

Key News

- ✓ [Stocks drop slightly but turnover surges](#)
- ✓ [Banks' investment in listed, non-listed securities: BB issues guidelines on provisioning](#)
- ✓ [Southeast Bank, SIBL get nod to declare dividends](#)
- ✓ [Global Insurance's profit slightly up in 2022](#)
- ✓ [BBS Cables to supply Tk 106cr cables to DPDC](#)
- ✓ [GQ Ball Pen adjusts Tk1.15 crore bank loan with land sell proceeds](#)
- ✓ [BSEC approves Green Delta Dragon Enhance Blue Chip Growth Fund's drafts prospectus](#)
- ✓ [NBFIs interest rate spread falls 60% in a month](#)
- ✓ [Interbank dollar rate hits record high](#)
- ✓ [Top banks broke competition laws on UK bonds: regulator](#)

Stock Market & Company

Stocks drop slightly but turnover surges

The New Age, May 25, 2023

- Dhaka stocks dropped slightly on Wednesday after gaining 24.88 points in the previous two trading sessions, but the turnover surged as investors remained active on both sides of the trading fence, market operators said.
- The turnover on the bourse increased to Tk 1,109.93 crore on Wednesday compared with that of Tk 920.21 crore on Tuesday. Shares worth Tk 131.75 crore were traded through block transactions on the day.
- DSEX, the key index of the Dhaka Stock Exchange, lost 0.28 points, or 0.004 per cent, and settled at 6,305.90 points on Wednesday against 6,306.18 points on Tuesday.
- The DS30 index also decreased by 0.73 points to finish at 2,195.08 points and the DSE Shariah index also decreased by 1.33 points to close at 1,369.83 points on the day. Out of the 364 issues traded, 74 advanced, 99 declined and 191 remained unchanged on Wednesday.
- Navana Pharma topped the turnover chart with its shares worth Tk 37.22 crore changing hands. Intraco Refueling Station, Bangladesh Shipping Corporation, Orion Infusion, Genex Infosys, Gemini Sea Food, Sonali Life Insurance, Chartered Life Insurance, Sea Pearl Beach Resort and Rupali Life Insurance were the other turnover leaders on the day.

<https://www.newagebd.net/article/202507/stocks-drop-slightly-but-turnover-surges>

Banks' investment in listed, non-listed securities: BB issues guidelines on provisioning

The Financial Express, May 25, 2023

- The Bangladesh Bank (BB) issued a circular on Wednesday regarding banks' maintenance of provisioning against investments in listed and non-listed securities. In the circular, the central bank said that provisioning for listed securities, including shares, bonds, debentures, and perpetual instrument mutual funds, must adhere to the mark-to-market system.
- Mark-to-market is an accounting practice that involves adjusting the value of an asset to reflect its value as determined by current market conditions. For instance, if a share is purchased at Tk 12 and its last traded price is Tk 10, banks should provision for Tk 2.
- For non-listed securities, banks are required to provision based on the company's net worth, which represents its wealth measured by assets minus debt obligations. Banks should also provision for any decreased values of non-listed securities. In cases where the company no longer exists, banks should provision an amount equivalent to the total investment.
- For non-convertible cumulative preference shares, if there is no profit or dividend by the company as per the agreement, banks should provision at the rate of 25 per cent for the first year.

<https://thefinancialexpress.com.bd/stock/banks-investment-in-listed-non-listed-securities-bb-issues-guidelines-on-provisioning>

Southeast Bank, SIBL get nod to declare dividends

The Financial Express, May 24, 2023

- Southeast Bank and Social Islami Bank have received consent from the Bangladesh Securities and Exchange Commission to declare stock dividends for the financial year that ended on December 31, 2022.
- In a Wednesday filing on the Dhaka Stock Exchange, Southeast Bank said it had received permission from the regulator to declare a 4 per cent stock dividend for the year. The record date on June 7 for entitlement of the stock mentioned above dividend will remain unchanged, as previously announced. The annual general meeting will be held on July 5.
- Earlier, the board of directors of Southeast Bank had recommended a 6.0 per cent cash and 4 per cent stock dividend for the year ended December 31, 2022. The Stock dividend was subject to the approval of BSEC.

