

Key News

- ✓ [Stocks close green amid cautious trading](#)
- ✓ [Bourses asked to launch digital submission platform soon](#)
- ✓ [BSEC seeks explanation of Dragon Sweater's merger plans with sister concern](#)
- ✓ [Shinepukur Ceramics asked to explain the unusual rise in share prices](#)
- ✓ [BSEC repeals its consent for AFC Health's IPO](#)
- ✓ [Investor Hiru fined Tk2cr for market manipulation](#)
- ✓ [Forex market volatility deepens](#)
- ✓ [Financial institutions must expedite handling customer complaints](#)
- ✓ [Russia denies debt default](#)

Stock Market & Company

Stocks close green amid cautious trading

The Financial Express, June 27, 2022

- The stock market ended marginally higher on Monday, after a single-day break, as the bargain hunters went on late hours' buying binge on sector-wise stocks. DSEX, the key index of the Dhaka Stock Exchange (DSE), went up by 19.24 points or 0.30 per cent to settle at 6,320, after losing over 26 points in the previous day.
- Turnover, the crucial indicator of the market, also rose to Tk 7.0 billion, which was 18 per cent higher than the previous day's one-month lowest turnover of Tk 5.94 billion.
- The DSE Shariah Index (DSES) also advanced 1.93 points to close at 1,380. However, the DSE 30 Index, comprising blue chips, dropped 1.38 points to finish at 2,285.
- Beximco was the most-traded stock with shares worth Tk 460 million changing hands, followed by Shinepukur Ceramics (Tk 284 million), Fu-Wang Food (Tk 218 million), JMI Hospital Requisite (Tk 127 million) and Fu-Wang Ceramic (Tk 123 million).
- Alltex Industries was the top gainer, posting a 9.91 per cent gain while Fortune Shoes was the day's worst loser, losing 1.99 per cent.
- The Chittagong Stock Exchange (CSE) also closed marginally higher with the CSE All Share Price Index – CASPI –gaining 43 points to settle at 18,616 and the Selective Categories Index – CSCX –gaining 26 points to close at 11,159.



<https://thefinancialexpress.com.bd/stock/stocks-close-green-amid-cautious-trading-1656323245>

Bourses asked to launch digital submission platform soon

The Newage, June 27, 2022

- The Bangladesh Securities and Exchange Commission has asked the stock exchanges to start immediately an integrated online data gathering, information submission and dissemination platform. The commission issued an order on June 22 in this regard.
- The regulator asked both the stock exchanges to submit a report regarding commencement of the digital submission and dissemination platform to the commission within 15 days.
- The stock exchanges will use the platform for meeting compliances regarding listing and continuous listing requirements including applications, shareholders' report, declaration of corporate actions, financial disclosures, publication and dissemination of price-sensitive information and material information, complaint settlement and other compliances and submissions by the issuer companies, according to the order.
- The commission in the order said that the stock exchanges must report shareholding in summary basis and finds of non-compliances, if any, to the commission monthly.

<https://www.newagebd.net/article/174477/bourses-asked-to-launch-digital-submission-platform-soon>

BSEC seeks explanation of Dragon Sweater's merger plans with sister concern

The Business Standard, June 27, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) asked Dragon Sweater and Spinning Limited to explain its decision to merge with its sister concern, Dragon Sweater BD Limited, considered 'sick' in the industry. The commission issued a letter to the company in this regard and asked it to submit a detailed plan of the merger, board meeting minutes, company accounts, and other relevant documents, within seven working days.
- The listed firm announced its decision to merge with Dragon Sweater BD earlier this month. For shareholder approval, before placing the application to the High Court, the company issued a notice regarding holding an Extraordinary General Meeting (EGM), as per company law requirement.
- The EGM is scheduled to be held on 26 July and the record date is to be 30 June. Shareholders whose names appear in the company register on the record date will be entitled to attend the EGM.
- Both companies are concerns of Dragon Group whose chairman was Mostafa Golam Quddus, former president of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA). Currently, his son Mostafa Quamrus Sobhan runs the business of the group.

<https://www.tbsnews.net/economy/stocks/bsec-seeks-explanation-dragon-sweaters-merger-plans-sister-concern-448366>

Shinepukur Ceramics asked to explain the unusual rise in share prices

The Business Standard, June 27, 2022

- The Dhaka Stock Exchange (DSE) has sought an explanation from Shinepukur Ceramics Limited about an unusual increase in its share prices. On 7 June, the share price was Tk35.20 and on 27 June, it rose to Tk51.8. In other words, the share price has risen by Tk14.80 or 42% within just 13 working days.
- The country's premier bourse, in a letter, has recently asked the ceramic manufacturer to explain the reasons behind the sharp rise in its share prices. In response, the company said that its share prices have been increasing without any undisclosed price-sensitive information.
- From January to March 2022, the revenue of the company was Tk49.68 crore, which was Tk34.63 in the same period as the previous year. During the period, its net profit was Tk2.51 crore, which was Tk0.59 crore in the same period a year ago.

