

Key News

- ✓ [Stocks advance for 3rd week](#)
- ✓ [EXIM Bank to raise Tk 6.0b through Mudaraba bond](#)
- ✓ [Shipping Corporation's profit jumps 23pc in Q3 on monopoly on state cargo shipment](#)
- ✓ [Lankan Alliance Finance asked to resubmit IPO application](#)
- ✓ [Provati Insurance's profit drops 39% despite higher revenue](#)
- ✓ [Titas to issue Tk258cr preference shares to govt at flexible conditions](#)
- ✓ [How to maximise tax rebates through planned investments](#)
- ✓ [Bank Asia holds training on 'Islamic Banking Investment Operations' for its officials](#)
- ✓ [Govt to avoid being guarantor of loans to reduce risk](#)
- ✓ [Global stocks advance on debt deal hopes](#)

Stock Market & Company

Stocks advance for 3rd week

The New Age, May 27, 2023

- The main index of the Dhaka Stock Exchange, DSEX, advanced by 0.56 per cent, or 35.54 points, over the week to close at 6,325.73 points on May 18. The DSEX gained 56.58 points in the past three weeks.
- The weekly average turnover increased to Tk 917.17 crore in the past week from that of Tk 735.93 crore in the previous week. Out of 388 companies traded, share prices of 69 declined, 118 advanced and 202 remained unchanged.
- The DS30, comprised of 30 large capitalised companies, also increased by 3.22 points to finish at 2,198.5 points and the DSE Shariah index, DSES, added 2.53 points to close at 1,370.78 points.
- Bangladesh Shipping Corporation topped the weekly turnover chart with a value of Tk 229.34 crore. Intraco Refueling Station, Eastern Housing, Rupali Life Insurance Company, Navana Pharmaceuticals, Orion Infusion, Gemini Sea Food, Chartered Life Insurance, Meghna Life Insurance and Sea Pearl Beach Resort were the other turnover leaders.

<https://www.newagebd.net/article/202719/stocks-advance-for-3rd-week>

EXIM Bank to raise Tk 6.0b through Mudaraba bond

The Financial Express, May 26, 2023

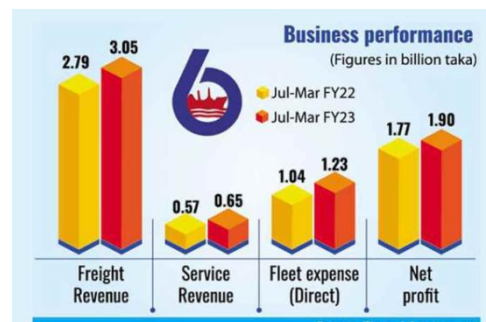
- The board of directors of Exim Bank has decided to issue Mudaraba Subordinated Bond (fifth Issue) for Tk 6.0 billion. The private commercial bank will issue the bond as a process of inclusion in Tier-II capital as “Subordinated debt”, for a period of seven years tenure through private placement.
- The bond issue is subject to approval by concerned regulatory authorities – Bangladesh Bank and Bangladesh Securities and Exchange Commission and compliance of all formalities in this respect, according to a disclosure on Thursday.
- The bank’s first quarter’s earnings per share dropped 44 per cent year-on-year to Tk 0.14 for January-March 2023 due to increase in provision for investments and other assets.

<https://thefinancialexpress.com.bd/stock/bangladesh/exim-bank-to-raise-tk-60b-through-mudaraba-bond>

Shipping Corporation’s profit jumps 23pc in Q3 on monopoly on state cargo shipment

The Financial Express, May 26, 2023

- The Bangladesh Shipping Corporation (BSC) posted a 23 per cent year-on-year growth in profit to Tk 622 million for the January-March quarter of FY23, riding on the monopoly on water shipment of government-imported cargoes.
- Its earnings rose from freight services, including loading and unloading of cargoes by lighter vessels, and from service charge, berthing rights charge etc.
- The state-run oceangoing vessel management authority logged a profit of Tk 1.90 billion in the nine months through March of FY23, a 7.7 per cent increase from the same period a year ago.
- The Corporation's revenue from transportation by lighter vessels more than doubled to Tk 304 million in the January-March quarter as it received the exclusive right to carry state cargoes.
- The Shipping Corporation's overall revenue earnings rose 15 per cent year-on-year to Tk 1.23 billion in January-March. Higher income from fixed deposit receipts and rented property in Dhaka also helped boost profit.



