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Stock Market & Company

Stocks plunge amid banks' liquidity stress

Newage, November 27, 2021

- Dhaka stocks plunged in the past week after a surge in the previous two weeks as investors went for selling shares heavily amid a sudden liquidity stress in the banking sector. DSEX, the key index of the Dhaka Stock Exchange, lost 3.38 per cent, or 239.73 points, over the past week to close at 6,852.09 points on November 25, the last trading session of the week after gaining 185.11 points in the previous two weeks.
- Of the 380 scrips traded on the DSE in the past week, 313 declined, 49 advanced and 18 remained unchanged. Average share prices of almost all the sectors declined over the week.
- Share prices of bank, non-bank financial institution, engineering, general insurance and pharmaceutical sectors plunged by 5.4 per cent, 4.8 per cent, 3.9 per cent, 3.2 per cent and 1 per cent respectively. The bank sector registered a 38.7-per cent of the week's total turnover.
- DSE's blue-chip index DS30 dropped by 3.42 per cent, or 92.08 points, to finish at 2,602.87 points. The daily average turnover on the DSE dipped to Tk 1,261.25 crore in the past week compared with that of Tk 1,398.52 crore in the previous week.
- Shariah index DSES shed 2.56 per cent, or 37.95 points, over the past week to close at 1,442.38 points. The Bangladesh Export Import Company led the turnover chart in the past week with shares worth Tk 513.64 crore changing hands.
- One Bank, IFIC Bank, First Security Islami Bank, Paramount Textile, NRB Commercial Bank, Fortune Shoes, Delta Life Insurance Company, Genex Infosys, Premier Bank were the other turnover leaders in the week.



<https://www.newagebd.net/article/155866/stocks-plunge-amid-banks-liquidity-stress>

Bank Asia celebrates 22nd anniversary

The Daily Star, November 28, 2021

- Bank Asia Ltd yesterday celebrated its 22nd anniversary at Bank Asia Tower in Dhaka in honour of benefactors and well-wishers. Rume A Hossain, chairman of the Board Executive Committee of Bank Asia, as chief guest cut a cake to inaugurate the programme.
- Md Arfan Ali, president and managing director of the bank, Anisur Rahman Sinha, former chairman, Enam Chowdhury, director, Moshir Rahman, former director, and Syed Anisul Huq, former managing director, were present.
- Maj Gen (retd) Mohammad Matiur Rahman, Ashraful Haq Chowdhury, Helal Ahmed Chowdhury and Nafees Khundker, directors of the bank, virtually joined the programme. The bank's deputy managing directors and divisional heads were physically present while branch managers virtually.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-celebrates-22nd-anniversary-2904491>

BSEC, BB sit Tuesday to find constructive solutions to markets

The Business Standard, November 27, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Bank (BB) officials are going to sit on Tuesday to come up with a constructive solution for both the money and capital market, said the authorities. The meeting would discuss publicly-listed banks' participation in the market stabilisation fund built under a BSEC instruction. The central bank did not allow banks to transfer any unclaimed dividends to the fund built for market support.
- BSEC Commissioner Shaikh Shamsuddin Ahmed said, "Unclaimed dividends belong to the shareholders, not the depositors. We would humbly repeat the point in the meeting with the central bank." Besides, the BSEC would reiterate its request to the Bangladesh Bank to adopt a cost-basis while calculating the commercial banks' exposure in securities.
- The BSEC recently has written to the Bangladesh Bank seeking not to directly ask for information from capital market intermediaries bypassing the actual regulator BSEC as it spreads panic among stakeholders.

<https://www.tbsnews.net/economy/stocks/bsec-bb-sit-tuesday-find-constructive-solutions-markets-335503>

LankaBangla Finance gets \$21m foreign loans

The Daily Star, November 28, 2021

- LankaBangla Finance has recently received \$21 million in foreign currency loans from two companies with prior approval from Bangladesh Bank. Financing for Healthier Lives DAC, an Ireland-based special purpose vehicle, provided \$5 million whereas five funds managed by responsAbility Investments AG, a Swiss impact investment manager, provided \$16 million, said a press release.
- The funds will mainly be utilised to provide loans to small and medium enterprises and finance projects with positive social impacts.

