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Stock Market & Company

Stocks extend rally for fourth day

The Financial Express, April 24, 2022

- The market extended the rally for a fourth straight session on Sunday, with rising turnover value, as institutional investors put fresh funds on major sector stocks. The market opened higher and the key index rose about 58 points after two hours of trading. But late-hour sale pressure wiped out most of the early gains, eventually ending over 20 points high.
- DSEX, the prime index of the Dhaka Stock Exchange, went up by 20.87 points or 0.31 per cent to settle at 6,683. DSEX added 201 points in the past four consecutive sessions.
- Turnover, a crucial indicator of the market, rose to nearly one month and total turnover amounted to Tk 8.95 billion on the country's premier bourse, climbing further by 19 per cent over the previous day's mark of Tk 7.54 billion.
- The DSE30 Index, comprising blue chips, also advanced 8.05 points to finish at 2,486. However, the DSE Shariah Index (DSES) dropped 3.08 points to close at 1,461.
- Beximco topped the turnover list with shares of nearly Tk 627 million changing hands, followed by IPDC Finance (Tk 589 million), Orion Pharma (Tk 536 million), Bangladesh Shipping Corporation (Tk 294 million), and Fortune Shoes (Tk 291 million).



- Union Insurance was the day's top gainer list, posting a 9.85 per cent gain, while Samorita Hospital was the day's worst loser, losing 4.98 per cent. The Chittagong Stock Exchange (CSE) also kept rising with the CSE All Share Price Index - CASPI – gaining 52 points to settle at 19,645 and the Selective Categories Index - CSCX – rose 32 points to close at 11,789.

<https://thefinancialexpress.com.bd/stock/stocks-extend-rally-for-fourth-day-1650795671>

DSE finds deficit in six more brokerage firms

The Newage, April 23, 2022

- The Dhaka Stock Exchange has found total Tk 18.25 crore in shortfalls in consolidated customer accounts of six brokerage houses. M Securities Limited had the highest of Tk 10 crore in deficit followed by Island Securities Limited Tk 6.43 crore and Bali Securities Tk 1.22 crore in their respective consolidated customer accounts as on February 10.
- DMR Securities Services, Hedayetullah Securities and Sharp Securities had deficit of Tk 20.68 lakh, Tk 10.3 lakh and Tk 3.26 lakh respectively in their CCAs. On April 12, the Bangladesh Securities and Exchange Commission asked the DSE to conduct inspections in the six brokerage houses as per rule 6(5) of securities and exchange rules, 2020.
- The regulator gave the instruction to the DSE as the bourse informed the BSEC on April 7 that it had not conducted any inspection in the six brokerage firms, which was a non-compliance with the provision. The bourse must submit report to the commission within 15 working days.

<https://www.newagebd.net/article/168922/dse-finds-deficit-in-six-more-brokerage-firms>

BSEC appoints independent directors to Keya Cosmetics

The Newage, April 24, 2022

- The Bangladesh Securities and Exchange Commission has appointed two independent directors to the board of Keya Cosmetics Limited in a bid to improve corporate governance and business operations of the entity. The BSEC issued a letter in this regard on April 19.
- The two independent directors are Pallabi Siddiqua, associate professor of finance at the University of Dhaka, and Md Mesbah Uddin, associate professor of management at the University of Dhaka. The company has been struggling for many years and had failed to declare cash dividends. It declared only 1 per cent cash dividend in 2020 for the first time.
- Share prices of the company closed at Tk 7.6 each on Sunday after hitting the highest of Tk 10.5 each on August 19, 2021 in the past three years. Shares of the company have been trading under the 'B' category on the Dhaka Stock Exchange.

<https://www.newagebd.net/article/168925/bsec-appoints-independent-directors-to-keya-cosmetics>

Khulna Power to sell 110MW plant

The Daily Star, April 25, 2022

- Khulna Power Company Limited (KPCL) is set to sell its 110 megawatt barge mounted power plant at a value of \$15 million, according to a company statement posted on the Dhaka Stock Exchange (DSE) website yesterday. An asset purchase agreement has been signed between KPCL and Excelerate Global Operations LLC of the US to this end, it said.
- The company also informed that they have applied to the Bangladesh Power Development Board (BPDB) and other concerned authorities for approval to re-export the plant (power barges) outside Bangladesh.
- Stocks of KPCL dropped 0.63 per cent to Tk 31.40 at the DSE yesterday. A week ago, the company informed that the government allowed the extension of two contracts with KPCL to purchase power from the KPC Unit-II 115 megawatt plant in Khulna and KPC 40 megawatt Noapara plant in Jashore on the basis of no electricity, no payment.

