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Stock Market & Company

Stocks stay afloat to scale new peaks

The Financial Express, October 02, 2021

- Stocks extended a winning streak in the outgoing week to scale fresh peaks, with investors renewing their appetite for shares in the cement, power and financial-institution sectors.
- Week on week, the key DSEX index of the Dhaka Stock Exchange (DSE) climbed 78.44 points or 1.08 per cent to settle at 7,329, the highest since the launch of the DSEX on January 27, 2013.
- Two other indices also gained -- the blue-chip DS30 rose 36.97 points to close at its historical high at 2,710, while the DSE Shariah Index (DSES) went up by 11.04 points to end at 1,592. Of the five sessions of the market in this week, the first session saw correction but the four others closed higher.
- The week's total turnover stood at Tk 111.45 billion on the prime bourse, up from Tk 97.09 billion in the previous week. And the daily average turnover clocked in at Tk 22.29 billion, which was 15 per cent higher than the previous week's average of Tk 19.42 billion.
- Despite a fall in the share prices of most companies, the market ended positive as a number of large-cap stocks such as Investment Corporation of Bangladesh, LafargeHolcim, Orion Pharma, Beximco and Shahjibazar Power Company gained substantially.



- Among the major sectors, cement generated the highest return of 11.90 per cent riding on sector heavyweight LafargeHolcim, which soared 17.71 per cent alone, followed by financial institutions (8.70 per cent) and power (2.50 per cent). On the other hand, engineering, banking and telecoms sectors lost 1.0 per cent, 0.70 per cent and 0.50 per cent respectively.
- LafargeHolcim was the most-traded stock with shares worth Tk 7.48 billion changing hands, followed by Orion Pharma, Beximco, Beximco Pharma and Shahjibazar Power. Orion Pharma was the week's top gainer, posting a 21.13 per cent gain while Desh Garments was the worst loser, shedding 14.99 per cent.
- The Chittagong Stock Exchange (CSE) also ended higher with the CSE All Share Price Index (CASPI) soaring 231 points to settle at 21,377 and the Selective Categories Index (CSCX) rising 148 points to close at 12,835.

<https://thefinancialexpress.com.bd/stock/stocks-stay-afloat-to-scale-new-peaks-1633149820>

Foreign investors pull Tk 381cr from stocks in July-Aug

Newage, October 02, 2021

- Foreign investors on the Dhaka Stock Exchange withdrew Tk 381.6 crore from the bourse in the July-August period following a relentless surge on the market. The overseas investors pulled Tk 205.4 crore from the market in August and Tk 176.2 crore in July this year.
- In August, the overseas investors sold shares worth Tk 358.5 crore against their purchase of shares worth Tk 153.1 crore. The foreign investors sold shares worth Tk 227.4 crore in July against their purchase of shares worth Tk 51.2 crore in the month.
- The foreigners started to sell shares from the beginning of 2018 and have continued the sell-off. Net foreign investment was Tk 593.47 crore negative in 2018 with nine months of decline on political uncertainties centring the December 30 national election. Net foreign investment on the country's premier bourse stood at Tk 1,399 crore negative in FY20 compared with Tk 183.70 crore negative in FY19.

<https://www.newagebd.net/article/150719/foreign-investors-pull-tk-381cr-from-stocks-in-july-aug>

Sena Kalyan Insurance's IPO subscription begins today

The Financial Express, October 03, 2021

- The initial public offering (IPO) subscription of Sena Kalyan Insurance begins today (Sunday), aiming to raise Tk 160 million from the capital market. The IPO subscription of the general insurer, a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces, will continue until October 7.
- The stock market regulator --- Bangladesh Securities and Exchange Commission (BSEC)--- approved the company's IPO proposal on August 11 to raise the said amount under the fixed price method to strengthen its business.
- As per the regulatory approval, the insurer will issue 16 million ordinary shares at an offer price of Tk 10 each. The general investors would be allowed for applying minimum and maximum IPO subscriptions of Tk 10,000 only.
- Each Eligible Investor (EI) who intends to submit an application through the electronic subscription system (ESS) shall maintain a minimum investment of Tk 5.0 million for approved pension funds, recognised provident funds and approved gratuity funds and other EIs of Tk 10 million at market price in listed securities as on September 23.
- As per the financial statement for the year ended on December 31, 2020, the company's net asset value per share is Tk 21.09 (without revaluation) and the earnings per share (EPS) of Tk 3.93 while the weighted average EPS for the last five years was Tk 2.65. Shahjalal Equity Management is the issue manager of the company.