<https://www.thedailystar.net/business/economy/banks/news/lankabangla-finance-gets-21m-foreign-loans-2904451>

BSEC backs exclusion of banks' bond investments

The Financial Express, November 28, 2021

- The securities regulator would request Bangladesh Bank (BB) to exclude banks' investments in perpetual bonds from their exposure on bourse, in a measure meant for increasing liquidity supply to the capital market. Sources say the Bangladesh Securities and Exchange Commission (BSEC) will raise the issue, among others, at a meeting scheduled to be held with the central bank Tuesday.
- Under the existing provision, such investment is considered included in the banks' exposure to the capital market as soon as the bonds are listed with the stock exchanges.

BANKS' EXPOSURE TO CAPITAL MARKET

» 15 banks allowed so far to issue perpetual bonds

» The banks invested Tk 31 billion as of June 30, 2021



- It is now mandatory for the perpetual bonds to be listed with bourses. The securities regulator has so far allowed 15 banks to issue perpetual bonds.
- Meanwhile, the securities regulator asked the issuers to accelerate the process of listing perpetual bonds on bourses. Presently, subscriptions of two such bonds are going on. According to the central bank sources, the banks invested Tk 31 billion, as of June 30, 2021. Presently, the amount would stand at around Tk 50 billion.

<https://thefinancialexpress.com.bd/stock/bsec-backs-exclusion-of-banks-bond-investments-1638066585>

SS Steel sees stellar profit growth on subsidiary income

The Business Standard, November 27, 2021

- SS Steel Limited posted a 49% growth in profit in fiscal 2020-21 riding on the income from its subsidiary company, which the listed steel manufacturer had acquired a year ago. At the end of the fiscal year, it reported a consolidated profit of Tk70 crore, which was Tk47 crore a year ago.
- Last year, SS Steel acquired 99% shares worth Tk160 crore of Saleh Steel located in Chattogram. Saleh Steel produces and sells rods and coils under its brand name and its annual production capacity is around 84,000 tonnes, says SS Steel.
- In a board meeting on 24 November, the company declared a 2% cash dividend for only general shareholders and an 8% stock dividend for all for FY21. As per the audited financial report of FY21, its consolidated earnings per share stood at Tk2.31.
- In January this year, SS Steel decided to acquire a 75% share of Southeast Union Ceramics Industry Limited, a coal-based China-Bangladesh joint venture ceramic manufacturing company, at a cost of Tk200 crore.



<https://www.tbsnews.net/economy/stocks/ss-steel-sees-stellar-profit-growth-subsiary-income-335506>

Election to DSE director post on December 26

The Financial Express, November 27, 2021

- Election to the post of a shareholder-director of Dhaka Stock Exchange (DSE) will be held on December 26, as the post will fall vacant with the upcoming retirement of a director. Md Rakibur Rahman, chairman of Midway Securities, will retire from the DSE Board this year in line with the demutualisation scheme, DSE deputy general manager (PR & Publication) Md Shafiqur Rahman told The FE.
- A three-member election commission headed by retired Judge of the Supreme Court Md Abdus Samad announced the election schedule on Thursday.
- As per the election schedule, the final voter list will be published on the DSE website on December 8, while nomination papers worth Tk 25,000 each can be collected from December 5. The deadline for submission of nomination papers is on December 9.
- The last date for withdrawal of candidature is December 15 while the DSE election commission will publish the final list of candidates on December 19. The election will be held from 10:00am to 3:00pm without any break in the auditorium of DSE Tower at Nikunja in Dhaka on December 26.
- As per the demutualisation scheme, the DSE board comprises 13 members, including seven independent directors, four shareholder-directors, one from strategic investors' category and the other is the bourse's managing director.

<https://thefinancialexpress.com.bd/stock/election-to-dse-director-post-on-december-26-1637985782>

