

Key News

- ✓ [Stocks rise in past week on bargain hunting](#)
- ✓ [Individual investors' getting access to T-bond auctions just the start of a vibrant bond market](#)
- ✓ [Peoples Ins AGM approves 10.5pc cash dividend](#)
- ✓ [Evince Textiles to issue shares in merger with Evitex Fashions](#)
- ✓ [C&A Textiles to resume production after 6 years](#)
- ✓ [How to bid for primary treasury bonds from BO accounts](#)
- ✓ [Rupali Bank to issue Tk1,200cr bond to meet capital shortfall](#)
- ✓ [Deposits in NBFIs drop, loans rise](#)
- ✓ [Govt's borrowing goes up amid falling revenue](#)
- ✓ [Global stocks retreat as traders eye more rate hikes](#)

Stock Market & Company

[Stocks rise in past week on bargain hunting](#)

The New Age, June 24, 2023

- Dhaka stocks increased in the past week after a fall in the previous two weeks as some investors went for bargain hunting, especially on small-capitalised companies. The key index of the Dhaka Stock Exchange, DSEX, gained 0.62 per cent, or 39.23 points, over the week to close at 6,319.25 points on June 22 after losing 75 points in the previous couple of weeks.
- Average share prices of jute, general insurance, life insurance and cement advanced by 3.9 per cent, 3.2 per cent, 2.3 per cent and 2 per cent respectively. Investors' participation on the market declined in the past week as average turnover at the DSE decreased to Tk 591.7 crore in the past week from that of Tk 773.92 crore in the previous week.
- Out of 391 companies traded, share prices of 23 declined, 162 advanced and 208 remained unchanged. The DS30, comprised of 30 large capitalised companies, also added 5.24 points to finish at 2,187.74 points and the DSE Shariah index, DSES, increased by 7.55 points to close at 1,372.73 points. Meghna Life Insurance Company topped the weekly turnover chart with a value of Tk 105 crore.

<https://www.newagebd.net/article/205095/stocks-rise-in-past-week-on-bargain-hunting>

Individual investors' getting access to T-bond auctions just the start of a vibrant bond market

The Financial Express, June 25, 2023

- The guidelines by the securities regulator for general investors to participate in primary auctions of T-bonds would increase their accessibility of such securities but would not help the bond market thrive.
- In the "process flow" published on Thursday, the Bangladesh Securities and Exchange Commission (BSEC) set out the role of the brokerage firms that will forge a link between investors and member dealer banks or primary dealer banks to help them purchase T-bonds from auctions conducted by the Bangladesh Bank. But T-bonds will have to be available in the first place so that investors can buy them.
- The prevailing trend is that the government sells bonds to the Bangladesh Bank at lower interest rates to keep the cost of borrowings low. That even makes auctions for T-bonds irrelevant or not lucrative for primary dealer banks let alone individual investors of the capital market.
- Experts and secondary market operators, however, appreciated the move to improve the accessibility of T-bonds for general investors. Until now, investors have had little scope of buying the fixed-income assets as the investment instruments have not been much available in the secondary market, and they did not have access to the BB auctions.

<https://thefinancialexpress.com.bd/stock/investors-getting-access-to-t-bond-auctions-just-the-start-of-a-vibrant-bond-market>

Peoples Ins AGM approves 10.5pc cash dividend

The Financial Express, June 23, 2023

- The 38th annual general meeting (AGM) of Peoples Insurance Company Limited was held on a digital platform on Wednesday, says a press release.
- The company's chairman Jafar Ahmed Patwari presided over the meeting. Adviser M. H. Khaled, and Chief Executive Officer S. M. Azizul Hossain were also present. The meeting was conducted by the company Secretary Sk. Md. Sarfaraz Hossain.
- Shareholders approved the audited financial statements for the year 2022 and 10.5 per cent cash dividend for the year 2022, and appointed statutory auditors and compliance professionals for the year 2023.