<https://thefinancialexpress.com.bd/stock/bangladesh/southeast-bank-sibl-get-nod-to-declare-dividends>

Global Insurance's profit slightly up in 2022

The Daily Star, May 25, 2023

- Global Insurance Company Ltd made a Tk 6.61 crore profit in the financial year that ended on December 31, 2022. The profit was up 0.60 per cent from Tk 6.57 crore in 2021. Thus, the insurer reported consolidated earnings per share of Tk 1.63 for 2022, which was Tk 1.62 a year earlier.
- The consolidated net asset value per share rose to Tk 13.80 from Tk 13.37 while the consolidated net operating cash flow per share slipped to Tk 4.09 from Tk 6.79 during the period.
- Global Insurance's board recommended a 12.25 per cent cash dividend for 2022, according to a filing on the Dhaka Stock Exchange. Shares of the company were down 6.35 per cent at Tk 39.80 on the premier bourse of the country yesterday.

<https://www.thedailystar.net/business/economy/news/global-insurances-profit-slightly-2022-3328871>

BBS Cables to supply Tk 106cr cables to DPDC

The Daily Star, May 25, 2023

- BBS Cables Limited has been given the task of supplying copper cables worth Tk 106.19 crore to Dhaka Power Distribution Company Limited.
- In a filing on the Dhaka Stock Exchange yesterday, the company said it has received the notification of award from the state-run power distributor to supply the cables. The notification of award will be effective upon signing the contract within 28 days, it said.

<https://www.thedailystar.net/business/economy/news/bbs-cables-supply-tk-106cr-cables-dpdc-3328826>

GQ Ball Pen adjusts Tk1.15 crore bank loan with land sell proceeds

The Business Standard, May 24, 2023

- GQ Ball Pen Industries has got Tk3.45 crore from selling its 7.67 katha land at Agrabad, Chattogram, the company disclosed through the Dhaka Stock Exchange (DSE) on Wednesday. As announced earlier, the company paid Tk1.15 crore to South East Bank to partially adjust its bank liabilities and the rest of the amount it got from the land buyer would be utilised on a "priority basis".
- According to the DSE, the company had a short-term bank liability of Tk3.17 crore at the end of June 2022, while it had no long-term loans. The publicly traded ball point pen maker, which used to lead the local market once with the then popular Econo brand, has been in a tough condition for more than a decade.
- For the first nine months of the fiscal year, it posted Tk3.05 in loss per share having a face value of Tk10 apiece. General public hold 56.6% of the company shares while sponsor and directors together hold 41.88% shares.

<https://www.tbsnews.net/economy/stocks/gq-ball-pen-adjusts-tk115-crore-bank-loan-land-sell-proceeds-637370>

BSEC approves Green Delta Dragon Enhance Blue Chip Growth Fund's drafts prospectus

The Business Standard, May 23, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved a draft prospectus of the Green Delta Dragon Enhanced Blue Chip Growth Fund, an open-end mutual fund. The prospectus has been approved in a meeting chaired by BSEC Chairman Professor Shibli Robayet-Ul Islam, said in a press release.
- According to the press release, the fund targets to raise Tk50 crore. The entrepreneurs Green Delta Insurance Company and Dragon Capital Markets will jointly provide Tk5 crore and the rest of the amount will be opened for general shareholders.
- The face value per unit is Tk10. Green Delta Dragon Asset Management Company is the fund arranger whereas the trustee and custodian are Bangladesh General Insurance Company and Brac Bank respectively.

