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Stock Market & Company

Stocks remain afloat as some large cap cos surge

Newage, October 05, 2021

- Dhaka stocks increased slightly on Tuesday despite a fall in share prices of two-thirds of the companies traded on the day as investors went for buying shares of some large capitalised companies, including LafargeHolcim and Orion Pharmaceuticals.
- DSEX, the key index of the Dhaka Stock Exchange, added 0.05 per cent, or 3.84 points, to close at 7,331.39 points on Tuesday after losing 28.5 points in the previous session. Before Monday, the DSEX had gained 118.87 points in the previous five sessions.
- Share prices of some large capitalised companies, including LafargeHolcim Bangladesh, Orion Pharmaceuticals, BEXIMCO and GPH Ispat, soared on Tuesday that saved the market from a significant fall on the day.
- The DSEX hit an all-time high of 7,356 points on October 3, which encouraged investors to take profits from the overwhelming surge in share prices in recent months. DS30, a composition of 30 large capitalised companies, gained 0.46 per cent, or 12.85 points, to close at 2,778.12 points on Tuesday.
- Turnover on the DSE declined to Tk 2,352.04 crore on Tuesday from Tk 2,755.2 crore in the previous session. Shariah index DSES added 0.04 per cent, or 0.68 points, to settle at 1,594.42 points.
- LafargeHolcim Bangladesh led the turnover chart with its shares worth Tk 213 crore changing hands on the day. Orion Pharmaceuticals, BEXIMCO, GPH Ispat, LankaBangla Finance, SAIF Powertec, Beximco Pharmaceuticals, IFAD Autos, Power Grid Bangladesh and Advent Pharmaceuticals were the other turnover leaders on the day.

<https://www.newagebd.net/article/151026/stocks-remain-afloat-as-some-large-cap-cos-surge>

Negative comments hurting stockmarket's growth momentum: Salman F Rahman

The Daily Star, October 05, 2021

- The stock market is growing in the right way but some people are leaving a bad impact on it by making negative comments about the growth, said Salman F Rahman, prime minister's adviser on private industry and investment. Now, the benchmark index of the Dhaka Stock Exchange is rising due to the overall better position of the economy, he said.
- His comments came in an event organised by Bangladesh Merchant Banker Association titled "The importance of financial literacy for the development of the capital market". If the index rises suddenly, then it is a reason of tension, Rahman said "But our index is rising with observing corrections, but many people commented unknowingly.

<https://www.thedailystar.net/business/economy/stock/news/stocks-end-flat-2191291>

Price surge of two large-cap stocks draws DSE notice

The Financial Express, October 06, 2021

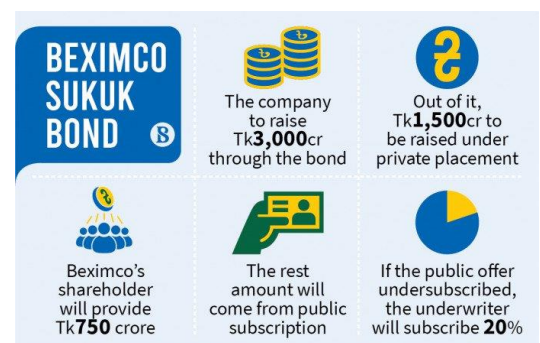
- Two large-cap stocks from Beximco and LafargeHolcim are witnessing an unprecedented price surge and increased volume of trading in recent times, inviting the Dhaka Stock Exchange (DSE) notice for explanation. Market sources said their bullish trend went on unrelentingly sans undisclosed price-sensitive information (PSI).
- Share price of Beximco -- the flagship company of Beximco Group -- jumped about 29 per cent within a month to close over two-year high at Tk 148.30 on Tuesday. The miscellaneous-sector company's stock price also more than doubled within six months. The company's share price was Tk 74.20 six months back on April 6.
- Even after the show-cause notices, the company's share prices didn't stop upswings on Tuesday as the Beximco stocks saw further price rise by 1.64 per cent on the day. Within a month, the stock price of LafargeHolcim Bangladesh also jumped about 40 per cent or Tk 25 each to close at Tk 105.70 on Tuesday. It was more than two-year highest closing price of the company's share.
- The multinational cement manufacturer's share price more than doubled within the six months. Its share price was Tk 48.80 six months earlier on April 6. The cement maker's shares traded between Tk 31 and Tk 107.40 in the last two years, the DSE data showed. The cement sector also saw a phenomenal gain of 12 per cent in the outgoing week, backed by the sector-heavyweight LafargeHolcim.