<https://thefinancialexpress.com.bd/stock/bangladesh/peoples-ins-agm-approves-105pc-cash-dividend>

Evince Textiles to issue shares in merger with Evitex Fashions

The Financial Express, June 22, 2023

- Evince Textiles has decided to issue 0.79 million ordinary shares to the shareholders of non-listed Evitex Fashions as part of a merger plan. The listed company will issue shares at a ratio of 1:1.80 at a face value of Tk 10 each, subject to approval of the Bangladesh Securities and Exchange Commission.
- The decision was taken at a board meeting on Wednesday after the High Court had given a verdict in favour of an amalgamation scheme between Evince Textiles and its subsidiary Evitex Fashions. Having started commercial operation in 2003, Evince Textiles produces woven fabrics for international brands and retailers.
- It returned to profit in January-March this year as its other income added Tk 4.10 million. Evince Textiles incurred a loss of Tk 62 million in the same period last year. The company made a consolidated loss of Tk 23.12 million in the nine months through March this year against a profit of Tk 67 million in the same period of the previous year.

<https://thefinancialexpress.com.bd/stock/bangladesh/evince-textiles-to-issue-shares-in-merger-with-evitex-fashions>

C&A Textiles to resume production after 6 years

The Financial Express, June 22, 2023

- C&A Textiles has decided to resume production of both garment and textile divisions next month six years after the closure of its factory. The Chattogram-based textile maker was shut down in 2017 due to a loan scam committed by its previous owners. Then Alif Group acquired it in 2021.
- Md Azimul Islam, new managing director, confirmed the news of production resumption.
- The company had already completed trial production after installing some new machinery and refurbishing the old ones out of its initial investment of Tk 500 million, he said.
- Earlier in August last year, Chairman of the Bangladesh Securities and Exchange Commission (BSEC) Shibli Rubayat-Ul-Islam inaugurated the trial production.
- C&A Textiles received a High Court order to conduct the annual general meetings (AGM) that had remained pending since 2017, according to a regulatory filing on Wednesday.



<https://thefinancialexpress.com.bd/stock/bangladesh/ca-textiles-to-resume-production-after-6-years>

How to bid for primary treasury bonds from BO accounts

The Business Standard, June 22, 2023

- Like banks, stock market investors too have been allowed to bid in the primary auction of treasury bonds through their brokers, and the securities regulator has issued a detailed directive in this regard on Thursday (22 June).
- The stock exchanges will publish the central bank's treasury bond auction schedule so that investors remain informed, according to the Bangladesh Securities and Exchange Commission (BSEC) directive.
- Treasury bonds are issued by the government and are assumed to be of the lowest default risk. All the treasury bonds are tradable on the stock exchanges, alongside the old market infrastructure module of the Bangladesh Bank where member dealer (MD) banks participate in buying and selling.
- When a stock market investor asks its broker to bid in a treasury auction, the broker would ensure the collection of needed money from its client and bid for the said bonds during issuance. After successful bids, the broker will have to transfer the bonds to investors' BO accounts from the omnibus account, and submit the process accomplishment report to the regulators within three days of the bidding.

<https://www.tbsnews.net/economy/stocks/how-bid-primary-treasury-bonds-bo-accounts-654714>

Rupali Bank to issue Tk1,200cr bond to meet capital shortfall

The Business Standard, June 22, 2023

- Rupali Bank Limited – a state-owned, publicly traded commercial bank – is going to issue a bond worth Tk1,200 crore to meet its capital shortfall. The bank is facing a capital shortfall of over Tk2,500 crore as it failed to maintain required capital, and the bank was burdened with over Tk7,500 crore classified loan as of March, 2023.
- In this situation, the lender has decided to issue the bond for strengthening its regulatory capital base, and secured no objection certificate of the Bangladesh Bank (BB). Now, it needs the consent of the Bangladesh Securities and Exchange Commission (BSEC) to issue the bond.

- According to the bank's stock exchange filing on Thursday, the nature of the bond bank will be unsecured, non-convertible, and fully redeemable floating rate subordinated, and the tenure will be seven years.
- According to Bangladesh Bank data, Rupali Bank has disbursed loans of Tk41,212 crore while the defaulted loans stood at Tk7,585 crore at the end of March, which is 18.41% of the total disbursed loans.
- Based on this year's March data, the bank has to maintain Tk4,706 crore as required capital, but it maintained Tk2,131 crore. So, there is a shortfall of Tk2,575 crore capital.