<https://www.tbsnews.net/economy/bsec-approves-green-delta-dragon-enhance-blue-chip-growth-funds-drafts-prospectus>

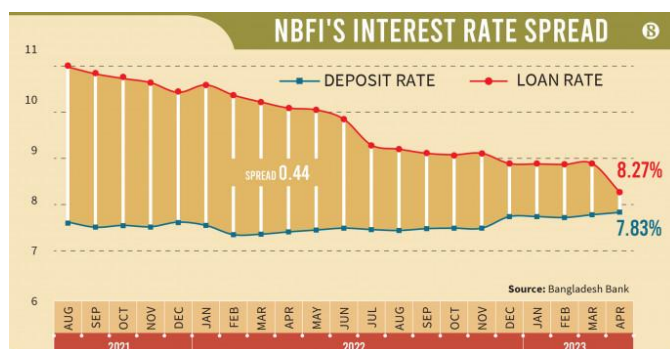
Economy & Industry

NBFIs interest rate spread falls 60% in a month

The Business Standard, May 24, 2023

- The interest spread of non-bank financial institutions (NBFIs) experienced a significant decline of 60% in April compared to the previous month due to an increase in non-performing loans within the sector.
- People concerned said when the interest rate spread decreases, it directly impacts the income of the institution. For non-bank financial institutions to operate effectively, it is recommended to maintain a minimum interest spread of 3% to ensure financial stability and sustainability.

- The interest rate spread refers to the difference between the interest rate at which banks or NBFIs lend money and the interest rate at which they accept deposits. It represents the gap between the rates paid for obtaining funds and the rates at which they charge borrowers.
- According to the central bank data, NBFIs are currently collecting deposits at an average interest rate of 7.83%. However, the interest rate on loans stands at 8.27%. Consequently, the interest rate spread for NBFIs has narrowed down to 0.44%.



- In March, they were receiving an interest rate of 8.89% on loans, resulting in an interest rate spread of 1.11%. However, the interest rate spread has experienced a significant decline despite a slight increase in deposit interest rates. This decline can be attributed to the decrease in loan rates, which has impacted the overall interest rate spread.

<https://www.tbsnews.net/economy/nbfis-interest-rate-spread-falls-60-month-637686>

Interbank dollar rate hits record high

The Daily Star, May 24, 2023

- The interbank exchange rate for the US greenback has reached a record high of Tk 108.75 per dollar as Bangladesh continues to face a shortage of the foreign currency. Banks traded each dollar ranging from Tk 108.50 to Tk 108.75 on May 22, down 24.28 per cent from a year ago, data from Bangladesh Bank showed.
- The interbank exchange rate increased almost every working day this month after starting out at Tk 106.80 per dollar on May 1. The local currency has been facing depreciation for the last one year due to higher import payments and slower-than-expected export earnings and remittance inflow.
- In the first nine months of 2022-23, import bills dropped 12.33 per cent year-on-year to \$53.93 billion. As a result, the trade deficit, which occurs when a country's imports exceed its exports, declined 41.6 per cent year-on-year to \$14.61 billion in July-March.
- In April, remittance declined 16.27 per cent year-on-year to \$1.68 billion. Overall, money transferred by migrant workers and non-resident Bangladeshis living abroad grew 2.36 per cent to \$17.71 billion in July-April.

<https://www.thedailystar.net/business/global-economy/news/interbank-dollar-rate-hits-record-high-3327956>

International

Top banks broke competition laws on UK bonds: regulator

The New Age, May 25, 2023

- Five major banks breached competition laws by sharing 'sensitive' information on UK government bond trading in online chats beginning more than a decade ago, Britain's financial regulator said Wednesday.
- Citi, Deutsche Bank, HSBC, Morgan Stanley and Royal Bank of Canada 'each unlawfully shared competitively sensitive information... in one or more series of one-to-one conversations in chatrooms', the Competition and Markets Authority (CMA) said in provisional findings.
- The alleged behaviour took place at various times from 2009 to 2013 via Bloomberg online forums, between a 'small number' of traders, it added.

<https://www.newagebd.net/article/202512/top-banks-broke-competition-laws-on-uk-bonds-regulator>

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

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

Bogura Digital Booth

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

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.