

Key News

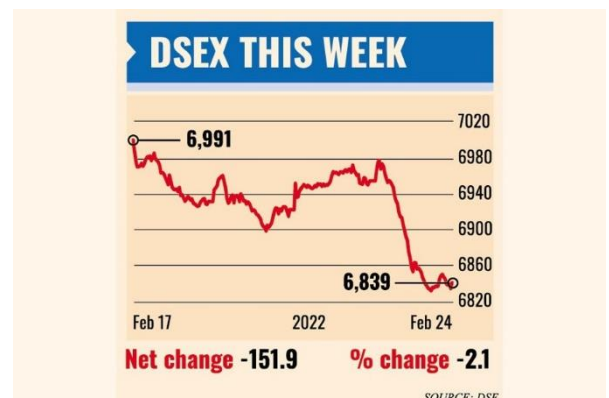
- ✓ [Jittery investors drive DSEX down](#)
- ✓ [DSE asked to train brokerage officials on investors' money protection](#)
- ✓ [Most MNCs see marginal price correction at DSE](#)
- ✓ [Listed firms take too long to upload financials](#)
- ✓ [No cash withdrawal from investor accounts: BSEC](#)
- ✓ ['RAK rises at people's footfalls'](#)
- ✓ [JMI Hospital IPO subscription opens tomorrow](#)
- ✓ [Avoid duties on local goods in FY23](#)
- ✓ [Foreign aid release, commitment surge in July-Jan of FY22](#)
- ✓ [EU energy concerns spark Russia sanctions rift](#)

Stock Market & Company

Jittery investors drive DSEX down

The Financial Express, February 26, 2022

- Dhaka stocks extended the losing streak for a second week, with the benchmark index witnessing a free fall on the last trading day of the outgoing week as the Russian invasion of Ukraine prompted nervous investors to offload their shares so as to avoid further losses.
- During this week, most listed securities, especially large-cap companies, saw price corrections, which drove the DSEX, the benchmark index of Dhaka Stock Exchange (DSE), down to 6839.44 points. Week on week, the DSEX dropped 151.92 points or 2.17 per cent to settle at 6839.44 on Thursday. The DSEX had closed at 6,991 in the previous week.
- The DSE posted a total turnover of Tk 39.88 billion this week, down 33.17 per cent from the turnover of the previous week. The daily average turnover stood at Tk 9.96 billion, down 16.46 per cent from the previous week.
- Two other indices also fell -- the shariah-based DSES index declined 2.15 per cent or 32.42 points to close at 1508.14 points while the blue-chip DS30 index dropped 2.29 per cent or 58.87 points to close at 2573.85 points on Thursday.
- The market capitalisation on the DSE declined 1.89 per cent to close at Tk 5.50 trillion on Thursday. Of the major sectors which saw correction, the banking sector declined 2.0 per cent, engineering 1.2 per cent, fuel & power 1.9 per cent, general insurance 4.6 per cent, life insurance 3.6 per cent, pharmaceuticals & chemicals 1.5 per cent, and telecommunications 1.3 per cent.



- Beximco topped the weekly turnover chart with a value of Tk 2.95 billion followed by Fortune Shoes (Tk 2.52 billion), Orion Pharma (Tk 1.32 billion), Bangladesh Shipping Corporation (Tk 964.09 million), and National Life Insurance Company (Tk 624.24 million).
- Price-wise, Dragon Sweater was the top weekly gainer, registering a rise of 22.84 per cent to close at Tk 19.90 each on Thursday. Genex Infosys was the biggest loser, shedding 13.44 per cent to close at Tk 137.80 each on Thursday.
- The Chittagong Stock Exchange (CSE) also ended lower, with the CSE All Share Price Index (CASPI) plunging 468 points to settle at 19,991.55 on Thursday, the last trading day of the week.

<https://thefinancialexpress.com.bd/stock/jittery-investors-drive-dsex-down-1645845802>

DSE asked to train brokerage officials on investors' money protection

The Newage, February 26, 2022

- The Bangladesh Securities and Exchange Commission has asked the Dhaka Stock Exchange to arrange training and awareness programmes for senior officials of all brokerage houses to avoid unscrupulous incidents, including investors' fund embezzlement occurred in recent times.
- The commission took the initiative as a number of brokerage firm allegedly defrauded investors a huge amount of money through data engineering.
- The DSE has been asked to arrange awareness programmes for chairpersons, managing directors and directors of all TREC holder companies on topic titled 'Strengthening the security of fund and securities of investors'. The bourse would also organise training programmes for chief executive officers and compliance officers of all the brokerage houses to ensure effective compliance with securities rules in the houses.
- In addition, all the brokerage houses must take initiatives for arranging training programmes for all employees of each TREC holder for the development of individual skills and organisational growth.