<https://www.thedailystar.net/business/economy/news/khulna-power-sell-110mw-plant-3011761>

People's Insurance declares a 12.50% cash dividend

The Business Standard, April 24, 2022

- People's Insurance Company Limited has declared a cash dividend of 12.50% for its shareholders for 2021. The announcement was made at the company's board meeting on 19 April. Its net profit for 2021 stood at Tk21.22 crore and the consolidated earnings per share (EPS) at Tk2.58.
- Its profit stood at Tk16.7 crore and EPS at Tk2.26 in the previous year. At the end of 2021, the company declared a cash dividend of 12.50%. As such, the shareholders will be paid a cash dividend of Tk5.77 crore. The amount per share will be Tk1.25. And the rest of the income will be invested following government rules, including maintaining the retained earnings of the company.
- The company's net assets per share (NAV) have increased to Tk30.08 in 2021 from Tk28.60 in the previous year. For the January-March quarter of 2022, the company's EPS was Tk0.58. The consolidated EPS was Tk0.54.

<https://www.tbsnews.net/economy/stocks/peoples-insurance-declares-1250-cash-dividend-408838>

Sonali Paper rights shares subscription opens on 7 June

The Business Standard, April 24, 2022

- The subscription for the rights shares of Sonali Paper and Board Mills will open on 7 June and continue till 28 June. The company has set the record date of the rights shares on 23 May this year. On 20 April, the Bangladesh Securities and Exchange Commission (BSEC) allowed the company to issue rights shares at a ratio of 1R:2 (1 right share against 2 existing shares held) at Tk10 per share.
- The company will issue 1.1 crore ordinary shares at Tk10.1 crore and use this fund to purchase machinery. The firm will not be able to raise its paid-up capital through stock dividends for the next five years.
- Currently, the company's paid-up capital is Tk21.96 crore. Earlier, the regulator appointed SH Khan & Co Chartered Accountants as a special auditor for the company to look into its assets that were revalued in 2016.
- In July 2020, the company relisted on the main board of the stock exchanges taking exemption from the listing regulations. In the July-December period of 2021, its operating income increased by 47% compared to the same period of the previous year.

<https://www.tbsnews.net/economy/stocks/sonali-paper-rights-shares-subscription-opens-7-june-408850>

Walton buys land for Tk44cr

The Business Standard, April 24, 2022

- Walton Hi-Tech Industries PLC – an electronics giant in the country – has decided to purchase around 588.38 decimal of land at Chandra, Kaliakair of Gazipur. The purchase value of the land is Tk44.13 crore, excluding registration and other related expenses.
- The land will be used for the balancing, modernisation, rehabilitation and expansion (BMRE) project of the company, according to a stock exchange filing Sunday. The board of the electronics giant decided on 23 April.
- In August last year, it bought around 236 decimal land for Tk171.90 crore at Bashundhara for building an iconic tower of the Walton corporate office. In the first nine months of the current fiscal year, the home appliances maker has reported a 21% decline in earnings per share (EPS) due to a hike in raw materials prices.
- During the period, its EPS dropped to Tk27.07 from Tk34.26 in the July-March of fiscal 2020-2021. In fiscal 2020-21, the company made a profit of Tk1,639.20 crore, a 125% jump from Tk726.45 crore in fiscal 2019-2020. The company paid a 250% cash dividend for general shareholders and 170% cash for sponsors-directors of the company.

<https://www.tbsnews.net/economy/stocks/walton-buys-land-tk44cr-408854>

DBBL holds its 26th annual general meeting

The Business Standard, April 24, 2022

- Dutch-Bangla Bank Limited held its 26th annual general meeting (AGM) on Sunday through a virtual platform under the Chairmanship of Sayem Ahmed, chairman, the Board of Directors of the Bank. The Chairman welcomed the Shareholders in the AGM. A large number of Shareholders virtually participated in the AGM of the bank, read a press statement.
- In the AGM, Shareholders approved a 27.5% Dividend (i.e. 17.5% cash dividend and 10% Stock Dividend per share) for the year 2021. The audited financial statements of the bank for the year ended 31 December 2021 were placed before the AGM. The shareholders made various observations and suggestions on performance for the year 2021.
- Total assets of the Bank as of 31 December 2021 stood at Tk514,399.8 million compared to Tk472,355.4 million of 2020 registering a growth by Tk42,044.4 million or 8.9%. Loans and advances of the bank stood at Tk319,448.1 million at the end of 2021 a growth of 16.9% over Tk273,382.9 million at the end of 2020. The deposits grew by Tk38,889.4 million in 2021 from Tk362,611.0 million to Tk401,500.3 million showing a growth of 10.7%.