<https://www.tbsnews.net/economy/stocks/rupali-bank-issue-tk1200cr-bond-meet-capital-shortfall-654678>

Economy & Industry

Deposits in NBFIs drop, loans rise

The New Age, June 24, 2023

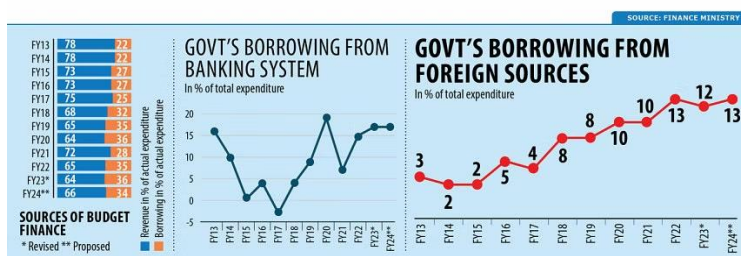
- Deposits in the country's non-bank financial institutions dropped by 1.19 per cent or Tk 53.8 crore at the end of March compared with that of December due mainly to lack of trust and confidence among customers in the entities.
- However, loans disbursement by NBFIs increased by Tk 917.7 crore in the January-March period compared with that in the previous quarter (September-December), according to Bangladesh Bank data. The Bangladesh Bank data showed that the deposits in the NBFIs fell to Tk 43,698 crore at the end of March quarter of 2023 from Tk 43,752 crore in deposits at the end of December quarter.
- The deposits were Tk 42,272 crore in January-March of 2022. However, the total loans by the NBFIs increased to Tk 71,239 crore at the end of March 2023 from that of Tk 70,321 crore at the end of December in the past year.
- Therefore, loans disbursement by NBFIs was 61pc higher than their deposit collection. The total loans of the sector were Tk 68,910 crore at the end of March 2022.
- Meanwhile, loan recovery by NBFIs dropped by 5.46 per cent to Tk 6,586 crore in January-March period from the preceding quarter in 2022. Experts said that the increase in loans without a corresponding rise in deposits indicated an imbalance between the availability of funds and the demand for loans.

<https://www.newagebd.net/article/205093/deposits-in-nbfis-drop-loans-rise>

Govt's borrowing goes up amid falling revenue

The Daily Star, June 25, 2023

- The government's dependence on borrowing to finance national budgets has increased over the past decade as revenue collection has failed to keep pace with the ballooning public expenditure.
- Finance ministry data showed that taxes raised by the National Board of Revenue (NBR) and other public agencies could fund 74 per cent of the government's total expenditure of Tk 174,013 crore in the fiscal year of 2012-13.
- The rest of the expenditure was met through debts from the domestic source and foreign loans and grants, which accounted for 22 per cent and 4 per cent, respectively.



- A decade later, in 2021-22, the contribution of revenue generation to actual expenditure declined to 65 per cent. On the other hand, the share of borrowing from internal and foreign sources rose to 35 per cent. The trend continued in the subsequent years as well.
- The government plans to meet 34 per cent of its expenses set for 2023-24 on the back of borrowing, mainly from the domestic banking system.

<https://www.thedailystar.net/business/economy/news/govts-borrowing-goes-amid-falling-revenue-3354881>

International

Global stocks retreat as traders eye more rate hikes

The New Age, June 23, 2023

- Equity markets declined Friday as traders eyed more interest-rate rises after another week of hikes by central banks to combat elevated inflation. Oil prices extended heavy losses on concerns high borrowing costs would weigh further on demand.
- A keenly-watched survey showed eurozone economic activity worsened in June to a five-month low, hit hard by a fall in industrial production. The eurozone entered a technical recession at the start of the year.
- Meanwhile UK private-sector growth slowed to a three-month low in June as soaring interest rates and stubbornly high inflation fuelled by rising food prices worsens a cost-of-living crisis, data showed. 'The key theme in FX (foreign exchange) and across most financial markets this week has unambiguously been this: risk off,' said City Index analyst Fawad Razaqada.
- 'Weakness in data and very hawkish central banks have revived investor concerns over a hard landing,' he added, referring to the fear that economies could face a severe downturn due to rising borrowing costs. Neil Wilson, chief market analyst at Finalto, said 'the mood is changing from inflation risk to growth risk.'
- Optimism that characterised the first half of June — fuelled by hopes the Federal Reserve was close to the end of its hiking cycle — has given way to concern that the US central bank still had several more rises planned to bring down stubbornly-high inflation. The prospect of more US hikes was boosting the dollar Friday.

<https://www.newagebd.net/article/205007/global-stocks-retreat-as-traders-eye-more-rate-hikes>

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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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