

Key News

- ✓ [Dhaka stocks return to positive zone](#)
- ✓ [Kohinoor Chemicals rides on brand value to take the lead among peers](#)
- ✓ [BGIC's annual profit drops 20pc in 2022](#)
- ✓ [Envoy Textiles postpones general meeting over pending litigation](#)
- ✓ [Purabi General Insurance announces 10% dividend for 2022 despite share price drop](#)
- ✓ [Desh General Insurance faces 28% drop in first quarter profit](#)
- ✓ [Salvo Chemical's profit drops 63% in Jan- Mar](#)
- ✓ [Guidelines for NBFIs to step up fight against money laundering](#)
- ✓ [Revenue growth turns negative, yet lofty target set for FY24](#)
- ✓ [Global stocks wobble as traders await US debt ceiling vote](#)

Stock Market & Company

Dhaka stocks return to positive zone

The New Age, May 30, 2023

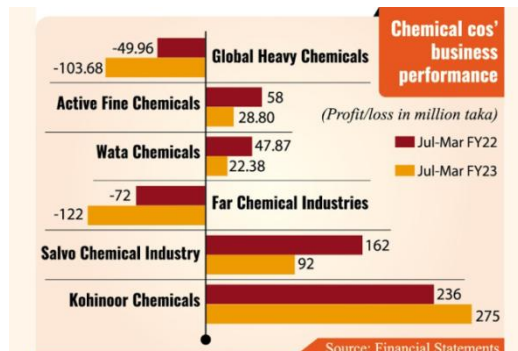
- DSEX, the key index of the Dhaka Stock Exchange, gained 13.04 points, or 0.20 per cent, and settled at 6,345.78 points after losing 7.14 points on Monday. The DS30 index increased by 4.09 points to finish at 2,202.70 points and the DSE Shariah index added 5.93 points to close at 1,375.64 points on the day.
- The turnover on the DSE decreased to Tk 976.01 crore on Tuesday compared with that of Tk 1,174.56 crore on Monday. Out of the 374 issues traded, 93 advanced, 86 declined and 195 remained unchanged on Tuesday.
- Most of the sectors displayed positive returns, out of which jute, cement and life insurance exhibited the most positive returns on the bourse on the day. General insurance, tannery and financial institution exerted the most corrections on the day.
- LafargeHolcim topped the turnover chart with its shares worth Tk 46.64 crore changing hands. Intraco Refueling Station, Navana Pharma, Unique Hotel, Rupali Life Insurance, Eastern Housing, Gemini Sea Food, JMI Hospital, Bangladesh Shipping Corporation and Meghna Life Insurance were the other turnover leaders on the day.

<https://www.newagebd.net/article/202956/dhaka-stocks-return-to-positive-zone>

Kohinoor Chemicals rides on brand value to take the lead among peers

The Financial Express, May 30, 2023

- Kohinoor Chemicals stands out among six chemical manufacturers by securing a growth in profit in the nine months to March while the rest either saw profit decline or endured a loss.
- Hence, Kohinoor experienced a 16 per cent growth in sales year-on-year to Tk 1.33 billion in the January-March quarter this year when five other companies saw the demand for their products dwindle.
- All businesses were hit hard during the period by costlier raw materials, the stronger dollar, and energy price hikes.
- Still, Kohinoor Chemicals, one of the oldest manufacturers of soaps, cosmetics, and toiletries, gained a 3 per cent year-on-year growth in profit to Tk 102 million in the latest quarter, thanks to higher sales and increased selling prices.
- The adversities affected the overall profitability of Kohinoor and other listed chemical manufacturers. They had difficulties in opening letters of credit. In the meantime, prices of raw materials at home and abroad went up by around 30-90 percent. Then gas and electricity price hikes added to the additional cost of production.



