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Stock Market & Company

Dhaka Stocks inch up

The Newage, March 24, 2022

- Dhaka stocks inched up on Thursday after a fall in the previous session as some investors went for buying shares while many others remained cautious amid bearishness on the market. DSEX, the key index of the Dhaka Stock Exchange, added 0.03 per cent, or 2.47 points, to close at 6,752.87 points on Thursday after losing 21.25 points in the previous day.
- Among the large capitalised companies, share prices of BEXIMCO, British American Tobacco, Robi Axiata, Power Grid Company and Titas Gas dropped on the day. The turnover on the DSE dropped to Tk 829.59 crore on Thursday compared with that of Tk 863.2 crore in the previous session.
- The DSE Shariah index also inched up by 0.38 point to close at 1,456.81 points, but the DS30 index comprising of 30 large capitalised companies shed 2.69 points to finish at 2,466.74 points. BEXIMCO topped the turnover chart with its shares worth Tk 101.43 crore changing hands.
- Fortune Shoes, Orion Pharma, Premier Bank, Sonali Paper, Fareast Life Insurance Company, Delta Life Insurance Company, BDCOM Online, Beximco Pharmaceuticals and Bangladesh Shipping Corporation were the other turnover leaders.
- Oimex Electrode was the day's best performer, posting a gain of 9.55 per cent, while Delta Brac Housing Finance Corporation Limited was the worst loser, shedding 10 per cent.

<https://www.newagebd.net/article/166277/dhaka-stocks-inch-up>

BSEC cancels primary approval to 12 applications

The Financial Express, March 25, 2022

- The securities regulator has cancelled primary approval to 12 applications earlier submitted seeking trading right entitlement certificate (TREC) required to conduct the operations as stock brokers. The Bangladesh Securities and Exchange Commission (BSEC) has cancelled the approvals due to the firms' non-compliance with the rules regarding trading right.
- In a letter sent to the managing directors of both the stock exchanges, the securities regulator delivered its decision regarding cancelation of primary approval to 12 applications. Of 12 firms whose approvals have been canceled, Bridge Stock and Brokerage applied for TREC from the premier bourse DSE.
- The firms which applied for TREC in CSE are Beximco Securities, Shah Mohammad Sagir & Company, Merchant Securities, SBAC Bank Investment, Bridge Stock & Brokerage, Columbia Shares and Securities, Biplob Holdings, Benemoy Securities, B & BSS Trade International, Matrix Securities and DP7.

<https://thefinancialexpress.com.bd/stock/bsec-cancels-primary-approval-to-12-applications-1648177981>

Savar Refractories' price keeps rising sans PSI

The Financial Express, March 25, 2022

- The share price of Savar Refractories, a junk stock, is rising 'abnormally' despite the company is incurring losses and not giving any dividends for many years. The stock price of the loss-making company, listed with the stock market in 1988, jumped over 50 per cent in a month to close at Tk 258.20 on Thursday.
- All financial indicators of the company such as earning per share, net operating cash flow per share and net asset value per share are negative. The company has reported net loss of Tk 738,184 for July-December 2021, as against loss of Tk 612,832 for July-December 2020.
- Savar Refractories incurred a loss of Tk 0.53 per share for July-December 2021, as against loss of Tk 0.44 per share in the same period a year earlier, according to the Dhaka Stock Exchange. In spite of poor performance, its unusual price movement prompted the DSE to serve show-cause notice on the company whether there was any price sensitive information for unusual price hike.
- The company, however, informed the premier bourse on Wednesday that there is no price sensitive information for recent unusual price hikes. Market insiders blamed price manipulation due to a small volume of shares behind the artificial crisis.

