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## Stock Market & Company

### Stocks stop falling riding on regulatory efforts

The Financial Express, May 26, 2022

- Stocks bounced back on Thursday amid choppy trading as bargain hunters went on late hours buying spree riding on the securities regulator's latest effort to lower the downward circuit breaker again.
- The market opened lower and the key index fell around 15 points within the first hour of trading, but late hours buying spree led by some institutional investors took the market index higher, ultimately ending over 50 points gain.
- Two other indices also ended higher. The DS30 index, comprising blue chips, rose 19.40 points to finish at 2,307 and the DSE Shariah Index (DSES) gained 10.24 points to close at 1,373.
- Turnover, a crucial indicator of the market, however, remained low and total turnover stood at Tk 5.39 billion, which was 5.06 per cent higher than the previous day's tally of Tk 5.13 billion.
- Beximco was the most-traded stock with shares worth Tk 605 million changing hands, closely followed by IPDC Finance, Fortune Shoes, BSC and BD Finance.
- The Chittagong Stock Exchange (CSE) also ended higher with the CSE All Share Price Index (CASPI) gaining 118 points to settle at 18,280 and its Selective Categories Index (CSCX) rising 70 points to close at 10,966.



<https://thefinancialexpress.com.bd/stock/stocks-stop-falling-riding-on-regulatory-efforts-1653560449>

## Shipping Corporation's EPS jumps 310pc in 9 months

The Financial Express, May 27, 2022

- The state-run Bangladesh Shipping Corporation has reported a 310 per cent increase in its profit year-on-year in nine months of the current fiscal year thanks to significant increase in shipping fares globally. In a filing with Dhaka Stock Exchange (DSE) Thursday, the corporation said its earnings per share (EPS) jumped to Tk 11.59 for July 2021 to March 2022, up by a whopping 310 per cent, from Tk 2.83 in the corresponding period.
- The shipping corporation's unaudited net profit grew to Tk 1.77 billion in nine months for July 2021 to March 2022 against Tk 431.66 million in the same period a year earlier. The state-owned entity's EPS for January-March 2022 quarter also rose to Tk 3.31 as against Tk 1.17 for January-March 2021.
- About the impressive growth in profit, the shipping corporation said hikes in shipping fares internationally on a large scale helped it post higher revenue, and profit than the previous fiscal year. The net operating cash flow per share (NOCFPS), a gauge of a company's financial health, also rose to Tk 17.76 in the nine-month period of the ongoing financial year, against Tk 9.58 during the same period of the previous financial year.
- The net asset value, which represents the net value of an entity, was Tk 69.31 per share as on March 31. It was Tk 60.28 as on June 30 last year. Following the news, the corporation's share price jumped 5.04 per cent to close at Tk 118.70 on Thursday.

<https://thefinancialexpress.com.bd/stock/shipping-corporations-eps-jumps-310pc-in-9-months-1653626374>

## Bashundhara Group seeks BSEC nod for pvt commodity exchange

The Newage, May 28, 2022

- Bashundhara Group has filed an application with the Bangladesh Securities and Exchange Commission for establishing a private commodity exchange. The Group submitted the application on May 19 to the securities regulator.
- The Group has opened a separate company named ABG Limited to launch ABG Commodity Exchange (ABGEX) as a private commodity exchange in Bangladesh under the supervision of the BSEC, according to the filings.
- 'ABGEX will provide all facilities related to commodity exchange which includes but not limited to providing a platform to sellers and buyers to sell, buy and transfer all kinds of commodities and derivatives available in Bangladesh and abroad,' the letter reads.