<https://thefinancialexpress.com.bd/bangladesh/shipping-corporations-profit-jumps-23pc-in-q3-on-monopoly-on-state-cargo-shipment>

Lankan Alliance Finance asked to resubmit IPO application

The Business Standard, May 27, 2023

- The securities regulator has asked Lankan Alliance Finance Limited to resubmit its application for the initial public offering (IPO) as it has increased the number of shares through issuing stock dividends after the recent application to go public.
- The new generation non-bank financial institution (NBFI) applied for raising Tk30 crore from the public through an IPO under the fixed price method in April this year to comply with the regulatory requirement of the central bank.
- The Bangladesh Securities and Exchange Commission (BSEC) asked for resubmission with updated accounts, said BSEC Executive Director Rezaul Karim. IPO issue rules prohibit paid-up capital enhancement within the period of a company applying for an IPO and accomplishing it, he added. Lankan Alliance Finance in 2022 paid 5% cash dividends alongside issuing 5% stock dividends, according to its CEO Kanti Kumar Saha.

<https://www.tbsnews.net/economy/stocks/lankan-alliance-finance-asked-resubmit-ipo-application-639150>

Provati Insurance's profit drops 39% despite higher revenue

The Business Standard, May 27, 2023

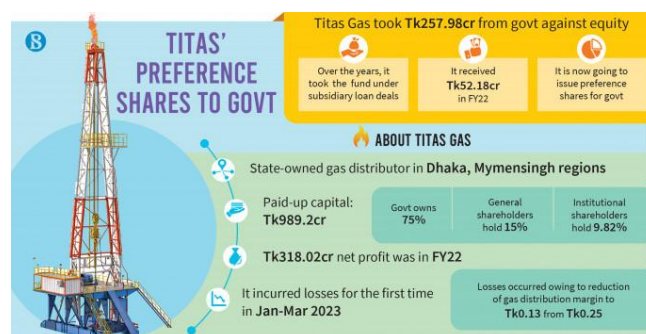
- Despite a higher revenue income, Provati Insurance Company Limited – a non-life insurance company – posted a 39% decline in its year-on-year net profit for the January to March quarter of 2023 due to the stock market slowdown.
- From the first quarter, the total revenue income of the company increased by 32% to Tk33.19 crore from Tk25.10 crore compared to the same in 2022.
- Its profit before investments and other income stood at Tk2.81 crore, which was Tk1.84 crore one year ago. In the first quarter, the investment and other income came down to Tk80 lakh from Tk4 crore a year ago.
- The company also recommended a 12% cash dividend for its shareholders end of 2022. Its earnings per share (EPS) was Tk0.73 and its net asset value (NAV) per share stood at Tk20.77.

<https://www.tbsnews.net/economy/stocks/provati-insurances-profit-drops-39-despite-higher-revenue-639106>

Titas to issue Tk258cr preference shares to govt at flexible conditions

The Business Standard, May 27, 2023

- Titas Gas Transmission Company Limited has been instructed to issue preference shares to the government against its total Tk257.98 crore share money deposit with the state-owned gas distributor for the Dhaka and Mymensingh region.
- At a meeting on 16 April, a committee formed with officials from the finance ministry, Titas, and the Financial Reporting Council (FRC) made the decision to issue irredeemable non-cumulative preference shares in favour of the government and the prescribed way seems to be flexible enough to offer the struggling company a breathing space.
- The proposed conditions imply, if Titas makes more profits the government will get high dividends against the preference shares and in cases of annual losses no dividends will be given.
- The formula adopted suggests if Titas issues preference shares against its entire Tk257.98 crore in share money deposit from the government, the government would be entitled to get Tk16.45 crore in preferred dividends for the fiscal 2021-22, a 6.37% yield for the particular year. At the current capital structure, if the entire share money deposit is converted into preference shares Titas Gas will have to pay 20.685% of one-fourth of its net profit after taxes.