<https://thefinancialexpress.com.bd/stock/savar-refractories-price-keeps-rising-sans-psi-1648176634>

Subscription to Star Adhesive shares begins tomorrow

The Financial Express, March 26, 2022

- The subscription to shares of Star Adhesive Ltd, a concern of Star Partex Group, through qualified investor offer (QIO) will begin tomorrow (Sunday), as the company aims to raise Tk 50 million under the fixed-price method. The period of subscription through the electronic subscription system (ESS) will end at 5:30pm on March 31, according to a disclosure posted on the Dhaka Stock Exchange website recently.
- On February 15, the stock market regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- approved the company's proposal for raising capital. As per the regulatory approval, Star Adhesive will issue 5.0 million ordinary shares of Tk 10 each.
- An individual investor having an investment of a minimum of Tk 2.0 million in the listed securities as on March 16 will also be considered as a qualified investor. Earlier, the minimum investment threshold was Tk 10 million for a qualified investor. The company has reported its basic earnings per share (EPS) at Tk 6.05 while the diluted EPS stood at Tk 1.80 for the period from July 1, 2020 to June 30, 2021.

<https://thefinancialexpress.com.bd/stock/subscription-to-star-adhesive-shares-begins-tomorrow-1648266338>

Perpetual bonds won't need provisioning

The Financial Express, March 25, 2022

- The securities regulator has removed the mandatory condition of keeping provision by issuers of perpetual bonds. The Bangladesh Securities and Exchange Commission (BSEC) earlier set a condition of keeping provision by issuers of perpetual bonds to remove apprehension regarding non-payment of interest or coupon to the bondholders.
- In its fresh directive issued on Wednesday, the securities regulator deleted the condition. Mohammad Rezaul Karim, a BSEC executive director, said according to the central bank some provisions set in the rules of perpetual bonds contradict with the central bank's rules on tier-I capital.
- Asked, whether investors' interest to perpetual bonds will decline following such decision, Mr. Karim said the bond holders' confidence may decline a little bit at this. "There is no record of liquidation of any bank in the country. So, there is no apprehension of non-payment of interest or coupon of perpetual bonds," said Mr. Karim, adding that the banks' investment capacity will be enhanced through the capital raised under tier-I requirement.

<https://thefinancialexpress.com.bd/stock/perpetual-bonds-wont-need-provisioning-1648176249>

Khulna Power shares skyrocket with extension of tenure

The Business Standard, March 24, 2022

- Khulna Power Company Limited shares shot up in value on Thursday after the government extended for two years, the tenure of two power plants belonging to the country's first independent power producer. Its shares closed 9.72% higher and the company was the top gainer of all listed companies at the country's premier bourse – the Dhaka Stock Exchange (DSE).
- On Thursday, Summit Power shares ended 1.03% higher at Tk39.20 and Orion Pharma shares were 3.70% up at Tk106.60 on the DSE. On Wednesday, the Cabinet Committee on Public Purchase approved a proposal to extend the tenure of five rental power plants for two years.
- The five power plants include Khulna Power Company's 40MW Heavy Fuel Oil (HFO) based plant at Noapara in Jashore, and a 115MW HFO-based plant in Khulna's Goalpara. Orion Pharma's subsidiaries – Dutch Bangla Power and Associates' 100MW HFO-based plant, and Orion Power Meghnaghat Ltd's 100MW HFO-based plant – both located in Narayanganj – are the two others to have gotten tenure extensions. And Summit Narayanganj Power Ltd's 102MW HFO-based plant in Madanganj of Narayanganj was the fifth plant to get government approval for tenure extension.

<https://www.tbsnews.net/economy/stocks/khulna-power-shares-skyrocket-extension-tenure-390830>

Securities regulator to look into RSRM's financials

The Business Standard, March 24, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has formed a four-member inquiry committee to look into the financial statements of Ratanpur Steel Re-Rolling Mills (RSRM) for the last five years – from 2017 to 2021.
- The committee – set up this week – will examine corporate governance, the role of the statutory auditor, import and export documents, money laundering issues, and use of initial public offering (IPO) proceeds of the company, according to BSEC officials.
- Headed by BSEC Additional Director Mohammad Al Masum Mirdha, the team has also been mandated to find out any anomalies in the debt capital, related party transactions, and overall activities and business performance of the steelmaker, they added.
- The principal activities of the company are to manufacture and sell MS Bar of various grades from MS Billet. In fiscal 2012-13, the company posted revenue of Tk525.38 crore and its net profit was Tk16.67 crore. But eight years later, in fiscal 2020-21 it incurred a loss of Tk38 crore, and its revenue stood at Tk145 crore.