<https://thefinancialexpress.com.bd/stock/bangladesh/kohinoor-chemicals-rides-on-brand-value-to-take-the-lead-among-peers>

BGIC's annual profit drops 20pc in 2022

The Financial Express, May 30, 2023

- Bangladesh General Insurance Company (BGIC) has reported 20 per cent lower profit for the year ended in December 2022 due to decrease in premium income and bearish stock market.
- The general insurer raked Tk 86.66 million net profits in 2022, down from Tk 103.73 million a year before. The insurer has also reported earnings per share (EPS) of Tk 1.53 for the year ended on December 31, 2022 which was Tk 1.92 in the year ago.
- Despite profit drop, the board of the company recommended a 12 per cent cash dividend for the year 2022. The company disbursed 12.50 per cent cash dividend in 2021. The record date is set on June 20, the company said in a filing with the Dhaka Stock Exchange (DSE) on Tuesday.
- The company has also reported NAV per share of Tk 19.17 and NOCFPS of Tk 1.85 for the year ended December 31, 2022 as against Tk. 19.63 and Tk. 2.28 respectively for the year ended December 31, 2021. Each share of the company, which was listed on the DSE in 1989, closed at Tk 59.20 on Monday.

<https://thefinancialexpress.com.bd/stock/bangladesh/bgics-annual-profit-drops-20pc-in-2022>

Envoy Textiles postpones general meeting over pending litigation

The Business Standard, May 30, 2023

- Envoy Textiles Limited has postponed its annual general meeting (AGM) which was scheduled to be held on 26 June this year due to the pendency of a litigation in the Appellate Division of the Supreme Court. In April this year, Envoy Textiles called an AGM for the 2021-22 fiscal year as the conflict between its two major owners – Kutubuddin Ahmed and Abdus Salam Murshedy – has finally come to an end.
- In its verdict, the High Court on 10 April reconstituted the company's board and asked it to hold the AGM within the next 90 days, Envoy Textiles said in a Dhaka Stock Exchange (DSE) filing. Company sources said Salam Murshedy filed an appeal in the Appellate Division challenging the High Court order.

- In June last year, Salam Murshedy filed a case challenging some amendments in the company's articles of association, a meeting notice, and the appointment of three additional board members and an independent director.

<https://www.tbsnews.net/economy/stocks/envoy-textiles-postpones-general-meeting-over-pending-litigation-641070>

Purabi General Insurance announces 10% dividend for 2022 despite share price drop

The Business Standard, May 30, 2023

- Purabi General Insurance Company has declared a 10% dividend (7% cash and 3% stock) for its shareholders, marking the end of 2022. The company reported earnings per share (EPS) of Tk1.44 and a net asset value per share of Tk13.69 for this period.
- To discuss these financial results and other matters, Purabi General Insurance has scheduled its annual general meeting (AGM) on 3 September 2023. Shareholders are advised to take note of the record date, which has been set for 10 July 2023.
- During the AGM, the company will also present its first-quarter financial statements. Notably, Purabi General Insurance experienced a remarkable year-on-year profit growth of 15% in the first three months of 2023 (January to March).

<https://www.tbsnews.net/economy/stocks/purabi-general-insurance-announces-10-dividend-2022-despite-share-price-drop>

Desh General Insurance faces 28% drop in first quarter profit

The Business Standard, May 30, 2023

- Desh General Insurance Company Limited (DGIC) has revealed a significant decline in profits for the first quarter of 2023, marking a 28% year-on-year decrease. This news sent shockwaves through the market, leading to an 8.53% drop in the company's share price on the Dhaka Stock Exchange (DSE) on Tuesday (30 May).
- The decline in profit was attributed to various factors, including poor declaration and overall financial performance. Furthermore, Desh General Insurance announced a 5% cash dividend for its shareholders, reflecting the company's financial standing for the previous year, 2022.
- During the first quarter of 2023, the insurer reported earnings per share (EPS) of Tk0.36, compared to Tk0.50 during the same period in 2022. These numbers indicate a notable decline in earnings over the past year. At the close of 2022, Desh General Insurance reported an EPS of Tk1.04 and a net asset value per share of Tk11.36, further highlighting the company's financial situation.

