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Stock Market & Company

Stocks soar as banks, NBFIs surge

Newage, May 05, 2021

- Dhaka stocks soared on Wednesday and added to the previous day's gains as investors went for heavy buying, especially shares of banks and non-bank financial institutions, amid some improvements in the Covid situation. DSEX, the key index of the Dhaka Stock Exchange, soared by 0.96 per cent, or 53.34 points, to close at 5,588.83 points on Wednesday after gaining 24 points in the previous session.
- The key index started to gain from the beginning of the day and continued the momentum until the end of the session as investors went for heavy buying, especially shares of banks, non-bank financial institutions and mutual funds.
- Average share prices of mutual fund, NBFIs and textile sectors advanced by 6.1 per cent, 3.7 per cent, 3.2 per cent and 0.7 per cent respectively. General insurance dropped by 3.4 per cent as the investors went for profit booking after the recent rally. Of the 357 scrips traded on the DSE on the day, 203 advanced, 100 declined and 54 remained unchanged.
- DS30, a composition of 30 large capitalised companies, advanced by 0.69 per cent, or 13.38 points, to close at 2,132.1 points on Wednesday.
- LankaBangla Finance, National Feed Mills, Robi, Pioneer Insurance, Sandhani Life Insurance, BD Finance, Maksons Spinning Mills, Rupali Life Insurance and LafargeHolcim Bangladesh were the other turnover leaders on the day.

<https://www.newagebd.net/article/137216/stocks-soar-as-banks-nbfis-surge>

BEXIMCO files application with BSEC to issue Tk 3,000cr Sukuk

Newage, May 05, 2021

- The Bangladesh Export Import Company Limited has filed documents with the Bangladesh Securities and Exchange Commission to issue Islamic Shariah compliant Sukuk worth Tk 3,000 crore. The company filed the application on April 29 to get the BSEC's nod, the commission officials said.
- The company has filed two applications regarding the issuance of the bond that includes debt securities worth Tk 2,250 crore and public offer worth Tk 750 crore, they said. This will be the largest Sukuk issuance in the country's private sector.
- The government recently issued the country's first-ever Tk 8,000-crore Sukuk for a safe water supply project. A Sukuk is an Islamic financial certificate, but commonly refers to the Islamic equivalent of bonds, and is structured to generate returns in compliance with Islamic finance principles.
- According to the filing, the face value of each Islamic bond to be issued by BEXIMCO will be Tk 100, and the minimum subscription size will be Tk 5,000. The tenure of the Sukuk is five years. Half of the Tk 3,000-crore fund will be raised through private placement and the Sukuk worth Tk 750 crore would be raised from the existing BEXIMCO shareholders.
- The remaining Tk 750 crore would be raised through initial public offering in compliance with the BSEC public offer rules. The profit rate of the Sukuk will be a minimum of 9 per cent per annum. Sukuk holders will receive their periodical profits twice a year.

<https://www.newagebd.net/article/137217/beximco-files-application-with-bsec-to-issue-tk-3000cr-sukuk>

Rumee A Hossain re-elected Bank Asia EC chairman

Newage, May 05, 2021

- Rumee A Hossain has been re-elected chairman of the executive committee of Bank Asia at its 453rd board of directors meeting held recently, said a press release. Rumee is one of the sponsor directors of the bank.
- He is the managing director of Rangs Industries Ltd, distributor of Toshiba and Samsung, and Romask Limited. He is a mechanical engineering graduate and also holds an MBA degree in international business management.
- He has more than 27 years of business experience in several industries including electronics, telecom, pharmaceuticals, information technology and publishing.

<https://www.newagebd.net/article/137213/rumee-a-hossain-re-elected-bank-asia-ec-chairman>

Mutual Trust Bank declares 10pc stock dividend

The Financial Express, May 05, 2021

- The board of directors of Mutual Trust Bank has recommended a 10 per cent stock dividend for the year ended on December 31, 2020. The record date is set for May 31, the bank said in a filing with the Dhaka Stock Exchange (DSE) on Wednesday.
- The bank has also reported consolidated earnings per share (EPS) of Tk 1.31, consolidated net asset value (NAV) per share of Tk 23.03 and consolidated net operating cash flow per share (NOCFPS) of negative Tk 0.11 for the year ended on December 31, 2020, as against Tk 1.81, Tk 22.05 and Tk 12.02 respectively for the same period of the previous year.
- The bank has also disclosed the first quarter (Q1) unaudited consolidated financial statements for the period ended on March 31, 2021, on Wednesday. As per the Q1 financial statements, its consolidated EPS was Tk 0.81 for January-March 2021 as against Tk 0.72 for January-March 2020.