<https://www.newagebd.net/article/171774/bashundhara-group-seeks-bsec-nod-for-pvt-commodity-exchange>

## Most banks, NBFIs yet to transfer to CMSF

The Newage, May 28, 2022

- Most of the listed banks and non-bank financial institutions are yet to transfer 147 crore shares, or 82 per cent of the total unclaimed dividends, to the capital market stabilisation fund. According to the latest CMSF data, around 190 crore unclaimed stock dividends worth Tk 7,769 crore have remained pending with the listed companies.
- Of the amount, banks and NBFIs hold 82 per cent or 147 crore shares. The total unclaimed shares and cash worth Tk 7,918.28 crore have remained due where Tk 7,769 crore in stocks and Tk 148 crore in cash dividends. So far, the CMSF has received only 3.63 crore shares worth Tk 337.38 crore and Tk 460 crore in cash dividends.
- The fund received is only 1.98 per cent stock dividends from the companies. Banks hold 128.46 crore shares or 71.55 per cent and NBFIs hold 18.76 crore or 10.45 per cent of the total non-receipt stock dividends. Banks are reluctant to transfer shares and cash to the CMSF after the Bangladesh Bank on September 13, 2021 told the BSEC that banks and NBFIs were not allowed to transfer unclaimed or unsettled dividends to the CMSF as it was contradictory to section 35(1) of Bank Company Act, 1991.
- BSEC chairman Shibli Rubayat-UI-Islam at a programme arranged by the Capital Market Stabilisation Fund on May 26 asked the non-compliant companies to transfer the unclaimed stocks and cash dividends to the CMSF by May 31, otherwise the regulator would take tough actions against them.

<https://www.newagebd.net/article/171771/most-banks-nbfis-yet-to-transfer-to-cmsf>

## BSEC orders three banks to cancel lien with Aman Cotton

The Business Standard, May 28, 2022

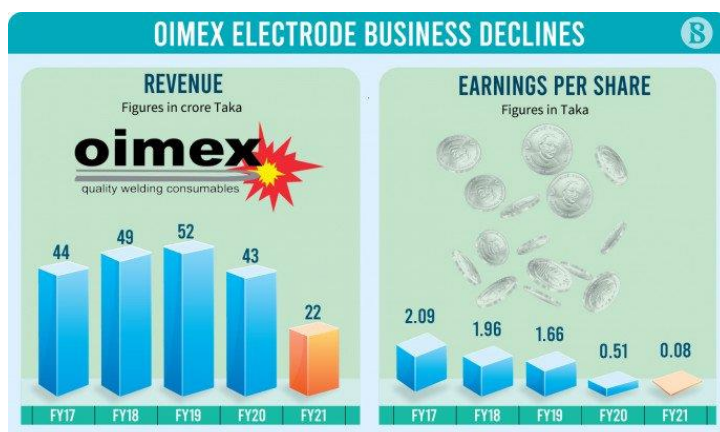
- The Bangladesh Securities and Exchange Commission (BSEC) recently directed Meghna Bank, Al-Arafah Islami Bank, and Commercial Bank of Ceylon PLC to cancel their lien with Aman Cotton Fibrous Ltd in a move to recover Tk73 crore of investors' funds.
- Back in August 2018, Aman Cotton raised Tk80 crore from the stock market through an initial public offering (IPO) to buy new machinery and repay loans. But instead of buying machinery, it pledged Tk73 crore of the IPO fund as security for credit facilities for two of its sister concerns - Akin Carries Limited, and Aman Food Limited.
- Akin Carries enjoys a credit facility of Tk38 crore as an overdraft on the balance in fixed deposit receipt (FDR) in Meghna Bank, and of Tk15 crore in Al-Arafah Islami Bank. Aman Food also enjoys a similar facility of Tk20 crore in the Commercial Bank of Ceylon PLC.
- Earlier, Aman Cotton sought time from the commission till July 2023 to use its IPO proceeds in the original project. The regulator fined the company directors, and its auditor ATA Khan & Co Chartered Accountants for anomalies in its IPO fund utilisation plan, and financial statements.