<https://thefinancialexpress.com.bd/stock/sena-kalyan-insurances-ipo-subscription-begins-today-1633230991>

2 more banks fined for breaching stock investment rules

The Daily Star, October 01, 2021

- The Bangladesh Bank yesterday fined two more banks and warned four others for investing in the stock market breaching rules. Exim Bank and Premier Bank were fined Tk 50,000 each as they violated the regulations of the central bank's special package for banks for the stock market.

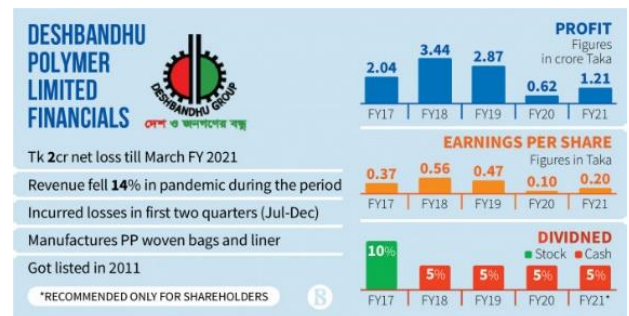
- Earlier, the BB imposed fines on NRB Bank and NRB Commercial Bank for breaching securities rules. In a statement, Premier Bank said it had complied with all stock investment-related regulations set by the central bank.
- The lender bought some shares of the companies that did not pay 10 per cent dividend in the consecutive three years. It made the correction immediately after discovering it, the statement said.
- The BB warned four lenders – Eastern, Union, Global Islami and Agrani -- as they were also found to have breached the regulations of the special fund created by the central bank.

<https://www.thedailystar.net/business/economy/banks/news/2-more-banks-fined-breaching-stock-investment-rules-2188171>

From losses to big profit, Deshbandhu Polymer about-turns

The Business Standard, October 02,2021

- Deshbandhu Polymer Limited – a manufacturer of polypropylene (PP) woven bags for local markets and exports – posted a surprise profit in the April-June quarter although the industry has been struggling to ride out the pandemic shock.
- The fourth quarter profit helped the Deshbandhu Group's enterprise regain losses it had incurred in the first nine months of fiscal 2020-2021. Finally, the company reported a profit of Tk1.21 crore – a 95% increase, from Tk62 lakh in the previous fiscal year.
- Deshbandhu Polymer, which got listed on the capital market in 2011, has recommended a 5% cash dividends for its shareholders – excluding sponsors and directors – for FY21.
- Due to an increase in raw material prices in the local market, the PP woven bag manufacturer incurred a loss of Tk2 crore during the July-March period.
- According to its financials, in FY21, the earnings per share (EPS) stood at Tk0.20, which was Tk0.10 in the previous year. The net assets value (NAV) per share stood at Tk18.07, from Tk10.48 in the previous fiscal year.
- The factory of Deshbandhu Polymer, which started its commercial operation in 2007, has been set up to produce 100% PP woven bags for packing sugar, fertiliser, and cement industries as well as all types of food grain, white flower, chemical, cattle feed, fish feed, rice, and many more things that need packing.



