

Key News

- ✓ [Dhaka stocks gain for 2nd day](#)
- ✓ [Brokers for amending existing book-building system](#)
- ✓ [Pioneer Ins profit falls in Apr-Jun](#)
- ✓ [Mercantile Bank's half-yearly profit soars, Union Bank's declines](#)
- ✓ [Mercantile Bank to buy floor space from its chairman](#)
- ✓ [BTRC withdraws bandwidth capping of Aamra Technologies](#)
- ✓ [Doing well despite global challenges](#)
- ✓ [Dollar rally puts some banks in trouble to settle LCs](#)
- ✓ [IMF cuts global growth outlook](#)

Stock Market & Company

Dhaka stocks gain for 2nd day

The Newage, July 26, 2022

- Dhaka stocks increased for the second day on Tuesday as some investors continued buying shares, but many others remained cautious amid the current economic worries. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.48 per cent, or 29.34 points, to close at 6,112.24 points on Tuesday after gaining 30.45 points in the previous session.
- Before the two-day gain, the DSEX lost 314 points in nine sessions. Out of the 382 issues traded on Tuesday, 172 declined, 177 advanced and 33 remained unchanged on the DSE.
- The turnover on the DSE increased to Tk 838.05 crore on Tuesday compared with that of Tk 639.95 crore in the previous session. The DS30 index added 12.82 points to finish at 2,190.02 points and the DSE Shariah index increased by 1.65 points to close at 1,33.4 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 80.3 crore changing hands. IPDC Finance, Fortune Shoes, Kattali Textiles, Beximco Pharmaceuticals, Sonali Paper, Matin Spinning Mills, Square Textiles, KDS Accessories and Delta Life Insurance Company were the other turnover leaders.
- Sonar Bangla Insurance was the day's best performer, posting a gain of 10 per cent, while Legacy Footwear was the worst loser, shedding 1.99 per cent.

<https://www.newagebd.net/article/176833/dhaka-stocks-gain-for-2nd-day>

Brokers for amending existing book-building system

The Financial Express, July 27, 2022

- DSE Brokers Association of Bangladesh (DBA) has demanded amendment of current book-building system. Terming the existing system faulty, they urged the authorities concerned to amend the bidding system to attract big and well performing companies to the stock market.
- Under the existing book-building system, share prices of a new company are derived based on a simple average of its asset value and yield analysis. Prices can be predicted under the current method as a bidder cannot bid 1.2 times the value which is not favourable for listing well performing conglomerates.

- Besides, first come, first serve basis is also not justifiable. The previous bidding method was open and competitive. The DBA made their demands at the Eid reunion and discussion meeting held Monday at its club auditorium in Motijheel, says a statement issued on Tuesday.
- DBA also urged to reduce certificate renewal fees to maintain the quality services and smooth operation in the stock market. "Due to the recent bearish market situation and continuous drop in share prices, we are struggling to maintain the office expenses due to the decrease in daily trade while the unusual hike of renewal fees is a blow to us," said Md Sajedul Islam, senior vice-president of DBA.

<https://thefinancialexpress.com.bd/stock/brokers-for-amending-existing-book-building-system-1658894882>

Pioneer Ins profit falls in Apr-Jun

The Daily Star, July 26, 2022

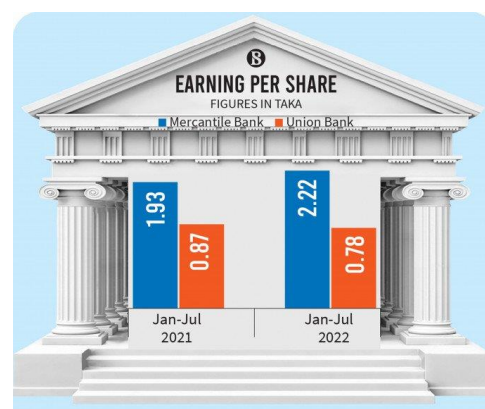
- Pioneer Insurance Limited reported a 26.75 per cent year-on-year decline in profit in the second quarter of 2022. The earnings per share slipped to Tk 1.67 from April to June against Tk 2.28 during the same quarter of 2021, according to its unaudited financial statements.
- In the first half of 2022, the EPS was Tk 3.70 compared to Tk 4.13 for January-June of 2021, a fall of 10 per cent. The insurer's net operating cash flow, however, improved to Tk 3.41 from January to June, against Tk 3.12 during the same period of 2021.