<https://www.tbsnews.net/economy/stocks/bsec-orders-three-banks-cancel-lien-aman-cotton-428798>

## SS Steel entrepreneurs to acquire Oimex Electrode

The Business Standard, May 28, 2022

- SS Steel entrepreneurs have proposed to acquire Oimex Electrode – a publicly traded manufacturer of welding electrodes, galvanised iron wire, copper coated welding wire, and iron nails.
- Sources knowledgeable of the deal told The Business Standard that three private firms owned by the founders of SS Steel are set to acquire all 30% of Oimex shares held by its sponsor-directors at a face value of Tk10 each, effectively taking over the company.
- The deal is subject to approval of the Bangladesh Securities and Exchange Commission (BSEC), and both parties have recently attended a meeting with the regulator to explain the rationale of the proposed share transfer.
- The market regulator is likely to approve the share transfer deal as it appears to help run the company better.
- Sources said Oimex founder MA Maleque finds it better to exit, considering the management and marketing weakness within the company where he himself heads factory operations. Also, Maleque, the father of a young daughter, is not confident about his succession, said sources.



<https://www.tbsnews.net/economy/stocks/ss-steel-entrepreneurs-acquire-oimex-electrode-427550>

## Inept directors, sponsors bungle Bangas business

The Business Standard, May 28, 2022

- Bangas Limited and Olympic Industries Limited started their journey together in the bakery industry in 1979. At the end of FY2021, Olympic's revenue stood at over Tk1,800 crore, while Bangas' revenue was only Tk20 crore.
- When asked why Bangas fell so far behind Olympic, a senior analyst of an investment bank, on condition of anonymity, said, "In the last 42 years, Olympic has developed its factories and increased production capacity responding to the changes in consumer demand and technology."
- In the last three financial years, Olympic has paid more than 50% cash dividend to its shareholders, while Bangas has not been able to pay even 5% regularly.

- Former BNP leader and member of Parliament Md Mozammel Haque founded Bangas. He passed away in 2017. Until his death, he was the managing director of the company. His three sons are currently on the company's board of directors.

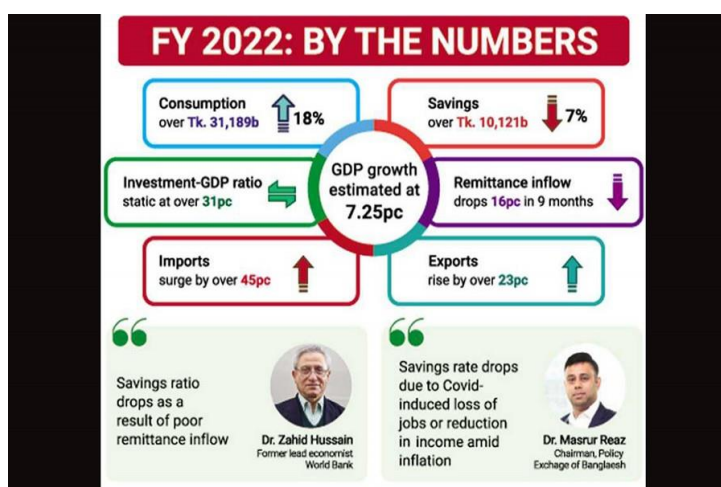
<https://www.tbsnews.net/economy/inept-directors-sponsors-bungle-bangas-business-428802>

## Economy & Industry

### Consumption surge secures growth, squeezes savings

The Financial Express, May 29, 2022

- Bangladesh's economic growth has been fueled by a surge in consumption as a letup in the pandemic has unfrozen pent-up demand, but it costs people their savings. Such consumption binge, for example, costing over Tk 31189 billion in the current fiscal year, up by more than 18 per cent than the previous year's, has forced contraction in the country's savings ratio by official count.
- The gross national savings declined more than 7.0 per cent to over Tk 10121 billion in the FY 2021-22, year on year.
- The country's gross domestic product, which measures the market value of all finished goods and services in a year, has been estimated to be 7.25 per cent (real GDP) provisionally for the current fiscal year.
- The investment-to-GDP ratio, however, almost stagnated at over 31 per cent although private investment edged up by 0.36 percentage point in the year under review.
- Imports, on the other hand, have surged by more than 45 per cent in the current year against more than 23-percent growth in exports, leaving a wide trade gap, resulting in deterioration of external accounts, fall in foreign-exchange reserves and significant devaluation of the local currency.
- The economist, however, says the savings ratio has dropped as a result of the poor remittance inflow in the year under review. The country's remittance inflow had dropped more than 16 per cent in nine months to March 2022.

