loans surpass Tk 1 lakh crore again](#)
- ✓ [Call money rate almost doubles in a week](#)
- ✓ [IMF urges El Salvador against using bitcoin as official currency](#)

Stock Market & Company

Stocks end flat as prices fall in large-cap

The Financial Express, November 23, 2021

- Stocks witnessed flat with the downward trend of major price indices at Dhaka and Chittagong stock exchanges due mainly to price fall in some large-cap securities on Tuesday. The broader DSEX index of the Dhaka Stock Exchange (DSE) closed the day with 9.29 points down at 7,013. The blue-chip DS30 and the Shariah DSES also followed the same trend with 6.14 points down at 2,660.86 and with 2.39 points down at 1,468.58.
- At DSE, out of the day's 368 securities, prices of 156 securities closed higher against 176 losing issues.
- The daily trade value increased to Tk 13146.04 million from Monday's Tk 12260.46 million, reports BSS.
- The major gaining issues were ACMEPL, SKICL, One Bank Limited, Golden Son, Tosrifa, PDL, SILCOPHL, IBP, MI Cement, and SS Steel. The major losing issues were GPH Ispat, Navana CNG, DOMINAGE, Provati Insurance, Rahim Text, UPGDCL, All Tex, GENEXIL, SIBL, and Style Craft. Beximco topped the turnover list followed by One Bank, FIRSTSBANK, Fortune, and KTL.
- The Chittagong Stock Exchange (CSE) closed the day of the week with a downward trend with its major CASPI 2.04 points down at 1,566.99.
- At CSE, 281 issues were traded. Of those, 101 closed higher and 147 closed lower when 20.80 million shares worth Tk 529.40 million changed hands.



<https://thefinancialexpress.com.bd/stock/stocks-end-flat-as-prices-fall-in-large-cap-1637670678>

AB Bank, NRBC Bank allowed to float bonds worth Tk 900 crore

Newage, November 23, 2021

- The Bangladesh Securities and Exchange Commission on Tuesday allowed AB Bank Limited and NRB Commercial Bank Limited to float bonds worth Tk 600 crore and Tk 300 crore respectively. The capital market regulator gave the approval at a commission meeting presided over by its chairman Shibli Rubayat-UI-Islam.
- As per the BSEC approval, AB Bank will float transferable, unsecured, non-cumulative, contingent-convertible perpetual bond while NRB Commercial Bank will float unsecured, non-convertible, fully redeemable, floating rate subordinated bond.
- The face value of each unit of AB Bank's bond will be Tk 1,000 and that of NRBC Bank's bond will be Tk 1 crore. The coupon rate of AB Bank's bond is 6 per cent to 10 per cent. Out of the Tk 600 crore, AB Bank will issue bonds worth Tk 540 crore through private placement and Tk 60 crore through a public offer.
- MTB Capital Limited acts as trustee and Riverstone Capital Limited acts as issue manager while BMSL Investments Limited as underwriter of AB Bank's bond.

<https://www.newagebd.net/article/155518/ab-bank-nrbc-bank-allowed-to-float-bonds-worth-tk-900-crore>

Beximco's price falls despite director's massive share purchase news

The Daily Star, November 23, 2021

- Beximco Ltd's stock experienced a price fall today although the company disclosed that its corporate director is going to buy 3 crore or 3.4 per cent of the entity's total shares from the market.
- The price of each share of the company fell 0.57 per cent from the previous day to hit Tk 174.60 today, according to data collected from the Dhaka Stock Exchange (DSE).
- In the disclosure that the company made in a posting on the DSE website, the company said Beximco Holdings Ltd, one of the corporate directors of the company, has expressed its intention to buy 3 crore shares of the company at prevailing market price.
- The buy would be completed in the next 30 working days, it added.
- The general investors did not show that much interest to buy Beximco's stock this time as the price of its shares is already inflated, said a top official of an asset management company preferring anonymity.
- Beximco's share price soared over 14 times to Tk 185 on November 11, which was only Tk 13 on July 13 in 2020, the DSE data shows.

<https://www.thedailystar.net/business/news/beximcos-price-falls-despite-directors-massive-share-purchase-news-2900891>

People's Leasing to face stockmarket regulator's special audit

The Daily Star, November 23, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to run a special audit on all the financial reports of People's Leasing and Financial Services (PLFS) in the period of 2013 to 2021. The decision came in a commission meeting held in its head office in the capital chaired by BSEC chairman Prof Shibli Rubayat UI Islam.
- The stock market regulator would take necessary steps to continue its production and find all possible options, it said in a press release. Abiding by the order of Supreme Court, the BSEC already met with the company's newly formed board of directors and talked about the way to continue its operation.
- Earlier in 2019, the government directed the central bank to liquidate PLFS due to deterioration of its financial health in the previous years. In last June, High Court ordered to revive People's Leasing instead of winding it up as its 201 depositors collectively filed an application seeking restructuring of the company.