<https://thefinancialexpress.com.bd/stock/price-surge-of-two-large-cap-stocks-draws-dse-notice-1633490260>

Beximco Sukuk bond: General investors subscribe 56% of the public offer

The Business Standard, October 06, 2021

- General investors have subscribed only 56% of the total public offer of Tk750 crore of the Beximco Green-Sukuk Al Istisna -- the first-ever asset-backed securities by a private sector entity in Bangladesh. Beximco Limited had earlier secured approval from the Bangladesh Securities and Exchange Commission (BSEC) to launch its Tk3,000 crore Sukuk bond for a five-year tenure.
- Out of the total amount, the listed company will privately place Sukuk units worth Tk2,250 crore, of which Tk750 crore will be offered to the company's existing shareholders, and Tk1,500 crore to other investors. Besides, Sukuk units worth Tk750 crore would be floated by public offers.
- Its public subscriptions opened from 17 August to 23 August. But due to the under-subscription of the public offer, BSEC extended the offer period till 30 September.
- The Sukuk units having a face value of Tk100 each will have to be subscribed in a lot of 50 units or multiples that would amount to at least Tk5,000. Sources at BSEC said general investors have subscribed for Tk422 crore of the total offer amount at the end of the extended period.
- Now the underwriter will subscribe 20% of the total public offer, the sources added. Investors can gradually convert their Sukuk to Beximco shares over its five-year tenure, but they can convert a maximum of 20% of the total in a year.



<https://www.tbsnews.net/economy/stocks/beximco-sukuk-bond-general-investors-subscribe-56-public-offer-312007>

Apex Footwear takes Apex Tannery's unit-2 on lease for another 20 years

The Business Standard, October 05, 2021

- Apex Footwear Limited – a manufacturer and retailer of footwear for domestic and international markets – has taken sister concern Apex Tannery's unit-2 factory on lease, for another twenty years. The lease agreement will be effective from 1 October, 2021, to 30 September, 2041.
- On 5 October, both the listed companies signed the agreement, said a disclosure published on the stock exchanges on Tuesday. Earlier, in October 2010, the companies signed a lease agreement that recently expired.
- As per the agreement, Apex Footwear will use on lease, Apex Tannery's factory premises with land, buildings, warehouse, machinery, equipment, fittings, and fixtures of Unit-II, in Shafipur, Gazipur. For the first ten years, the monthly rent will be Tk27.50 lakh and for the next 10 years it will be Tk30.25 lakh.
- In FY21, its sales slightly increased by 0.48% to Tk1,187 crore, with a profit of Tk10.53 crore. At the end of FY21, Apex's earnings per share stood at Tk9.36, which was Tk5.62 a year ago.

<https://www.tbsnews.net/economy/corporates/apex-footwear-takes-apex-tannerys-unit-2-lease-another-20-years-311980>

Shurwid price wobbles after BSEC's case filing news

The Financial Express, October 05, 2021

- Shurwid Industries' stocks tumbled on Monday, a day after the securities regulator has decided to file a case against its board of directors for recommending dividends for the fiscal year 2018-19 in an attempt to manipulate its share prices.
- The PVC product manufacturer's share price plunged 9.65 per cent to close at Tk 20.60 each on Monday. The company was also the day's top loser on the Dhaka Stock Exchange (DSE).
- The board of directors of Shurwid Industries declared 10 per cent cash dividend on November 3, 2019 for the year ended on June 30, 2019 despite no financial ability to disburse dividend.
- However, the company did not pay the dividend to shareholders, prompting the Bangladesh Securities and Exchange Commission (BSEC) to form an enquiry committee. The committee found that Shurwid Industries recommended the dividend despite not having the capability to pay the cash dividend.
- "The board of directors of the company announced the dividend to cheat people," said a BSEC statement on Sunday. So, the decision was taken to file a case against the then board of directors, said the BSEC statement.

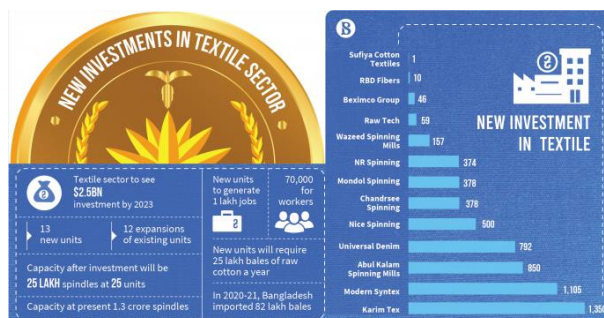
<https://thefinancialexpress.com.bd/stock/shurwid-price-wobbles-after-bsecs-case-filing-news-1633407760>