<https://www.tbsnews.net/economy/stocks/securities-regulator-look-rsrms-financials-390834>

United Finance posts 5% profit growth

The Business Standard, March 26, 2022

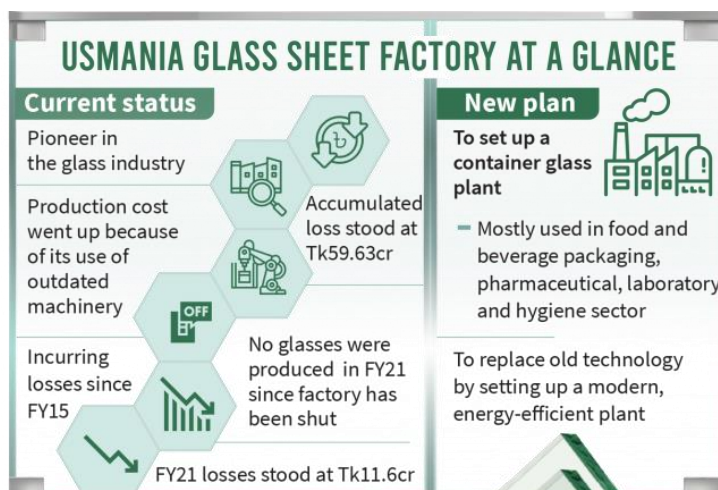
- After a 13.66% decline in 2020, the United Finance Limited, a non-bank financial institution in the country, has reported a 5.2% growth in net profit for 2021. United Finance- an affiliated institution with Duncan Brothers (Bangladesh) Limited, Camellia PLC (United Kingdom) and Lawrie Group PLC (United Kingdom)- has recommended a 10% cash dividend for its shareholders.
- The company disclosed this at the board of directors' meeting held on 24 March. According to its financials, the company's net profit after tax rose to Tk22.22 crore for 2021, and the earnings per share (EPS) stood at Tk1.19.
- In 2020, the profit was Tk21.12 crore, EPS Tk1.13, and it had paid a 10% cash dividend to its shareholders. As per the financials of the company, up to September of 2021, its net profit stood at Tk13.36 crore. In the final quarter of 2021 from October to December, the company made a profit of Tk8.86 crore, bringing the total amount to Tk22.22 crore.

<https://www.tbsnews.net/economy/stocks/united-finance-posts-5-profit-growth-391762>

Usmania Glass plans to set up a new container glass plant

The Business Standard, March 26, 2022

- In a hope to revive its business, Usmania Glass Sheet Factory – a pioneer in the country's glass industry – is planning to set up a new container glass plant at its factory premises with modern technology. With the successful implementation of the project, the state-owned losing concern expects to overcome its present crisis and return to profit again.
- The company has been passing through a crisis because of a suspension in its operation for one year and its plants remained out of production since 2018 due to lower demand for its products. Finally, one of its plants has been in operation since August last year.
- In its existing factory, the modern machinery will be installed and production capacity will be 120 tonnes per day.
- According to its latest annual report, as part of establishing the container glass plant, the company had conducted a market survey and economic feasibility study through a reputed firm and received a draft report.
- Now, the management will take necessary steps to implement the new project, and will take over the existing facilities as much as possible, reads the report.