<https://www.thedailystar.net/business/news/peoples-leasing-face-stockmarket-regulators-special-audit-2901011>

Olympic to invest Tk25.65cr for construction, capacity enhancement

The Business Standard, November 23, 2021

- Olympic Industries – the country's leading biscuit manufacturer – will invest Tk25.65 crore for land development, extension works, production capacity enhancement, and importing cupcake making lines.
- According to a company disclosure on the website of the Dhaka Stock Exchange on Tuesday, Olympic will manage the investment gradually from its sources or working capital financing. Of the Tk25.65 crore, Olympic will invest a total of Tk9 crore for developing land, and constructing boundary walls, main gate, security guard's room, and internal roads. Of the Tk9 crore, Tk33.62 lakh will be paid as design charges.
- The company will invest Tk8.50 crore for undertaking first phase extension works to construct a 5-storey building in Kutubpur with a floor area totalling 73,000 square feet, and extend a 7,300 square feet tin shed on the ground floor for carton and snacks units.
- The space extension will meet the shortage of storage space to keep raw materials, packing materials, finished goods, craft papers, and finished cartons. Of the investment amount, the company will use Tk1.66 crore to enhance the production capacity of corrugated carton units at Kutubpur.

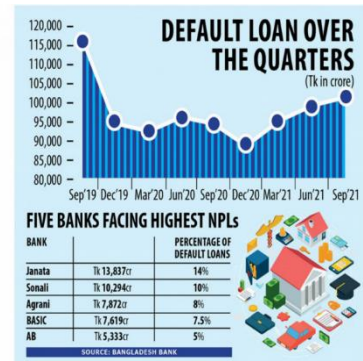
<https://www.tbsnews.net/economy/stocks/olympic-invest-tk2565cr-construction-capacity-enhancement-333748>

Economy & Industry

Bad loans surpass Tk 1 lakh crore again

The Daily Star, November 24, 2021

- In an upsetting development, default loans in the banking sector in Bangladesh have surpassed Tk 1 lakh crore after more than one and a half years despite a relaxed loan classification policy adopted by the central bank.
- Up until September this year, non-performing loans (NPLs) stood at Tk 101,150 crore, up 14 per cent from nine months earlier and 7.1 per cent year-on-year, Bangladesh Bank data showed. Defaulted loans totaled Tk 116,288 crore in September 2019.
- The rise in the NPLs came despite the central bank's relaxed policy, introduced soon after the coronavirus pandemic hit the country in March last year, an ominous sign for the economy.
- The central bank had declared a loan moratorium policy last year. The facility has ended as the economy shook off the impacts of the pandemic.
- Borrowers can now avert slipping into the defaulted zone by repaying only 25 per cent of their total instalments. The NPLs also increased 2 per cent in September compared to June when the volume stood at Tk 99,205 crore. The NPLs declined massively in the final quarter of 2019 on the back of another regulatory forbearance extended by the central bank.
- The BB had allowed banks to reschedule defaulted loans by accepting a down payment of only 2 per cent of the outstanding amount, way lower than the existing 20-50 per cent.
- BB data showed more than 47 per cent of the defaulted loans were with the nine state-run banks. Their collective defaulted loans increased 0.4 per cent to Tk 47,715 crore in September from three months ago.
- Forty-one private banks held defaulted loans of Tk 50,743 crore, up 3.15 per cent from a quarter earlier. NPLs in nine foreign banks rose to Tk 2,691 crore in contrast to Tk 2,492 crore.



<https://www.thedailystar.net/business/economy/banks/news/bad-loans-surpass-tk-1-lakh-crore-again-2901406>

Call money rate almost doubles in a week

The Business Standard, November 23, 2021

- Call money rate almost doubled on Tuesday in the span of a week, thanks to a sudden increase in demand for cash in banks as investment has risen in various sectors after the pandemic situation turned a corner.
- Seeking anonymity, a government bank treasury official told The Business Standard that for the last couple of weeks, the call money rate has significantly been increasing. Now, bank-to-bank call money transactions are happening at a rate of more than Tk4.50, while the rate is Tk5.25 for non-bank financial institutions. The rate is increasing due to rapid increase in investment in the post-pandemic economy, the official added.
- According to the Bangladesh Bank, on Monday, interbank call money transactions were worth Tk5,388 crore at a rate of Tk4.31. A week ago, the rate was at Tk2.93. Earlier on 15 November, the call money rate hit a 14-month high. On that day, the interbank call money transactions amounted to Tk8,378 crore at a rate of Tk3.14.
- Central bank data says the call money rate was Tk1.78 in January, which rose to Tk2.8 in May and dropped to Tk2.25 in June. The rate was below Tk2 in August, but since the first week of November it started rising.

<https://www.tbsnews.net/economy/banking/call-money-rate-almost-doubles-week-333793>

International

IMF urges El Salvador against using bitcoin as official currency

The Daily Star, November 24, 2021

- The International Monetary Fund on Monday warned El Salvador against using bitcoin as official tender given the risks associated with the cryptocurrency, a day after the country announced plans for the world's first "Bitcoin City". El Salvador, which has used the US dollar for two decades, became the first country in the world in September to legalize bitcoin as legal tender.
- "Given Bitcoin's high price volatility, its use as a legal tender entails significant risks to consumer protection, financial integrity, and financial stability," the IMF said in a statement after concluding a monitoring mission to the small Central American country. "Its use also gives rise to fiscal contingent liabilities. Because of those risks, Bitcoin should not be used as a legal tender."
- The Washington-based lender thus recommended "narrowing the scope of the Bitcoin law" that made it official currency and urged "strengthening the regulation and supervision of the new payment ecosystem."
- The IMF statement came a day after President Nayib Bukele said El Salvador plans to build a "Bitcoin City" powered by a volcano and financed by cryptocurrency bonds.

<https://www.thedailystar.net/business/global-economy/news/imf-urges-el-salvador-against-using-bitcoin-official-currency>

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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

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.