<https://www.tbsnews.net/economy/stocks/titas-issue-tk258cr-preference-shares-govt-flexible-conditions-638238>

How to maximise tax rebates through planned investments

The Business Standard, May 27, 2023

- The government offers a generous tax rebate against people's savings, investments, and donations to some recognised sectors, and one can significantly reduce their income tax liability through them, according to experts.
- Chartered accountant Snehasish Barua, a partner at Snehasish Mahmud and Company, recently told The Business Standard that an individual can claim a 15% tax rebate on up to 20% of annual taxable income, or Tk1 crore, which can reduce the annual tax liability of a high net worth individual (HNWI) by Tk15 lakh, while most of the emerging middle-income taxpayers can limit their yearly income tax to the minimum amount of Tk5,000.

- For the rebates, one needs to show proof of their recognised savings, investments, or donations at the fiscal year end, and most people tend to rush to pour some money into the instruments at the eleventh hour in June every year, creating pressure on themselves to accumulate a big sum to invest at once, while many even fail to do so.
- "Better plan it at the beginning of the fiscal year and continue it," he advised.
- For small savers, a monthly deposit in the scheduled banks' deposit pension scheme (DPS), investments in national savings certificates (NSC), payments of life insurance premiums, and contributions to provident funds are enough to maximize their tax rebate.



<https://www.tbsnews.net/economy/stocks/how-maximise-tax-rebates-through-planned-investments-639154>

Bank Asia holds training on 'Islamic Banking Investment Operations' for its officials

The Financial Express, May 26, 2023

- Bank Asia organised a two-day long training programme on 'Islamic Banking Investment Operations' for its officials at Bank Asia Institute for Training and Development (BAITD) in Dhaka recently.
- Md Fariuddin Ahmed, chairman of Shariah Supervisory Committee of the bank, was the chief guest in the inaugural session of the training programme, according to a press release. M Esamul Arephin, head of BAITD (current charge), presided over the inaugural session.

<https://stock/bangladesh/bank-asia-holds-training-on-islamic-banking-investment-operations-for-its-officials>

Economy & Industry

Govt to avoid being guarantor of loans to reduce risk

The Business Standard, May 27, 2023

- The government plans a significant reduction in loan guarantees for state-owned enterprises in a bid to boost the capacity of the institutions and reduce external debt burden. Finance ministry sources have revealed that under the new measures, the government will cease to guarantee loans for government institutions or projects except for those deemed genuinely important in the public interest e.g. the TCB's open market sale of essentials at subsidised rates and import of fertilisers.
- This strategic move is expected to enhance the efficiency in managing government enterprises, particularly ones that have been running at a loss for long and have become overly reliant on government assistance.
- By limiting their access to loans without government guarantees, especially if their balance sheets are weak, the government aims to encourage these enterprises to improve their profitability and financial strength.
- The move comes against the backdrop of a staggering 70% increase in the volume of guarantees against loans provided by various domestic and foreign lenders to state-owned enterprises since 2019.



<https://www.tbsnews.net/economy/govt-avoid-being-guarantor-loans-reduce-risk-639162>

International

Global stocks advance on debt deal hopes

The New Age, May 26, 2023

- Stock markets mostly advanced Friday on talk of progress in talks to avert a calamitous US default draws closer and data showing. Wall Street opened higher, with the Dow adding 0.1 per cent, despite data showing US inflation rising in April, increasing the chances of another interest rate hike in June.
- European stocks were higher in afternoon trading, with most Asian markets finishing the day higher. 'There are reports this morning that a deal could be close that caps federal spending for two years in exchange for raising the debt ceiling,' said Briefing.com analyst Patrick O'Hare.
- However, he warned that once negotiators reach a deal, it must still get through the House and Senate, with some lawmakers possibly disappointed by the terms of the eventual deal.
- 'With the clock ticking on those debt ceiling negotiations and Congress having closed up for a long weekend break, there's without doubt a degree of caution building over what happens next,' noted Scope Markets analyst Joshua Mahony.
- Markets have taken a hit in recent days on worries about the slow pace of negotiations in Washington, even after president Joe Biden and house speaker Kevin McCarthy expressed optimism earlier in the week.
- On Thursday, Biden reiterated his pledge that 'there will be no default' despite the wrangling, adding that talks with McCarthy, who leads the Republican negotiators, had been 'productive'.
- The speaker also expressed his determination to get an agreement to raise the borrowing limit by June 1, when the Treasury has warned the government is expected to run out of cash to service its debts.

<https://www.newagebd.net/article/202621/global-stocks-advance-on-debt-deal-hopes>

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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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