<https://www.newagebd.net/article/163808/dse-asked-to-train-brokerage-officials-on-investors-money-protection>

Most MNCs see marginal price correction at DSE

The Financial Express, February 27, 2022

- Majority number of listed multinational companies (MNCs) saw marginal price correction in last week amid a large fall observed in broad index of Dhaka Stock Exchange (DSE). Of 12 MNCs, the share prices of 11 declined ranging between 0.31 per cent and 7.22 per cent per share in four sessions of the last week.
- Majority number of securities listed with the premier bourse DSE also saw price correction in last week amid the ongoing bearish trend of the market. Of the companies, the share price of British American Tobacco Bangladesh Company (BATBC) closed at Tk 616.80 each on Thursday. The company's share price closed at Tk 622.80 each in the closing session of the previous week.
- As a result, the company share price declined 0.96 per cent in four sessions of the outgoing week. The share price of RAK Ceramics (Bangladesh) declined 0.38 per cent in last week and closed at Tk 51.20 each on Thursday. The share price of Bata Shoe Company (Bangladesh) closed at Tk 902.80 each on Thursday.
- The share price of Berger Paints Bangladesh closed at Tk 1778.60 each on Thursday with a marginal correction of 0.69 per cent. The share price of LafargeHolcim Bangladesh closed at Tk 71.90 each on Thursday with a loss of 2.84 per cent or Tk 2.10. Heidelberg Cement Bangladesh saw a correction of 2.37 per cent or Tk 7.0 per share in last week and finally the company's share price closed at Tk 287.90 each on Thursday.

<https://thefinancialexpress.com.bd/stock/most-mncs-see-marginal-price-correction-at-dse-1645932527>

Listed firms take too long to upload financials

The Daily Star, February 27, 2022

- Most listed companies in Bangladesh do not post their quarterly financial reports within 48 hours of securing approval from their boards as they take advantage of the lack of specific regulations in this regard, according to experts.
- What is worse, some listed companies even take weeks to publish their annual financial statements. As a result, general investors are deprived of key financial data that allows them to analyse the health of issuers.

- As per listing regulations, the issuer of listed securities must make its detailed financial statements available on its website as well as that of the country's bourses through a link arrangement. However, no deadline has been set to make such disclosures.
- Although listed companies publish their earnings per share, net asset value and net cash flow per share on the Dhaka Stock Exchange (DSE) website, this data alone is not enough to assess a company.
- "We need full financial statements, so companies should publish them online as soon as their board gives the approval," Moniruzzaman said. "If listed firms need time to prepare an annual report, they can at least upload their audited yearly financials soon after the board meeting."

<https://www.thedailystar.net/business/economy/industries/investments/news/listed-firms-take-too-long-upload-financials>

No cash withdrawal from investor accounts: BSEC

The Business Standard, February 24, 2022

- Brokerage firms will not be able to withdraw cash from their consolidated customers' accounts (CCAs) where they deposit investors' funds. Instead, they will have to withdraw funds through banking channels so that the withdrawals are traceable.
- The Bangladesh Securities and Exchange Commission (BSEC) has recently directed the stock exchanges, brokerage firms, and banks in this regard. The commission also informed the Bangladesh Financial Intelligence Unit (BFIU) of the Bangladesh Bank about the move.
- In December last year, Tamha Securities was in the news for allegedly embezzling Tk140 crore from its CCAs. The firm had been withdrawing investors' funds since 2013 in order to close transactions. Crest Securities and Banco Securities have also allegedly embezzled Tk48 crore and Tk70 crore respectively in the same way.
- Thus, in a move to prevent such fraudulent activities from happening in the future, the BSEC made this decision. According to sources, if the firms use the banking channel, any fund withdrawal will be traceable and investors' money will remain safe.

<https://www.tbsnews.net/economy/stocks/no-cash-withdrawal-investor-accounts-bsec-375628>

'RAK rises at people's footfalls'

The Business Standard, February 26, 2022

- RAK Ceramics Bangladesh Ltd, a joint venture of UAE-based ceramic giant RAK, entered the industry in the early 2000s and has played a vital role in the industry's gradual dominance over imports. RAK is leading a fast-growing local market for ceramic tiles and sanitary ware. Its Finance and Operations boss Sadhan Kumar Dey recently talked to The Business Standard Staff Correspondent Ahsan Habib Tuhin.
- TBS: Earlier tiles were a fancy material for average homebuilders, but now it is almost an integral part of construction. As a leading company did RAK play any role in this change?
- Sadhan Kumar Dey: The transition of a product from the list of luxury items to necessity depends on the product's advantage and utility. Examples include the aviation and cellphone industries. These have become popular as people began to understand the value of time and communication.
- Moreover, to consider a luxury item as a necessity, two things are very important-- price and per capita income. The per capita income of Bangladeshis is increasing day by day. On the other hand, if the product price is high, it will remain a luxury item for people.
- Once tiles used to cost over Tk70 per square feet due to import dependency. After we started production locally, it dropped to Tk40. Affordability has brought tiles within the reach of the mass people and RAK has been playing an important role in helping people prefer tiles.