<https://www.tbsnews.net/economy/stocks/losses-big-profit-deshbandhu-polymer-about-turns-310528>

Indo-Bangla pharma, Paramount Textile to purchase land for expansion

The Business Standard, October 02,2021

- Indo-Bangla Pharmaceuticals and Paramount Textile – two publicly listed companies – have decided to purchase land for business expansion. The drugmaker, which got listed on stock exchanges in 2018, said it has registered a sales deed for 1.61 acres of land at a cost of Tk4.21 crore from its own fund.
- Woven fabrics manufacturer Paramount Textile, which was listed on the capital market in 2013, will purchase 141 decimal land at Sreepur Pourashava in Gazipur at a cost of Tk2.80 crore for the purpose of production and other auxiliary activities.
- **Financials of both companies:** In March this year, the Directorate General of Drug Administration (DGDA) had banned the production of Indo-Bangla Pharmaceuticals. In the first nine months of fiscal 2020-21, its net revenue stood at Tk59.82 crore and the net profit at Tk8.95 crore.
- On the other hand, in the July-March period of FY21, the revenue of Paramount Textiles stood at Tk375.24 crore and the net profit at Tk52.77 crore.

<https://www.tbsnews.net/economy/stocks/indo-bangla-pharma-paramount-textile-purchase-land-expansion-310534>

Bay Leasing's H1 profit jump 7 times on capital market returns

The Business Standard, October 02, 2021

- Riding on good returns from its capital market investments, Bay Leasing and Investment Limited posted seven times higher profits in the first half of this year. In the January-June period, the non-banking financial institution (NBFI) reported a net profit of Tk11.31 crore, which was just Tk1.46 crore at the same time a year ago.
- But its net interest income – the core business of the company – dropped 87% to Tk0.87 crore due to an increase in the cost of funds. During this period, the cost of funds for most NBFIs and banks has decreased as the central bank had fixed the deposit and lending rate at 6% and 9%, respectively, for the banks.
- The board of directors of the company earlier recommended a 10% cash dividend for its shareholders for 2020. In 2019, it paid 7.50% cash and 2.50% stock dividends.

<https://www.tbsnews.net/economy/stocks/bay-leasings-h1-profit-jump-7-times-capital-market-returns-310531>

RSRM to resume production on 4 October

The Business Standard, September 30, 2021

- Ratanpur Steel Re-Rolling Mills (RSRM) Limited is going to resume its steel production from 4 October. As per Dhaka Stock Exchange (DSE) query, the company informed that the production was shut down causing the power sub-station damaged.
- Due to the pandemic situation of Covid-19, this process has taken a long time to complete. The company has already repaired the damaged substation and the power supply is available now.
- Founded in 1984, Ratanpur Group has established itself as one of the leading steel companies based in Chittagong. The industrial group once had an annual turnover of around Tk700 crore.
- One of its non-listed companies, Ratanpur Ship Recycling Industries enabled the group to source scraps from its own shipbreaking yard, while Modern Steel Mills was founded to make billets out of scrap metals to cater to the construction rod plant owned by the listed company.

<https://www.tbsnews.net/economy/stocks/rsrm-resume-production-4-october-309718>

Crisis deepens for Renwick Jajneswar as sugar mills go out of business

The Business Standard, October 02, 2021

- Renwick Jajneswar & Company (Bd) Ltd – a sugar mill parts supplier – has been incurring huge losses as its sales declined due to several mills going out of business. The government decided to shut down six sugar companies for reformation and modernisation back in 2020 amid Covid-19 pandemic.
- As a result, the state-owned company could not supply its products to these mills, causing its revenue to plummet further. Although it earned more than Tk13 crore during FY2019-20, it was only able to bring in Tk6 crore the following fiscal year.
- **Plans for recovery:** The company, in 2018, built an amusement park on its unused land, near the banks of the River Gorai, in an attempt to find alternative income sources.
- It made a substantial amount of profit through the park but that too was cut short due to the coronavirus-led nationwide lockdown.
- Officials have said that there are also plans to construct a market to mitigate their losses.
- Meanwhile, a five-member task force has been formed by the Bangladesh Sugar & Food Industries Corporation to find ways to make the company profitable while prioritising the interests of the investors. The committee has been directed to submit its findings to the Ministry of Industries.
- Of the total 20 lakh shares, the government owns 51% while the remaining 49% is owned by the public.