<https://www.tbsnews.net/economy/stocks/shinepukur-ceramics-asked-explain-unusual-rise-share-prices-448358>

BSEC repeals its consent for AFC Health's IPO

The Business Standard, June 27, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) cancelled its approval for the initial public offering (IPO) of AFC Health Limited. Rezaul Karim, executive director at BSEC, confirmed the matter to The Business Standard on Monday.
- Back in September 2020, the commission gave its go-ahead to the company to raise Tk17 crore through an IPO. But the next month, Fortis Healthcare Limited - an India-based company that provides various surgical and management services to AFC Health - requested the BSEC to cancel AFC Health's IPO saying that its prospectus contained several false and fraudulent representations and statements. In a letter, Fortis told the BSEC that the agreement executed by AFC Health was limited to Khulna and Chattogram only, but it used their brand name in Cumilla and Jashore as well, which was a breach of their agreement.

<https://www.tbsnews.net/economy/stocks/bsec-repeals-its-consent-afc-healths-ipo-448354>

Investor Hiru fined Tk2cr for market manipulation

The Business Standard, June 27, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has fined Md Abul Khayer Hiru – an influential and controversial investor whom many investors would call "the Hero" – more than Tk2 crore for manipulating the share prices, according to sources at the stock regulator.
- The BSEC fined Hiru at a recent meeting for manipulating the share prices of Asia Insurance, Bangladesh National Insurance, and Green Delta Insurance, confirmed the sources, while none of the stock market regulator agreed to comment on the matter.
- As market manipulation allegations against Hiru ran rife, the BSEC initiated an inquiry which is now ongoing. Hiru made the headlines as the scamster responsible for the abrupt jump of insurance shares in 2020. Fingers were pointed at him for the abnormal rise in shares of several other companies.
- Subsequently, the BSEC initiated the inquiry to see whether there was any "foul play" behind this price increase. When contacted, Md Abul Khayer Hiru told TBS, "I heard I was fined. But, I have not received any letter from the regulator yet."

<https://www.tbsnews.net/economy/stocks/investor-hiru-fined-tk2cr-market-manipulation-448410>

Economy & Industry

Forex market volatility deepens

The Daily Star, June 28, 2022

- Volatility in the country's foreign exchange market has intensified once again as Bangladesh Bank has commenced tinkering with the exchange rate of the taka against the US dollar. Bangladesh Bank had decided on June 2 to allow the exchange rate of the taka to float against the US dollar but recently backtracked from its stance, causing the forex market to become volatile again.
- In addition, the inter-bank exchange rate set by the central bank has been unable to offset the ongoing volatility due to the inadequate supply of the greenback. The inter-bank exchange rate stood at Tk 92.95 per US dollar yesterday. In contrast it was Tk 84.95 a year ago.
- However, banks now sell dollars to importers largely at Tk 97 to Tk 98 and purchase it at Tk 96-Tk 97 from exporters. They also try to attract remittance by offering Tk 96 to Tk 97 to exchange houses abroad. The US dollar continues to remain dear although Bangladesh Bank has so far supplied \$7.43 billion this fiscal year from the reserve to cool the market. The country's foreign exchange reserve stood at \$41.7 billion as of yesterday.

<https://www.thedailystar.net/business/economy/news/forex-market-volatility-deepens-3058266>

Financial institutions must expedite handling customer complaints

The Business Standard, June 27, 2022

- The Bangladesh Bank has directed non-bank financial institutions to activate their three-tier cells to expedite the disposal of complaints lodged by their customers. In a circular on Monday, the central bank said the 2014 policy has instructions to form customer complaint cells at the head office, regional office, and branches of all non-bank financial institutions (NBFIs).
- Now the money market regulator has asked the managing directors of all financial institutions to ensure those cells play a more active role in expediting resolution of customer complaints. Instructions have been given for timely disposal and reporting of complaints in accordance with the policy of the central bank.
- According to the circular, it has been seen recently that most customer complaints can be resolved by the internal complaint cells of the financial institutions, but the number of complaints for not resolving complaints is increasing. Indeed, some institutions are not even accepting complaints, which is why the central bank has given such instructions.

<https://www.tbsnews.net/economy/financial-institutions-must-expedite-handling-customer-complaints-448306>

International

Russia denies debt default

The Newage, June 27, 2022

- Russia said Monday that two of its debt payments were prevented from reaching creditors, pushing the country closer to its first foreign default in a century due to sanctions over the Ukraine offensive. The announcement came on the 124th day of Russia's military intervention in Ukraine, with Western sanctions so far failing to force the Kremlin to change its course.
- The Western economic penalties have largely severed the country from the international financial system, making it difficult for Moscow to service its debt. The Russian authorities insist they have the funds to honour the country's debt and accuse the West of seeking to drive Moscow into a default artificially.
- 'There are no grounds to call this situation a default,' Kremlin spokesman Dmitry Peskov told reporters after a key payment deadline expired Sunday. 'These claims about default, they are absolutely wrong,' he said, adding that Russia settled the debt in May.
- A 30-day grace period for the payment of \$ 100 million in interest payments expired on Sunday night, most of which had to be paid in foreign currency. In a statement, the Russian finance ministry said that two of its debt payments had not been transferred to creditors, but denied that the event amounted to a default.
- International settlement and clearing systems 'received funds in full in advance' but the payments were not transferred to the final recipients due to 'the actions of third parties', the ministry said.

<https://www.newagebd.net/article/174474/russia-denies-debt-default>

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