<https://www.tbsnews.net/economy/stocks/desh-general-insurance-faces-28-drop-first-quarter-profit-640562>

Salvo Chemical's profit drops 63% in Jan- Mar

The Business Standard, May 30, 2023

- Salvo Chemical, which produces sulfuric acid, sulfate, battery-grade water, and glucose, posted a 63% year-on-year profit decline in the third quarter (January to March) of the current fiscal year due to the increasing cost of production.
- From January to March quarter, its earnings per share was Tk0.42, which was Tk1.14 in the same period of the previous year. From July to March period FY22, its EPS was Tk1.42, which was Tk2.49 a year ago.
- The net asset value of the company stood at Tk14.79 end of March 2023. The profit has decreased due to an increase in costs because of high raw material prices in local and import prices, currency devaluation, increase in energy price, and significant deterioration of non-operating income.

<https://www.tbsnews.net/economy/stocks/salvo-chemicals-profit-drops-63-jan-mar-640510>

Economy & Industry

Guidelines for NBFIs to step up fight against money laundering

The Daily Star, May 31, 2023

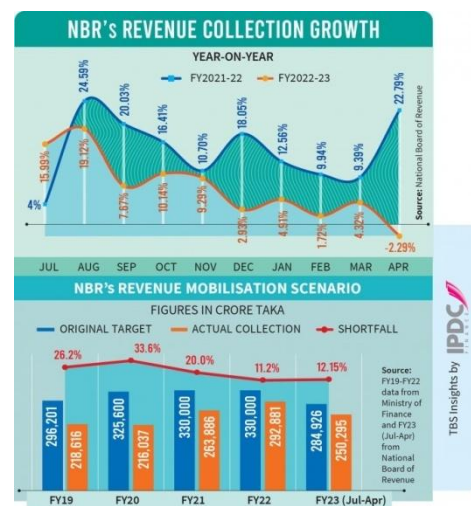
- The Bangladesh Financial Intelligence Unit (BFIU) yesterday issued guidelines for non-bank financial institutions (NBFIs) to tackle money laundering and terrorist financing and asked them to draw up separate regulations. Each NBFI will have to set up a central compliance unit comprising top officials and appoint a chief anti-money laundering compliance officer, whose position will not be below three posts of the managing director.
- Officials with at least seven years of experience of working either at an NBFI or a bank could be considered for the job. Each branch of a non-bank will have to appoint a branch anti-money laundering compliance officer (BAMLCO), according to the guidelines of the BFIU, the national body dedicated to monitoring and tackling money laundering and terrorist financing in Bangladesh.
- The BAMLCO will arrange a meeting with other officials of a branch every three months and monitor suspicious transactions. NBFIs will have to select clients with utmost caution. No clients will be allowed to open accounts anonymously and NBFIs will have to collect detailed information about each customer. If a suspicious transaction is settled in any branch of an NBFI, the BAMLCO will have to inform the BFIU.

<https://www.thedailystar.net/business/economy/news/guidelines-nbfis-step-fight-against-money-laundering-3333636>

Revenue growth turns negative, yet lofty target set for FY24

The Business Standard, May 30, 2023

- The National Board of Revenue (NBR) is going to be tasked with earning 16% more in the next fiscal year to bankroll over a Tk7.6 lakh crore annual budget in the backdrop of a dismal performance with revenue growth turning negative in April for the second time since the pandemic.
- According to the latest data from the NBR, revenue collection in April was 2.29% lower than a year-ago period in stark contrast with the usual phenomenon of higher earnings towards the end of the fiscal year. Revenue growth was only 4% in July 2021 which shot up to 22.8% in April last year.
- The fiscal 2019-20 experienced negative growth in revenue collection because of Covid lockdowns that brought business to a standstill.
- The following financial year, revenue collection returned to a positive trend, which continued until April this year.
- Although the value-added tax (VAT) collection rose by 15%, a double-digit negative growth in collection from imports, income tax and travel tax led to the drastic fall in monthly revenue income in April this year, officials said.
- Yet, the finance ministry has set a revenue collection target of Tk4.30 lakh crore in the next fiscal year to raise the tax-GDP ratio as per the IMF's terms for \$4.7 billion loan packages.