<https://www.thedailystar.net/business/organisation-news/news/pioneer-ins-profit-falls-apr-jun-3080261>

Mercantile Bank's half-yearly profit soars, Union Bank's declines

The Business Standard, July 26, 2022

- Mercantile Bank has posted a higher profit in the first half of 2022 while its rival Union Bank has witnessed a decline. According to its financial disclosure on stock exchanges on Tuesday, Mercantile Bank's consolidated earnings per share (EPS) has increased by 15% compared to the corresponding period of last year.
- In the January-July period, its consolidated EPS increased to Tk2.22 from Tk1.93 at the same time a year ago. In the second quarter, the private sector lender's consolidated EPS rose to Tk1.36, a 3% increase from Tk1.32 in the corresponding time of 2021.
- Union Bank, which got listed on the capital market in January this year, has reported a 10% half-yearly decline in EPS. In the first half of 2022, the EPS declined to Tk0.78 from Tk0.87 at the same time a year ago.
- In the April-June quarter, its EPS fell by 29% to Tk0.44, which was Tk0.62 in the same period of 2021. The share price of the bank closed at Tk9.40 each.



<https://www.tbsnews.net/economy/stocks/mercantile-banks-half-yearly-profit-soars-union-banks-declines-465578>

Mercantile Bank to buy floor space from its chairman

The Business Standard, July 26, 2022

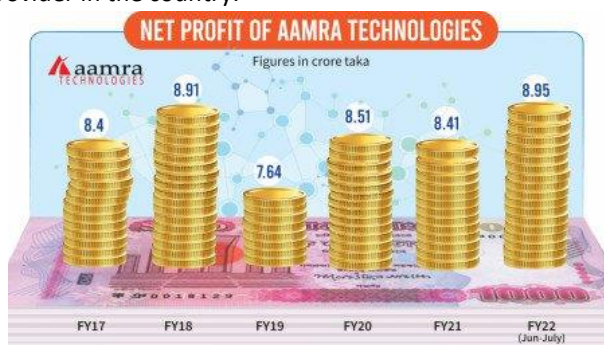
- Mercantile Bank is going to buy a commercial space in Noakhali from its Chairman Morshed Alam – also a parliament member from that area and chairman of Bengal Group – for Tk8.15 crore. According to its stock exchange filings, the bank will buy 4,929 square feet with two car parking spaces on the second floor of Morshed Alam Complex in Begumganj Upazila.
- A source at the bank said Morshed Alam owns the complex. The bank's board of directors approved the decision to purchase floor space at a meeting on Monday evening. Its implementation is subject to the Bangladesh Bank's approval, said the bank statement.
- Meanwhile, Mercantile Bank also published its financial report for the first half of 2022. During the January-June period, its consolidated net profit grew 15% year-on-year to Tk240 crore and the earnings per share were Tk2.22.

<https://www.tbsnews.net/economy/stocks/mercantile-bank-buy-floor-space-its-chairman-465626>

BTRC withdraws bandwidth capping of Aamra Technologies

The Business Standard, July 26, 2022

- The Bangladesh Telecommunication Regulatory Authority (BTRC) has withdrawn the 50% bandwidth capping of Aamra Technologies Limited — an international internet gateway service provider in the country.
- According to officials at the bulk internet bandwidth provider, the telecom regulator ended the punitive action after the company cleared half of the dues owed to BTRC.
- After the capping was imposed on 18 July this year, Aamra Technologies Limited's share prices dropped around 8% to Tk30.4 each from Tk32.7.
- According to company sources, Aamra Technologies has not paid BTRC's revenue on time. As a result, the listed company owed around Tk34 crore to the telecom regulator.
- The non-payment of the dues prompted the regulator to take action against the company. In a letter on Tuesday, BTRC said the capping withdrawal will take immediate effect.
- The letter containing the directive has been sent to the Bangladesh Submarine Cable Company Limited, the Bangladesh Telecommunication Company Limited and six international terrestrial cable companies.



