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## Stock Market & Company

### Stocks end flat before Eid

The Newage, April 27, 2022

- Dhaka stocks inched up on Wednesday after a slight gain in the previous session as some investors continued buying shares while many others went for profit booking ahead of Eid-ul-Fitr holidays. DSEX, the key index of the Dhaka Stock Exchange, inched up by 0.001 per cent, or 0.07 points, to close at 6,677.64 points on Wednesday after gaining 10.65 points in the previous day.
- The DSEX gained 195 points in the past seven sessions with just one negative day. The DS30 index declined by 8.16 points to finish at 2,466.16 points and the DSE Shariah index shed 2.96 points to close at 1,453.43 points.
- The turnover on the DSE increased to Tk 932.5 crore on Wednesday compared with that of Tk 766.74 crore in the previous session. Among the large capitalised companies, share prices of Unique Hotel, Beximco Pharmaceuticals, ACME Laboratories, BEXIMCO and LafargeHolcim Bangladesh advanced the most on the day.
- Average share prices of engineering, textile, non-bank financial institution and bank sectors increased by 1.4 per cent, 1.3 per cent, 0.8 per cent and 0.1 per cent respectively.

- Sonali Paper and Board Mills topped the turnover chart with its shares worth Tk 62.61 crore changing hands. BEXIMCO, Unique Hotel, JMI Hospital Requisite Manufacturing, IPDC Finance, Bangladesh Shipping Corporation, LafargeHolcim Bangladesh, Provati Insurance, Orion Pharma and Coppertech Industries were the other turnover leaders.
- Unique Hotel was the day's best performer, posting a gain of 9.98 per cent, while Eastern Lubricants Blenders was the worst loser, shedding 5 per cent.

<https://www.newagebd.net/article/169164/stocks-end-flat-before-eid>

## **BSEC withdraws suspension of the 15 authorised traders**

The Business Standard, April 27, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) withdrew the suspension of 15 authorised traders who were earlier suspended because of their aggressive selling practices in the stock market which created panic among investors. On 18 April, the BSEC suspended those traders after finding share trading anomalies against them.
- The commission's department of surveillance found several brokerage firms engaging in the creation of abnormal sell pressure in some large-cap scrips. The traders had put zero-price bulk orders that dragged down the stocks' price abnormally and that is why the commission ordered nine brokerage firms to suspend 15 of their traders. Authorised representatives or traders execute buy-sell orders at brokerage firms.

<https://www.tbsnews.net/economy/stocks/bsec-withdraws-suspension-15-authorised-traders-410666>

## **BSEC asks bourses to award top dealers**

The Financial Express, April 27, 2022

- The securities regulator has requested both the bourses to award their top dealers having significant investments made through their own portfolios. The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday made the urge through separate letters sent to the exchanges' managing directors.
- The BSEC officials said they have felt the necessity of awarding top dealers as part of its continuous efforts deployed to enhance the participation of institutional investors in the capital market. "...the top dealers might have been given some sort of appreciation so that others feel encouraged investing in the capital market," the BSEC said in its letter.
- The securities regulator has requested both the bourses to take necessary steps to award top dealers taking into account their turnover values, net buy amount, weighted average portfolio value etc. calculated for the period of July 1, 2021 to June 30, 2022. Asked, the BSEC spokesperson Mohammad Rezaul Karim said the exchanges will define how many top dealers can be awarded based on the investments made through their own portfolios.

<https://thefinancialexpress.com.bd/stock/bsec-asks-bourses-to-award-top-dealers-1651034038>

## **Beximco continues profit growth momentum**

The Business Standard, April 27, 2022

- Beximco Limited has posted another stellar growth in sales and profits in the January-March quarter of fiscal 2021-22. Its total sales grew by 69% to reach Tk1,991 crore in the three months through March, against Tk1,179 crore over the same period a year ago, the company said in its quarterly financial statement.
- As sales revenue outgrew the company's various costs, the conglomerate registered even higher growth in its net profits for the three months. In the first quarter of FY2022, its net profits increased by 89% to Tk395 crore, from Tk208 crore a year ago.
- Its quarterly earnings per share (EPS) rose to Tk4.51, from Tk2.38 a year ago, and the net asset value (NAV) per share stood at Tk88.02. In the first three quarters of the financial year 2021-22, the revenue of the company stood at Tk5,662 crore, which was Tk2,836 crore in the same nine months of FY2021. During the period, its net profit stood at Tk1,154 crore, which was Tk376 crore last fiscal. And its EPS stood at Tk13.18 from Tk4.30 a year ago.