<https://www.tbsnews.net/economy/stocks/rak-rises-peoples-footfalls-376810>

JMI Hospital IPO subscription opens tomorrow

The Business Standard, February 26, 2022

- The initial public offering (IPO) subscription of JMI Hospital Requisite Manufacturing Ltd will begin tomorrow and continue till 3 March. Earlier, institutional investors fixed the cut-off price of the company's shares at Tk25 each through electronic bidding.
- Qualified and institutional investors, including mutual funds, will buy 25% of the company's shares at the cut-off price. Individual investors will be able to purchase the remaining shares at Tk20 per share, i.e., at a 20% discount on the cut-off price.
- The cut-off price is the price at which institutional investors get all the primary shares allocated for them in an IPO under the book building method. The company's electronic bidding under the book building method took place for 72 hours – from 5pm on 9 January to 5pm on 12 January.
- During this period, 385 institutional and eligible investors offered to buy the company's shares at a range of rates. Most bids were received for Tk25. The highest bidding price was Tk25, while the lowest was Tk16. The company will collect Tk75 crore from investors, mainly for purchasing land and machinery, and for repaying loans.

<https://www.tbsnews.net/economy/stocks/jmi-hospital-requisite-manufacturing-ipo-applications-start-27-feb-376609>

Economy & Industry

Avoid duties on local goods in FY23

The Daily Star, February 27, 2022

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged the country's revenue authority to avoid imposing any supplementary duty on locally produced goods in the next fiscal year.
- FBCCI President Md Jashim Uddin made the call at the first meeting of the chamber's standing committee on the budget, import duty, income tax and value-added tax at the trade body's office in Dhaka. "Initiatives should be taken to strengthen the local industry through tax and duty exemption until 2026," he said.
- Jashim went on to say that exports grew in the current fiscal year despite the pandemic-induced global economic downturn. The country's export earnings rose mainly due to an increase in the price of raw materials in international markets.
- The FBCCI chief said the government should now assess the implementation growth of automation projects, which were taken to modernise and improve revenue management. At the meeting, Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, demanded that tariffs on man-made fibre be repealed in the upcoming national budget.
- He also asked for the implementation of a single rate of duty on the import of spare parts, and retention of 15 per cent corporate tax on textiles until 2030.

<https://www.thedailystar.net/business/organisation-news/news/avoid-duties-local-goods-fy23-2971406>

Foreign aid release, commitment surge in July-Jan of FY22

The Business Standard, February 26, 2022

- Bangladesh witnessed jumps in both foreign aid disbursement and commitments for new loans and grants in the first seven months of the current 2021-22 fiscal year, mainly riding on Covid-related budget assistance and loans for purchasing vaccines.
- The country received more than 90% higher aid commitments year-on-year in the July-January period of FY22, while the amount of assistance released by the development partners in the period was more than 39% higher compared to the same period a year ago, according to the Economic Relations Division's (ERD) latest data.
- The ERD data show the development partners pledged \$4.69 billion in grants and loans in the July-January period of the current fiscal year, which was \$2.46 billion in the same period last fiscal year. During this period, they released \$4.69 billion worth of assistance, higher than \$3.35 billion in the corresponding period last year.

- Loans given for development projects are released on the basis of project implementation – if the implementation rate is fast, money is also released fast, they said, adding loans for buying vaccines and Covid-related budget assistance, however, are released within a few days after an agreement is signed or commitment is given.
- In the seven months, Beijing-based Asian Infrastructure Investment Bank promised \$515 million, the World Bank promised \$795 million and Japan promised \$382 million.

<https://www.tbsnews.net/economy/foreign-aid-release-commitment-surge-july-jan-fy22-376816>

International

EU energy concerns spark Russia sanctions rift

The Daily Star, February 27, 2022

- The West has agreed an onslaught of sanctions over Russia's invasion of Ukraine, but resistance from key EU nations fearful of severing their power sources has resulted in them holding off on deploying the "financial nuclear weapon" of banishing Moscow from the SWIFT banking transfer system.
- Ukraine has expressly called on Western allies to expel Moscow from the system that banks rely on to transfer money. But US President Joe Biden revealed this week that while it remains an option, "right now that's not the position that the rest of Europe wishes to take".
- Former European Council President Donald Tusk lashed out at EU capitals over their failure to agree on the toughest sanctions such as cutting Russian banks off from SWIFT, exposing a rift within the bloc over its response.
- But German Finance Minister Christian Lindner laid out starkly the preoccupation of Europe's biggest economy: suspension of SWIFT "would mean that there is a high risk that Germany will no longer receive gas, raw material supplies from Russia".
- Lindner told public television he was "open" to including SWIFT "in the course of possible further toughening of sanctions" while adding that allies would "have to be aware of the consequences". With 40 per cent of gas consumed in Europe arriving from Russia, Germany's fears about the possibility of severe disruptions are well founded.
- Austria, Hungary and Italy are also reluctant, pitting them against Poland, the Baltic states and non-EU member Britain. Hungarian Prime Minister Viktor Orban alluded to his key concern -- energy prices -- as he announced sanctions agreed by the EU late Thursday.

<https://www.thedailystar.net/business/global-economy/news/eu-energy-concerns-spark-russia-sanctions-rift-2971376>

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