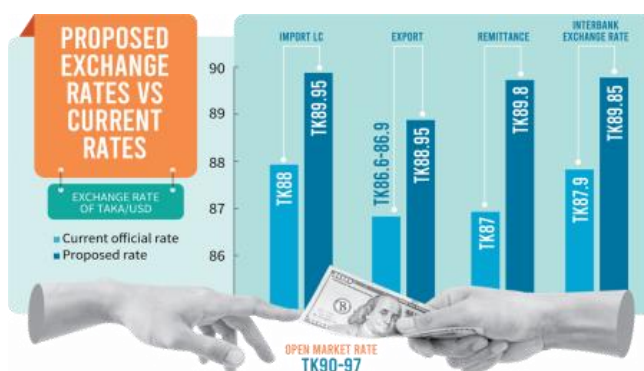


<https://thefinancialexpress.com.bd/economy/consumption-surge-secures-growth-squeezes-savings-1653790747>

### Bankers unhappy with uniform exchange rate

The Business Standard, May 29, 2022

- The Bangladesh Foreign Exchange Dealers Association (BAFEDA) is going to propose four different taka-dollar exchange rates against imports, exports, remittances, and inter-bank transactions for all banks to the Bangladesh Bank today amid worries that the rates would not be viable for all banks.
- Bankers allege that the proposed rates are dictated by the central bank and do not reflect their suggestions.
- The proposed exchange rate for LC (letter of credit) settlement of imports is Tk89.95 per dollar, while the rate is Tk88.95 for exports, Tk89.80 for remittances, and Tk89.85 for inter-bank transactions, according to the association. All the proposed exchange rates are around Tk2 higher compared to the current official rates, and up to Tk11 lower than open market rates.
- The exchange rates have been fixed jointly by the forex exchange dealers association and the Association of Bankers, Bangladesh (ABB), and will take effect once the central bank gives the final nod.



- The proposed uniform exchange rates for all banks come following a decision made at a tripartite meeting of the Bangladesh Bank with top leaders of the BAFEDA and the ABB on Thursday. If the proposed rates are accepted, the central bank will have to go for a devaluation of taka by another Tk2.

<https://www.tbsnews.net/economy/banking/bankers-unhappy-uniform-exchange-rate-428910>

## International

### Wall St Week Ahead: Stock rally fanned by hopes of Fed 'past peak hawkishness

The Business Standard, May 28, 2022

- Bad news may once again be good news on Wall Street, as signs of slowing US growth fan hopes that the Federal Reserve may not need to tighten policy as much as previously expected. Home sales have fallen for a third straight month, while big misses from retail giants such as Target Corp and Walmart Inc shook their share prices last week. The Atlanta Fed's GDPNow estimate of real GDP growth for the second quarter fell to 1.8% on 25 May from 2.4% the previous week.
- In the near-term, however, some investors believe a nascent slowdown could bolster the case for the Fed to pull back on an aggressive monetary policy tilt that has unnerved investors and helped drive the S&P 500 index to the cusp of the 20% decline that many call a bear market..
- The index rose 6.6% this week, snapping a seven-week losing streak, though it is down around 13% for the year to date. Net weekly inflows to US stocks stood at their highest level in 10 weeks, data from BofA Global Research showed Thursday.
- Concerns over the impact of higher rates at a time when inflation may have peaked will likely mean the central bank will pause its tightening in September, leaving its benchmark overnight interest rate in a range of 1.75% to 2% if financial conditions worsen, BofA strategists said in a note.
- Expectations of Fed hawkishness have eased, with investors now pricing in a 35% probability that the Fed funds rate will be between 2.25% and 2.50% after its September meeting, down from a 50% probability a week ago, according to CME.

<https://www.tbsnews.net/economy/stocks/wall-st-week-ahead-stock-rally-fanned-hopes-fed-past-peak-hawkishness-428326>



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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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