<https://www.tbsnews.net/economy/stocks/beximco-continues-profit-growth-momentum-410698>

## AB Bank posts 82% profit growth in 2021

The Business Standard, April 27, 2022

- AB Bank Limited — a private sector lender — posted an 82% year-on-year growth in its consolidated net profit in 2021. According to its annual disclosure, the bank's consolidated profit increased to Tk71.68 crore, from Tk39.43 crore in 2020.
- Its earnings per share stood at Tk0.86 and net asset value per share at Tk30.59. During the January-March quarter of 2022, its consolidated profit grew 19% to Tk15.16 crore, which was Tk12.74 crore in the same time as the previous year.
- The bank has recommended 2% cash and 3% stock dividends for its shareholders. The annual general meeting will be held on 6 July, and the record date has been fixed for 24 May.

<https://www.tbsnews.net/economy/stocks/ab-bank-posts-82-profit-growth-2021-410662>

## SS Steel to acquire another re-rolling mill

The Daily Star, April 28, 2022

- Deformed steel bar manufacturer SS Steel yesterday announced that it would acquire another factory, Al-Falah Steel & Re-Rolling Mills, and streamline its operations, all through an investment of around Tk 184 crore. The listed company made the disclosure in a post on the Dhaka Stock Exchange (DSE) website, saying its board of directors had decided on making the equity investment on the mill situated in Narayanganj.
- Of the investment, Tk 87.46 crore would be used to subscribe to around 99 per cent stake of the mill's existing equity shares. The remaining Tk 96.68 crore will be used to ensure smooth operations of the mill. In return, the mill will issue new shares to SS Steel.
- The investment will be sourced from the company's retained earnings and as loans from financial institutions. SS Steel has an annual production capacity of around 108,000 tonnes, according to its website. As for the mill, it is around 64,800 tonnes per annum, which it sells under its own brand.

<https://www.thedailystar.net/business/organisation-news/news/ss-steel-acquire-another-re-rolling-mill-3014091>

## Apex sees 50pc rise in profits

The Daily Star, April 28, 2022

- Apex Footwear saw its profits rise 50 per cent despite recording lower sales between July 2021 and March 2022 of the current financial year (FY) mainly due to lower raw material costs, according to the company's latest quarterly report.
- Apex Footwear logged profits of Tk 7.90 crore in the first nine months of FY22 while it was Tk 5.26 crore during the same period the year before. However, the local shoemaker's sales dropped 9 per cent to Tk 849 crore in the July-March period while it was Tk 935 crore a year earlier.
- And although the company's operating costs increased 4.9 per cent to Tk 192 crore at the same time, Apex Footwear managed to register higher profits due to the lower cost of raw materials. The company spent 70.5 per cent of its net sales behind the cost of goods sold in the nine-month period.
- In previous years, it had to spend 74.6 per cent of its sales behind raw materials due to higher prices, according to the financial statements. In the January-March period of this year, earnings per share of Apex Footwear stood at Tk 2.64 while it was Tk 0.97 in the same period the previous year.

<https://www.thedailystar.net/business/organisation-news/news/apex-sees-50pc-rise-profits-3014081>

## Brummer to sell 1cr shares of Runner Automobiles

The Daily Star, April 28, 2022

- Brummer Frontier PE II (Mauritius) is going to sell 1 crore of its shares in Runner Automobiles as a part of its initial objective for buying a stake. "Runner Lube & Energy Ltd, the common shareholding company of Runner Automobiles, will buy the shares and you may consider it like a buy back of the sponsors of the company," said Shanat Datta, chief financial officer of Runner Automobiles.

- Brummer owns a 24 per cent stake in Runner Automobiles and planned to sell the shares after the latter's listing with the stock market, he said. As the lock in period has expired after Runner Automobiles' listing with the stock exchanges, Brummer Frontier wants to sell 8.81 per cent of its shares.
- "They [Brummer] invest in all countries the same way, selling shares in companies after they are listed with the local stock market," he added. It holds 2.83 crore of the shares, which indicates that it holds 24.93 per cent of Runner Automobiles, according to the company's latest annual report.