Economy & Industry

Textile entrepreneurs to invest \$2.5 billion by 2023

The Business Standard, October 06, 2021

- The country's textile factory owners are set to invest \$2.5 billion in the sector by 2023 to boost production capacity to meet growing demand.
- The investments will mostly go into adopting new technologies. The fresh injection is also expected to generate employment opportunities for about one lakh people at 25 units, Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon told the media yesterday.
- The investments come in the form of establishment of 13 new textile units and expansion of 12 others to meet the growing demand, mostly of manmade fibre, in the international market, industry insiders say.
- The textile sector lags behind in the production of blended yarn and fabrics like polyester, synthetic, viscose and lycra (known as man-made fibre) and the investment is expected to correct that.
- There will be 2.5 million newly-installed spindles, adding to the existing capacity of about 13 million spindles.



- In the case of woven fabrics, local weavers can supply below 40% of the requirement. Because of this, the woven garment industry has remained dependent on foreign fabrics, according to BTMA data.
- Of all garment items produced globally, 78% is made from manmade fibres, while cotton fibre accounts for the rest, according to data from the International Textile Manufacturers Federation (ITMF) – a Switzerland-based platform for global textile makers.

<https://www.tbsnews.net/economy/rmg/textile-entrepreneurs-invest-25-billion-2023-312004>

Bangladesh Bank on dollar selling spree to keep taka steady

The Daily Star, October 05, 2021

- The foreign exchange regime has made an about-face in the last two months as the Bangladesh Bank continues to inject US dollars (USD) into the market to halt the depreciation of the local currency and meet the growing appetite of the economy. The central bank had bought a record amount of USD amounting to \$7.93 billion from local banks in the last fiscal year as a part of its move to rein in the devaluation of taka.
- But, the BB switched gears after August as the demand for the American greenback grew in keeping with the recovering economy: it sold \$946 million between August and September as many banks are facing a shortage of USD.
- The declining trend of remittances, the rising price of commodities in the global market, and the end of deferral support on payments for imports were the drivers behind the tight situation in the foreign exchange market, according to bankers. The inter-bank exchange rate stood at Tk 85.50 per USD on October 4. On August 2, it was Tk 84.80, the level at which it had hovered around since July last year.
- **Md Arfan Ali**, managing director of Bank Asia, attributed the sluggishness in remittance flow as one of the main causes for the weakening of the local currency.
- This sent the foreign exchange reserves to \$46.21 billion in September, up 18 per cent from a year ago. But, the reserves may decline if the ongoing situation persists, a BB official says. Already, remittance fell to a 16-month low of \$1.72 billion in September as money transfers through informal channels made a comeback.

<https://www.thedailystar.net/business/economy/banks/news/bb-dollar-selling-spreed-keep-taka-steady-2191726>

International

Shortages, inflation and slow growth fog UK economy

The Daily Star, October 06, 2021

- Britain's economic bounce-back after coronavirus lockdowns is being hampered by problems in supply chains, a jump in inflation and the risk of a rise in unemployment, complicating the task for policymakers of steering the recovery. Former Bank of England chief economist Andy Haldane says Britain is in a VILE era of volatile inflation, low expansion.
- Financial markets now think the BoE is all but certain to raise interest rates by February but some economists, worried by signs of a flagging recovery, aren't so sure. Below are some of the gauges of Britain's economy that are likely to be on the minds of economic policymakers.
- Britain's inflation rate hit 3.2 per cent in August, its highest in almost a decade. Some one-off factors accounted for the record jump from July but the BoE thinks inflation is heading above 4 per cent, more than double its 2 per cent target.
- The BoE is watching for any signs that consumers are losing confidence that inflation will be contained in the longer run. Public expectations for inflation in the year ahead rose sharply in September, according to a Citi/YouGov survey which may have weighed on the minds of BoE rate-setters. They said last month that the case for raising rates was strengthening.
- While Britain's economy grew rapidly earlier this year as it reopened from a third Covid-19 lockdown, the latest readings show this momentum has largely dissipated. Economic growth slowed to a crawl in July, according to official data, and surveys of businesses and consumers suggest sluggish growth persisted into the second half of the year - even before the most severe supply chain problems seen in recent weeks.
- There has been no let-up in the supply chain and staffing problems for British manufacturers dealing with hefty delays from suppliers, according to the latest IHS Markit/CIPS survey of businesses.

<https://www.thedailystar.net/business/global-economy/news/shortages-inflation-and-slow-growth-fog-uk-economy-2191671>

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