<https://www.tbsnews.net/economy/stocks/btrc-withdraws-bandwidth-capping-aamra-technologies-465630>

Economy & Industry

Doing well despite global challenges

The Daily Star, July 27, 2022

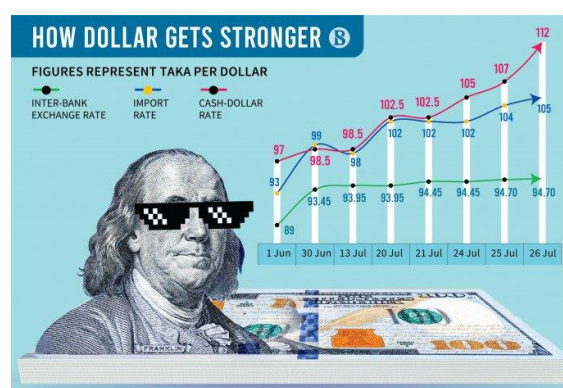
- Bangladesh has many positive stories that are worth highlighting as the country has been doing well in regards to economic and social development for the past several years, said Salman F Rahman, the prime minister's private industry and investment adviser, at a seminar.
- The Bangladesh Securities and Exchange Commission (BSEC) in association with Bloomberg LP organised the seminar, styled "Nation Branding: Attracting New Talent & Investment Worldwide", at the Bangabandhu International Conference Centre in Dhaka on Monday. "In the last two to three months, the spiralling inflation and exchange rates have become major challenges all over the world, not just in Bangladesh," said Rahman.
- BSEC chairman Prof Shibli Rubayat Ul Islam said the supply chain disruption in food and energy has created a serious problem across the world but Bangladesh is still in a strong position.

<https://www.thedailystar.net/business/global-economy/news/doing-well-despite-global-challenges-3080311>

Dollar rally puts some banks in trouble to settle LCs

The Business Standard, July 26, 2022

- A severe shortage of dollars has forced some banks in Bangladesh to delay payments to foreign suppliers against import LCs (letters of credit), damaging the reputation of the local banking industry in the global arena and putting the country at risk of losing its credit rating.
- The cash US dollar rate climbed to an all-time high of Tk112 on Tuesday while the import LC rate surged to Tk105, adding to price pressures and high inflation rate.
- The inflation rate in the country hit an eight-year high of 7.42% in May this year. Industry experts have said the unusual rise in dollar price will fuel inflation further.



- The inter-bank exchange set by the Bangladesh Bank verbally remained ineffective due to the large difference from the market rate. The inter-bank exchange rate was Tk94.70 on the day.
- Some large private commercial lenders have stopped opening import LCs without the permission of managing directors while some banks are refusing the import of sight LCs—a document that verifies the payment of goods or services, payable once it is presented along with the necessary documents-- amid the dollar crisis.

<https://www.tbsnews.net/economy/banking/dollar-rally-puts-some-banks-trouble-settle-lcs-465718>

International

IMF cuts global growth outlook

The Daily Star, July 27, 2022

- Surging inflation and severe slowdowns in the United States and China prompted the IMF to downgrade its outlook for the global economy this year and next, while warning Tuesday that the situation could get much worse. "The outlook has darkened significantly since April. The world may soon be teetering on the edge of a global recession, only two years after the last one," IMF chief economist Pierre-Olivier Gourinchas said.
- In its latest World Economic Outlook, the International Monetary Fund cut the 2022 global GDP estimate to 3.2 per cent, four-tenths of a point lower than the April forecast, and about half the rate seen last year. Last year's "tentative recovery" from the pandemic downturn "has been followed by increasingly gloomy developments in 2022 as risks began to materialise," the report said.
- "Several shocks have hit a world economy already weakened by the pandemic," including the war in Ukraine which has driven up global prices for food and energy, prompting central banks to raise interest rates sharply, the IMF said. Ongoing Covid-19 lockdowns and a worsening real estate crisis have hindered economic activity in China, while the Federal Reserve's aggressive interest rate hikes are slowing US growth sharply.
- But the IMF offered a stark caveat to the forecasts, cautioning that "risks to the outlook are overwhelmingly tilted to the downside," and if they materialise could push the global economy into one of the worst slumps in the past half-century.

<https://www.thedailystar.net/business/global-economy/news/imf-cuts-global-growth-outlook-3080346>

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

Bijoynagar Extension

Prime Tower (3rd Floor),
180-181
Dhaka-1213
Phone: +880248318685

Nikunja Branch

DSE Tower, Level 10,
Room# 200, Nikunja,
Dhaka-1229
Phone: +8809666702070

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

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.