Economy & Industry

NBFIs seek deferral of BB rules seeking to restore discipline

The Daily Star, November 28, 2021

- Non-bank financial institutions have demanded postponement of the application of a Bangladesh Bank guideline that is seeking to restore credit discipline in the fragile sector.
- The Bangladesh Leasing and Finance Companies Association (BLFCA), an organisation of the managing directors of the NBFIs, sent a letter to the central bank governor on November 22, requesting him to push back the guidelines until December 2023.
- The central bank issued the guidelines on September 14, saying that no NBFI would be allowed to inflate the income segment of the balance sheet artificially without realising cash from borrowers after rescheduling default loans.
- It came after many NBFIs were found to have overstated their income segment in the past without getting back any cash from the rescheduled loans, in order to give a hefty amount of dividends to the shareholders, including their directors.
- In addition, they had also not kept provision against the default loans, but many of them subsequently rescheduled the loans.
- As per the new rules under the guidelines, the NBFIs have to preserve required provisions against the rescheduled loans. The NBFIs should have kept the amount previously given the merit of the non-performing loans.
- Besides, NBFIs have been barred from transferring the provision of the NPLs right after the rescheduling of the loans. They can, however, shift the specific amount of provision equaling to the actual income realised from the borrowers from time to time.

WHAT NBFIS DEMAND FOR RESCHEDULED LOANS

- » Want to show inflated income without realising cash
- » Want to avoid provision right after rescheduling NPLs
- » Want to transfer provision to income after rescheduling
- » Deferral of guidelines to Dec 2023

<https://www.thedailystar.net/business/economy/banks/news/nbfis-seek-deferral-bb-rules-seeking-restore-discipline-2904566>

465 foreign delegates to join International Investment Summit 2021

The Business Standard, November 27, 2021

- Some 2,574 participants have registered to attend International Investment Summit 2021, and at least 465 of them are foreigners who will represent their countries or international investment firms, Bangladesh Investment Development Authority (Bida) Executive Chairman Md Sirazul Islam said on Saturday.
- Prime Minister Sheikh Hasina will raise the curtain of the two-day summit hosted by Bida at 10.00am on Sunday at Radisson Blu Water Garden Hotel, Dhaka. The main objective of the summit is to brand the new Bangladesh among investors from around the world, said Salman Fazlur Rahman, the prime minister's private sector development and investment advisor.
- Bangladesh economy's new face is still unknown to many in the world and the investment promotion programmes are helping them to learn about the economy and the investment opportunities in a wide range of sectors in Bangladesh, he added.
- Due to the pandemic, participants would join the summit both in person and virtually, said the Bida executive chairman at a press conference on Saturday. A large number of delegates are already in Dhaka and more are arriving, he added.
- The summit with the tagline "Bangladesh: Discover Limitless Opportunities" will have 14 separate sessions, of which 11 will be dedicated to different sectors that include blue economy, healthcare and pharmaceuticals, transport and logistics, capital market, power and energy, the fourth industrial revolution, financial services, agribusiness, leather and leather goods, apparel, electrical and electronics manufacturing.

<https://www.tbsnews.net/economy/465-foreign-delegates-join-international-investment-summit-2021-335557>

International

Stocks, oil tumble on virus variant fears, safe havens gain

The Daily Star, November 28, 2021

- Global stocks tumbled on Friday and oil fell below \$80 a barrel after news of a possibly vaccine-resistant coronavirus variant sent investors scurrying to the safety of bonds, the yen and the Swiss franc. Little is known of the variant, detected in South Africa, Botswana and Hong Kong, but scientists say it has an unusual combination of mutations, may be able to evade immune responses and could be more transmissible.
- British authorities think it is the most significant variant to date and have hurried to impose travel restrictions on southern Africa, as did Japan, the Czech Republic and Italy on Friday. The European Union also said it aimed to halt air travel from the region.
- The World Health Organization is convening an experts' meeting later on Friday to evaluate whether the new variant is a "variant of concern." Global shares fell 0.8 per cent and were on course for their worst week since early October.
- European stocks plunged 2.7 per cent, on track for their worst day since September 2020, with travel and leisure stocks particularly badly hit. Germany's DAX sank 3 per cent and Britain's FTSE 100 fell 2.7 per cent to its lowest in more than a month.
- MSCI's index of Asian shares outside Japan fell 2.2 per cent, its sharpest drop since August. Casino and beverage shares were hammered in Hong Kong, while travel stocks dropped in Sydney and Tokyo. Japan's Nikkei skidded 2.5 per cent and S&P 500 futures were last down 1.8 per cent. Oil prices slid, with US crude futures down 5.7 per cent to \$73.96 a barrel and Brent crude down 4.66 per cent to \$78.38 amid fresh demand fears.

<https://www.thedailystar.net/business/economy/stock/news/stocks-oil-tumble-virus-variant-fears-safe-havens-gain-2904486>

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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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