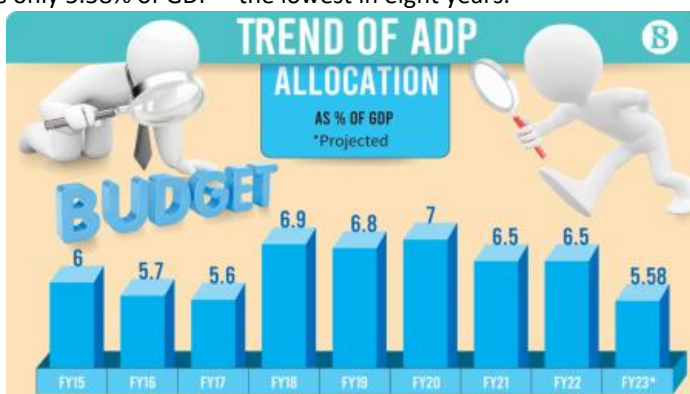
<https://www.tbsnews.net/economy/corporates/dbbl-holds-its-26th-annual-general-meeting-408730>

Economy & Industry

FY23 ADP outlay to be 5.58% of GDP – lowest in 8 years

The Business Standard, April 24, 2022

- The annual development programme (ADP) outlay is getting lower as percentage of the gross domestic product (GDP) for the upcoming fiscal year despite a surge in demands from different ministries. The Finance Division, in a recent meeting, set the ADP size at Tk2.46 lakh crore for the FY2022-23, which is only 5.58% of GDP – the lowest in eight years.
- The ADP allocations are hovering around 6-7% of GDP since FY2014-15. In the current fiscal (FY2021-22), the original ADP outlay was 6.5% of GDP. However, it reduced to 5.71% as per calculation under the new base year.
- The next fiscal year's ADP outlay is going to be 0.13 percentage point lower compared to that of the current fiscal. However, the demand for the upcoming fiscal's development programmes was Tk38,500crore higher.
- According to the finance ministry, the draft budget for the next fiscal is 12.29% higher than the current one, and the ADP is 9.26% higher.
- In FY10, the ADP was 19.14% higher year-on-year and in the next couple of years it increased up to 38% – 20% on average. In 2020-21 fiscal during the pandemic, the ADP growth was only 1%. In the current fiscal (FY22), the ADP growth was 9.84%.
- The draft budget for FY23 allocated 14.09% for the non-development sector, while it projected an 11.31% increase in revenue collection and 11.91% in GDP.



<https://www.tbsnews.net/economy/fy23-adp-outlay-be-558-gdp-lowest-8-years-408498>

FDI goes up but lower than expected

The Daily Star, April 25, 2022

- Foreign direct investment to Bangladesh rose 13 per cent year-on-year to \$2.89 billion last year, in a positive development for an economy long looking to increase the flow of external funds to accelerate its growth, official figures showed. FDI inflow has been far lower than the expected level given the country's business volume and potential of the economy.
- Strict regulations, bureaucratic complexities, inadequate infrastructures and lack of one-stop service have become major challenges to lifting the volume of FDIs. Fresh investment, or equity capital, was at a higher level last year compared to 2020, which has been described by economists as a good development for the country's investment sector.

- Foreign investors had earlier reinvested their earnings, generated in Bangladesh, significantly, but the trend reversed last year. The reinvestment of earnings stood at \$1.562 billion last year in contrast to \$1.566 billion a year prior.
- Intra-company loans increased to \$194 million, up 25 per cent year-on-year. Some peers of Bangladesh have managed to secure a higher volume of FDI. For instance, Vietnam received \$19.74 billion last year and \$4.42 billion in the first quarter of this year.

<https://www.thedailystar.net/business/economy/news/fdi-goes-lower-expected-3011801>

International

Global stocks slide on jitters over higher interest rates

The Daily Star, April 25, 2022

- Global stock markets dropped sharply Friday as the latest hawkish commentary from the Federal Reserve sent investors fleeing equities on worries over higher interest rates. Frankfurt lost 2.5 per cent at the close and Paris ended off 2 per cent as investors shrugged off a survey showing the EU bloc's economic activity accelerated in April, while London lost 1.4 per cent on the session.
- Wall Street followed the glum trend, with the Dow finishing off 2.8 per cent, or nearly 1,000 points, following an ugly session.
- Helping to batter London was a sterling slump against the dollar to an 18-month low after data showed tumbling British retail sales amid a cost-of-living crisis. The euro also slid against the US currency. Oil prices fell on demand fears arising from rising interest rates in the United States and Covid restrictions in China.
- "(Price) risks are certainly more tilted to the upside, given the war in Ukraine and a potential embargo on Russian exports, but lockdowns in China and the risk of a Fed-driven economic slowdown are also significant," observed Craig Erlam, Senior Market Analyst.
- Fed Chairman Jerome Powell, who has signaled that the Fed will have to move more aggressively to counter decades-high US inflation, stated on Thursday that a half-point interest rate increase was "on the table" for next month's meeting, sending Wall Street tanking.

<https://www.thedailystar.net/business/global-economy/news/global-stocks-slide-jitters-over-higher-interest-rates-3011711>

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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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