<https://www.thedailystar.net/business/organisation-news/news/brummer-sell-1cr-shares-runner-automobiles-3014076>

## Unilever stocks rise on higher profits

The Daily Star, April 28, 2022

- Stocks of Unilever Consumer Care, formerly known as GlaxoSmithKline, rose 0.52 per cent to Tk 2,861 at Dhaka Stock Exchange (DSE) yesterday after it announced that its profits had gone up 40 per cent. Its earnings per share (EPS) rose to Tk 14.33 in the first quarter (January to March) of 2022 whereas it was Tk 10.20 in the same period of the previous year.
- The EPS rose due to an improved mix of sales and efficiency in managing operating expenses, the company said in the disclosure. The multinational disbursed 440 per cent cash dividend among shareholders for 2021, when the EPS was Tk 43.80.

<https://www.thedailystar.net/business/organisation-news/news/unilever-stocks-rise-higher-profits-3014011>

## Square Pharma's quarterly profit rise by 18%

The Business Standard, April 27, 2022

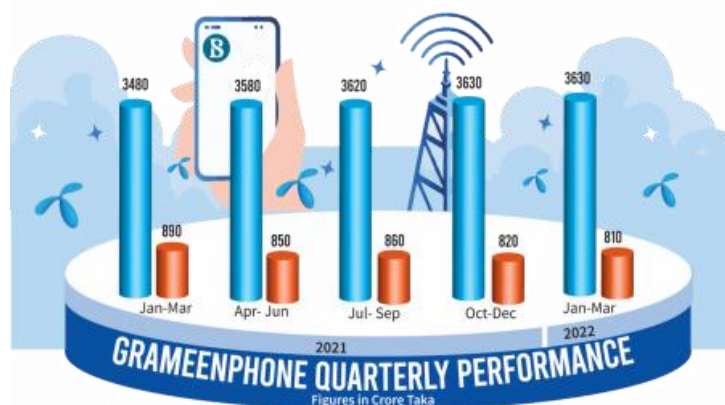
- Registering over 14% year-on-year revenue growth, Square Pharmaceuticals Ltd has secured an 18% growth in profits for the third (January-March) quarter of the ongoing fiscal year. The largest drug maker's earnings per share (EPS) stood at Tk5.15 for the three months, up from Tk4.36 in the same quarter a year ago.
- For the first nine months of the fiscal year, its EPS grew to Tk16.03 from Tk13.12 a year ago. Its net asset value per share stood at Tk112.39. Its gross revenue grew to over Tk5,000 crores for the first nine months, up from Tk4,387 crores a year ago.
- Meanwhile, Square Textiles Ltd, another listed firm of Square Group, registered Tk12,095 crore in revenue in the July-March period of this fiscal year, which was Tk941 crore a year ago. Higher profitability in the spinning business boosted the top-tier textile company's EPS to Tk7.15 for the nine months, which was Tk1.84 a year ago.

<https://www.tbsnews.net/economy/stocks/square-pharmas-quarterly-profit-rise-18-410702>

## Modernisation cost, currency devaluation pulls down Grameenphone's quarterly profit

The Business Standard, April 27, 2022

- Grameenphone, the country's largest mobile network operator, has reported that its first-quarter net profit was badly affected by an increase in the modernisation cost and currency devaluation. During the January-March quarter of this year, its net profit fell by 9% to Tk809.81 crore, while the revenue increased by 4% to reach Tk3,633 crore.
- Jens Becker, the chief financial officer of Grameenphone, said in a presentation on the quarterly financial statement, "The net profit after tax was negatively impacted by modernisation cost and currency devaluation. The net profit margin for the first quarter of 2022 stood at 22.3%, which was 25.6% at the same time a year ago."



- A declining profit affected the Grameenphone shares price, where its value fell by 1.96% on Wednesday from the previous session's closing price on the Dhaka Stock Exchange. The shares closed at Tk320.50 each. According to the Grameenphone financial statement, its amortisation cost increased by 16% and incurred a loss of Tk29 crore from the foreign currency exchange due to a surge in dollar price.
- The company said in the presentation the growth in subscribers and traffic revenue was mainly driven by growth in bundle and data, supported by spectrum, site roll-out and enhanced market initiatives. During the first quarter, its bundle revenue increased by 4 times to reach Tk511 crore.