<https://www.tbsnews.net/economy/stocks/usmania-glass-plans-set-new-container-glass-plant-391854>

Economy & Industry

IFC plans to invest \$5 billion in Bangladesh in 5 years

The Daily Star, March 24, 2022

- The International Finance Corporation (IFC) has planned to invest \$5 billion in diversified sectors in Bangladesh such as light engineering, economic zones, financial and capital markets, and growth-enabling sustainable infrastructure in the next five years. Hector Gomez Ang, IFC regional director for South Asia, made the comment today after the end of his five-day visit to Bangladesh.
- During his visit, Ang held meetings with senior government officials, private sector representatives, think tanks, potential new clients and other key stakeholders, according to a statement of IFC. Ang was accompanied by IFC's recently appointed Country Manager for Bangladesh, Bhutan and Nepal, Martin Holtmann, as well as senior IFC industry experts. While talking about the investment plan, Ang said IFC aims to double its investments in Bangladesh within the next five years, with a

focus on creating new jobs, with new investments to help accelerate the country's resilient recovery and to spur green growth.

- Speaking after a meeting with the Bangladesh Investment Development Authority (BIDA), Gomez Ang stressed the need for Bangladesh to spur more foreign direct investments to help the country realise its ambitions. Ang said this was a critical time for Bangladesh's development journey, and the private sector has a pivotal role to play in Bangladesh's sustained growth and to take it to the next stage of development.

<https://www.thedailystar.net/business/economy/industries/investments/news/ifc-plans-invest-5-billion-bangladesh-5-years>

Sharp rise in CMSME loans on growing economic activities

The Business Standard, March 24, 2022

- The financial sector posted over 40% year-on-year growth in loan disbursement to cottage, micro, small and medium enterprises (CMSMEs) in 2021, thanks to an increased demand for credits amid growing economic activities following an improvement in Covid situation in the latter part of the year.
- According to the Bangladesh Bank's data, banks and non-bank financial institutions (NBFIs) in the country disbursed Tk2,15,786 crore in loans to CMSMEs last year, up from Tk1,53,496 crore a year ago. In 2019, the amount was Tk1,67,970 crore.
- The central bank's data show that financial institutions disbursed a total of Tk11,58,786 crore in loans last year. Despite this significant rise in the volume of lending to CMSMEs, the financial sector could achieve a little over 85% of its loan disbursement target of Tk2,52,760 crore set for the sector last year.
- The central bank asked the financial institutions to disburse 22% of their total loans to the CMSME sector in 2021. But during the period, 59 banks and 31 NBFIs disbursed 18.63% of their total loans to the CMSME sector, although the rate was 19.13% in the July-September quarter. The lending information of one bank, however, is not included here. However, according to a central bank's circular, the target for banks and financial institutions is to raise the ratio of CMSME loans against the total amount of loans to 25% by 2024.



<https://www.tbsnews.net/economy/sharp-rise-cmsme-loans-growing-economic-activities-390558>

International

Oil prices slide, stocks rise as EU snubs Russia ban

The Newage, March 25, 2022

- Benchmark oil prices slid by three per cent Friday after European countries decided against a ban on Russian oil imports over its Ukraine invasion — but Germany said it would drastically slash its energy purchases from Moscow. European stocks climbed after an upbeat US performance, but gains were capped by caution as Russia's invasion of its neighbour entered its second month.
- 'European reluctance to walk away from the Russian oil weighs on oil prices,' said Swissquote analyst Ipek Ozkardeskaya. But the United States and EU did announce a drive to wean Europe off Russian gas imports and so choke off the billions in revenues that are fuelling Moscow's ruinous war. Europe's biggest economy, Germany, said its own Russian oil imports would be halved by June and coal deliveries stopped by the autumn of this year.
- On stock markets, London advanced in midday deals as investors set aside official data showing a drop in UK retail sales. Frankfurt and Paris equities climbed in early afternoon deals despite weak regional economic data. However, Asian markets fluctuated as traders focused on the impact of the Ukraine war, alongside surging inflation and Federal Reserve plans to fight it.

<https://www.newagebd.net/article/166411/oil-prices-slide-stocks-rise-as-eu-snubs-russia-ban>

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