<https://www.tbsnews.net/economy/crisis-deepens-renwick-jajneswar-sugar-mills-go-out-business-310213>

Economy & Industry

Govt targets 5.6pc annual productivity growth

The Daily Star, October 03, 2021

- The government has targeted an annual average productivity growth rate of 5.6 per cent for the next 10 years as it is set to begin implementing the Bangladesh National Productivity Master Plan from January next year.
- The plan, which spans from 2021 to 2030, has been prepared by the National Productivity Organisation (NPO) of the industries ministry and the Asian Productivity Organisation (APO), an intergovernmental organisation based in Japan.
- The plan has been prepared to help the country achieve the Sustainable Development Goals, implement the Eighth Five-Year Plan, and improve productivity, quality and competitiveness. Bangladesh's national productivity growth rate averaged 3.8 per cent between 1995 and 2016.
- Bangladesh lags all seven garment-producing Asian countries except Nepal and Cambodia in terms of apparel labour productivity per hour despite being the second-largest garment exporter in the world after China.
- According to the APO Productivity Data Book-2020, Bangladesh's labour productivity is 10.4 per cent. The average labour productivity in South Asian and the APO countries is 16.3 per cent and 27.8 per cent, respectively.

<https://www.thedailystar.net/business/economy/news/govt-targets-56pc-annual-productivity-growth-2189481>

India, Pakistan surpass Bangladesh in RMG export growth in EU, US markets

The Business Standard, October 01, 2021

- Despite Bangladesh's securing a good number of apparel work orders from the European Union and the United States, it was outnumbered by neighbouring India and Pakistan in terms of export growth in the two major markets in January-July this year. The two countries clearly capitalised on their competitive advantages.
- In the first seven months of this year, Bangladesh's readymade garment exports registered a little over 18% growth in the EU, while the two neighbouring countries saw their exports rise by 22% and 28% respectively, according to Eurostat.
- Likewise, exports from India and Pakistan to the US market during the same period experienced better growth over Bangladesh, according to OTEXA data.
- Bangladesh, the second largest RMG exporter after China, exported apparel items amounting to \$7.82 billion to 27 European countries in January-July this year. Other top garment exporters to the EU market are Turkey, India, Cambodia, Vietnam, Pakistan, Morocco, Sri Lanka and Indonesia.
- In FY21, Bangladesh exported \$31.45 billion worth of garment products, of which knitwear items accounted for over 50%. In 2020, Bangladesh exported a little over \$14 billion worth of RMG items to the European market, while the volume amounted to \$16.45 billion in 2019.
- RMG exporters claim that per kg yarn price should not cost more than \$3.8, including all expenses, but is being sold at \$4.15-\$4.2 at the local market. Textile millers, however, say it costs about \$4.12 to produce 30 count yarn per kg of yarn, which they offer at \$4.2 per kg.
- Drawing a comparison between 30 cotton carded yarn prices in Bangladesh and India as of last Wednesday, Fazlee Shamim Ehsan said per kg import cost of the same yarn from India is \$3.60, which is sold at \$4.15 per kg in Bangladesh. But Indian buyers get the same at \$3.5 per kg.



<https://www.tbsnews.net/economy/rmg/india-pakistan-surpass-bangladesh-rmg-export-growth-eu-us-markets-309997>

International

Stocks wobble at end of choppy week

The Daily Star, October 03, 2021

- Global stock markets seesawed on Friday at the end of a tumultuous week marked by concerns about soaring inflation and a possible US debt default. US indices were all higher after an uneven start.
- But European markets had a choppy day, with London's FTSE 100 and Frankfurt's DAX both ending the day in the red, while the Paris CAC 40 finished just about steady. That followed heavy losses earlier in Asia.
- Analysts said US markets were initially cheered by news that pharmaceutical giant Merck would seek authorisation in the United States for an oral drug against Covid-19 that performed well in clinical trials. But that good news was offset by inflation data.
- The US Commerce Department's personal consumption expenditures price index was up 4.3 per cent from August 2020 as the world's largest economy struggles with supply chain delays and shortages amid its bounceback from the pandemic's business closures.
- In Europe, too, investors were concerned about soaring inflation. Eurozone consumer prices surged in September by 3.4 per cent on an annualised basis -- the fastest pace since 2008 -- as energy costs rocketed.

<https://www.thedailystar.net/business/global-economy/europe/news/stocks-wobble-end-choppy-week-2189446>

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