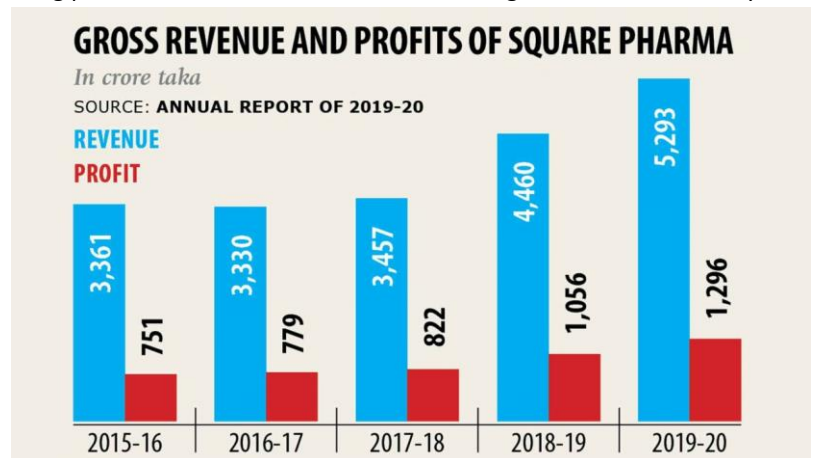
- The bank's paid-up capital is Tk 7.38 billion and authorised capital is Tk 10 billion, while the total number of securities is 738.63 million.

<https://thefinancialexpress.com.bd/stock/mutual-trust-bank-declares-10pc-stock-dividend-1620189697>

Square Pharma set to launch factory in Kenya

The Daily Star, May 06, 2021

- Square Pharmaceuticals will launch its production facility in Kenya within the next four months in a move that will considerably enhance the company's earnings from East African nations.
- The local drug maker broke ground on its manufacturing plant in Nairobi back in 2018 and although the unit was initially set to begin production in 2020, the project was delayed by unavoidable circumstances.
- With the state-of-the-art machinery, Square Pharmaceuticals Kenya EPZ Ltd aims to fulfil the unmet demand for medicine in Kenya, Tanzania, Rwanda, Burundi, Uganda and South Sudan.
- The total project cost is estimated to be \$17 million and working capital is \$3 million, as per the company's annual report.
- Of this amount, \$12 million will be financed by Square Pharmaceuticals as equity investment while the rest will be financed through loans.
- This is a first for the country that, with permission from Bangladesh Bank, a local company is establishing a drug production facility abroad.
- The principal activity of the company is to manufacture and sell generic pharmaceutical products in Kenya and a majority of the East African community. Square Pharmaceuticals has obtained clearance from the Pharmacy and Poisons Board, Kenya for setting up the plant on the banks of the Athi River.



<https://www.thedailystar.net/business/economy/news/square-pharma-set-launch-factory-kenya-2089101>

Bourses extend trading time by 1 hr from tomorrow

The Business Standard, May 05, 2021

- The share trading schedule on the country's two stock exchanges has been extended by one hour from 6 May.
- As per the new direction of the Bangladesh Securities and Exchange Commission (BSEC), the trading will be held between 10 am and 1:30 pm from 6 May to 16 May.
- Issuing a press note, the stock market regulator said the central bank has extended transaction time by one hour during the extended lockdown. In line with that, the commission also extended the share trading schedule.

<https://www.tbsnews.net/economy/stock/bourses-extend-trading-time-1-hr-tomorrow-241996>