<https://www.tbsnews.net/economy/revenue-growth-turns-negative-yet-lofty-target-set-fy24-641066>

International

Global stocks wobble as traders await US debt ceiling vote

The New Age, May 30, 2023

- Stock markets wavered on Tuesday as a deal to hike the US debt ceiling and avoid a painful default heads to a vote in Congress this week. On its return from the three-day Memorial Day weekend, the Dow fell after opening in the green.
- But the S&P 500 rose and the tech-rich Nasdaq jumped more than one per cent, with chip company Nvidia, a key supplier to the artificial intelligence boom, seeing its market value top \$1 trillion as its shares surged four per cent.
- Oil prices fell more than three per cent as traders await the Congress vote and digest conflicting messages from OPEC+ members about new output cuts, analysts said. President Joe Biden and house speaker Kevin McCarthy hammered out an agreement at the weekend that saw both sides give ground, a week before a June 5 deadline when the government is expected to run out of cash to pay its bills.
- While the deal provided some relief to markets, the two leaders must convince waverers on both sides to back the deal, with the House expected to vote Wednesday followed by the Senate. 'Presently, it feels like investors are confident that the US debt ceiling will be raised,' said Ipek Ozkardeskaya, senior analyst at Swissquote Bank.
- 'The kneejerk reaction to a debt ceiling deal will be positive but gains could remain short-lived as most of the deal is already priced in,' she said. Ultra-conservative Republicans feel McCarthy should have secured far deeper spending cuts in exchange for raising the debt ceiling and allowing the government to keep borrowing.
- The left wing of the Democratic Party is equally unhappy that Biden agreed to any spending limits at all. 'A deal may have been struck on the debt ceiling, but it's not fully calmed nervousness on financial markets,' noted Susannah Streeter, head of money and markets at stockbroker Hargreaves Lansdown.

<https://www.newagebd.net/article/202990/global-stocks-wobble-as-traders-await-us-debt-ceiling-vote>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

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).

BASL Research Team

Mr. Shariful Alam Chowdhury
Head of Research & Investments

tushar@basl-bd.com

Mr. Shohidul Islam
Research Analyst

shohidul@basl-bd.com

BASL Networks

Head Office

Hadi Mansion (2nd Floor)
2, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone: +88-02-9515826-28
E-mail: info@basl-bd.com

Dhanmondi Branch

Meher Plaza (1st Floor),
House # 13/A, Road # 05
Dhanmondi, Dhaka - 1207
Phone: +8802-44611923-24

Mirpur Branch

Nishi Plaza, plot # 01,
Avenue-04, Section-06, Block-C
Mirpur, Dhaka - 1216
Phone: +8802-58055449, 48032449

Uttara Branch

House # 79/A, (4th Floor),
Road # 07, Sector # 04
Uttara Model Town, Dhaka-1230
Phone: +88-02-48958389, 48958371

Banani Branch

Nur Empori, Plot # 77 (1st Floor),
Road No # 11, Banani,
Dhaka-1213
Phone: +88028836155, 8836849

Nikunja Branch

DSE Tower, Level 10, Room# 200,
Nikunja, Dhaka-1229
Phone: +8809666702070 Beraid

Bijoy Nagar Extension

Prime Tower (3rd Floor), 180-181
Dhaka-1213
Phone: +880248318685

Khulna Branch

28, Sir Iqbal Road (1st Floor)
Khulna
Phone: +88-041-731208-9

Chattogram Branch

Bank Asia Bhaban (3rd Floor)
39, Agrabad Commercial Area
Chattogram-4001
Tel : +8801730338091

Badda Digital Booth

Digital Booth (Beraid Badda)
Chairman Building (Ground Floor),
390, Bhuyian Para (Beraid Bazar),
Badda, Dhaka-1212.

Rajshahi Digital Booth

Chamber Bhaban (2nd Floor),
Station Road,
Alokar Moor,
Rajshahi – 6100,
Phone: 0088 02-088852318-9

Bogura Digital Booth

Jamil Shopping Center (3rd Floor),
288/325 Rangpur Road, Bogura Poura
shava
Bogura Sadar, Bogura. 5800
Mobile#01739872483

For International Trade & Sales, please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.