<https://www.tbsnews.net/economy/stocks/modernisation-currency-devaluation-pulls-down-grameenphones-quarterly-profit>

## Economy & Industry

### Dollar rises to Tk86.45 in interbank market

The Business Standard, April 27, 2022

- The interbank exchange rate increased by Tk0.25 and stood at Tk86.45 per US dollar on Wednesday. The value of the taka has been declining in the domestic market due to an increase in imports and rise in the price of goods in the international market following the Covid-19 lockdowns, said relevant sources.
- The interbank exchange rate reached Tk86.20 by increasing Tk0.20 on 23 March, and remained the same till Tuesday. Although the exchange rate was Tk86.45 in the interbank market, banks sold dollars to customers at Tk90-92. In the curb market, it was sold at Tk92-93.
- According to industry insiders, a crisis has arisen due to the rise in imports and decline in remittances. Meanwhile, the foreign exchange reserve has also been declining. To keep the market normal, the Bangladesh Bank continues to sell dollars. Sources at the Eastern Bank and the Brac Bank said they sold dollars at Tk92.50 on Wednesday. However, they sold it at the interbank market at Tk86.50.
- In the first July-February period of the current fiscal year, the country's import expenditure stood at \$58.77 billion, which was 46.68% more compared to the same period in the previous year. At the same time, exports in the first nine months of the current fiscal stood at \$38.60 billion, which was 33.41% higher compared to the same period last year.

<https://www.tbsnews.net/economy/banking/dollar-rises-tk8645-interbank-market-410750>

### Raise working capital limit

The Daily Star, April 28, 2022

- The Bangladesh Bank yesterday asked banks to raise the working capital limit as the financial strength of many businesses has weakened because of the prices increase in the global market. The business slowdown derived from the coronavirus pandemic has created a supply chain disruption in the global market, pushing the prices of various goods to an abnormally higher level. The Russian invasion of Ukraine has worsened the situation.
- As a result, the prices of various commodities, including industrial raw materials, have sharply gone up in recent times. It comes at a time when the shipping cost has been on the rise substantially, according to a Bangladesh Bank notice. Against this backdrop, businesses are facing difficulties to bear the cost of imported goods by using their existing working capital ceiling.
- The repayment tenure of working capital is a maximum of one year and lenders set the ceiling of a loan on the basis of the cash flow of businesses. The BB, in the circular, mentioned that many importers were now unable to settle import payments although banks have extended the maximum amount of working capital.

<https://www.thedailystar.net/business/economy/news/raise-working-capital-limit-3014101>

## International

### European, US stocks rise but euro hits 5-year dollar low

The Newage, April 27, 2022

- European and US stock markets rose Wednesday after recent sharp losses, but the euro struck a five-year low against the dollar as traders weighed widespread economic unrest. Meanwhile, Europe's Dutch TTF gas price bounded higher after Russia's energy giant Gazprom stopped gas supplies to Bulgaria and Poland, but remained well below levels hit last month.
- The two EU member nations had failed to pay in rubles despite president Vladimir Putin announcing that Russia would no longer accept payments in other currencies — a retaliation for the West's economic sanctions against Moscow over its invasion of Ukraine.
- Traders on Wednesday were unpicking 'the familiar concerns about tech earnings, inflation, interest rates, China's lockdown... and the war in Ukraine', said Markets.com analyst Neil Wilson. In afternoon trading, London was up 0.5 per cent, while both Paris and Frankfurt edged 0.2 per cent higher.
- On Wall Street, the main indices pushed modestly higher after sharp losses Tuesday. Tech firms, who rely on debt to drive growth, led Wall Street's plunge on fears that the Federal Reserve is at the beginning of a period of sharp interest-rate increases aimed at taming scorching inflation, with the Nasdaq Composite tumbling four per cent. It pushed 0.4 per cent higher, as did the S&P 500, while the Dow rose 0.5 per cent.

<https://www.newagebd.net/article/169202/european-us-stocks-rise-but-euro-hits-5-year-dollar-low>

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## 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).

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