Economy & Industry

Income inequality worsens amid Covid outbreak: survey

The Daily Star, May 05, 2021

- Average income of individuals also declined and a significant number of people were pushed into lower-income groups, indicating a higher poverty incidence in the country.
- The share of the bottommost 10 per cent of the population in household income dropped to 3.04 per cent in February 2021 from 3.35 per cent in February 2020, showed the findings of the survey conducted by the Centre for Policy Dialogue.
- On the other hand, the share of the uppermost 10 per cent of the population in household income increased to 23.53 per cent in February 2021 from 22.94 per cent in February 2020, the findings showed.
- The findings were revealed at a virtual dialogue on 'Income and Employment in Covid Times: How the People are Coping' held on Wednesday. The CPD and Oxfam in association with Citizen's Platform for SDGs, Bangladesh organised the dialogue.
- According to the findings of the survey, 61.57 per cent of the employed population lost their jobs at some point (mostly in April and May 2020 when the general holiday or lockdown was in place) due to the COVID-19 outbreak and they could not find jobs for on an average of 95 days. Around 85 per cent of the employed people in the pre-COVID period who had lost jobs became unemployed for more than one month. Almost all of these people were able to find a job by January/February 2021, it said.
- Monthly incomes of individuals declined in almost all sectors with the highest 16.50 per cent drop in agriculture, forestry and fishing followed by 13.86 per cent in wholesale and retail trade and 12.75 per cent in manufacturing.
- The CPD in its report said that policy responses in view of the employment scenario and the labour market needed to be designed considering immediate, short-term and medium-term ramifications of the pandemic.

<https://www.newagebd.net/article/137219/income-inequality-worsens-amid-covid-outbreak-survey>

SME Foundation loans: Entrepreneurs worry over banks' collateral requirement

The Business Standard, May 05, 2021

- The SME Foundation on Wednesday began the process of disbursing Tk100 crore in loans as part of the government's latest package to provide financial support for small and medium enterprises, but some entrepreneurs are concerned over the collateral requirement.
- It earlier tasked nine banks and two financial institutions to select eligible applicants and distribute the loans, but new and small entrepreneurs have reached out to the SME Foundation with fears that they will not get any loans without collateral.
- Under the circumstances, the government approved a new package of Tk1,500 crore this January for small traders, entrepreneurs and farmers.
- It also involved the SME Foundation, Social Development Foundation, Rural Poverty Alleviation Foundation and Bangladesh Rural Development Board, Bangladesh Small and Cottage Industries Corporation (BSCIC), Small Farmers Development Foundation, Joyeeta Foundation and Bangladesh NGO Foundation in the distribution process.
- SME Foundation is getting Tk300 crore under the package. Of the money, the foundation will disburse Tk100 crore to cottage, micro, small, and medium enterprises across the country within the next month. The rest will be disbursed in the next fiscal year.
- Selected applicants will receive a loan of Tk1 lakh to Tk75 lakh with a 4% interest rate, and they will have to pay the money back in 24 monthly installments.

<https://www.tbsnews.net/economy/sme-foundation-loans-entrepreneurs-worry-over-banks-collateral-requirement-242113>

International

G7 works on vaccine plan after pleas to help poor

The Daily Star, May 06, 2021

- The Group of Seven wealthy democracies on Wednesday worked on plans to scale up global Covid-19 vaccinations, as calls mounted for a drastic increase in funding to help developing nations virtually shut out of early efforts.
- Underscoring the challenges faced, the foreign minister of India -- where Covid cases have soared in recent weeks -- said he decided to participate in the London meeting virtually after potential exposure to the virus.
- India was one of several nations invited by Britain for the first in-person G7 meeting since the pandemic began last year, in an effort to rally democracies in the face of a rising China and assertive Russia.
- Foreign ministers of Britain, Canada, France, Germany, Italy, Japan and the United States are setting the agenda for a G7 leaders' summit next month in Cornwall, southern England, which will mark US President Joe Biden's international debut as president.
- The G7 opened its final day with a session focused on open societies before taking up Covid-19 as well as the fight against climate change. More than 1.2b doses of Covid-19 vaccines have been administered globally, but fewer than one percent in the least developed countries.
- With support from most wealthy nations, the UN-backed Covax programme is meant to share vaccines with the poorest nations. But rich countries have also effectively elbowed out Covax in the early stages, striking their own deals with drug manufacturers.
- The United States could soon be sitting on as many as 300m extra doses -- nearly equivalent to its entire population -- due to ongoing contracts with manufacturers and success at home in inoculation campaigns, according to an estimate by the Kaiser Family Foundation.
- Biden quickly joined Covax after taking office in January, a reversal from the nationalism of his predecessor Donald Trump, and has promised \$4b for the programme -- far more than any other country. The Biden administration last week also said it would divert 60 million doses of the AstraZeneca jab, which has not been approved in the United States, and provide \$100m in immediate supplies to India.

<https://www.thedailystar.net/business/global-business/news/g7-works-vaccine-plan-after-pleas-help-poor-2089065>

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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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