

Key News

- ✓ [Stocks open week on negative note ahead of Eid](#)
- ✓ [Local, foreign companies show interest in arranging funds](#)
- ✓ [BSEC okays SBAC Bank's Tk 100cr IPO](#)
- ✓ [Vanguard announces 15pc cash dividend](#)
- ✓ [Three banks declare dividends for 2020](#)
- ✓ [Rising yarn prices bring smile to textile millers](#)
- ✓ [Defaulters squeeze out crores poured into state banks](#)
- ✓ [ADP spending may expand by 14pc](#)

Stock Market & Company

Stocks open week on negative note ahead of Eid

The Financial Express, May 09, 2021

- Stocks opened on a negative note on Sunday as investors opted for booking profit on quick-gaining stocks ahead of Eid Festival.
- There are two or three trading days left before Eid-ul-Fitr vacation while the market remains closed tomorrow (Monday) due to Shab-e-Qadar.
- The market opened on a negative note and DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell 23.35 points or 0.41 per cent to stand at 5,582 points within the first 30 minutes of trading.
- Two other indices saw a negative trend till then with the DS30 index, comprising blue chips, lost 6.33 points to reach at 2,130 and the Shariah Index (DSES) shed 1.85 points to stand 1,250 points till then.
- NRB Commercial Bank was the most traded stock till then with shares worth Tk 298 million changing hands, followed by Beximco, National Feed Mills, Orion Pharma, and Robi.
- The port city bourse – the Chittagong Stock Exchange – (CSE) also fell marginally at opening with CSE All Share Price Index-CASPI-losing 15 points to stand at 16,193, also at 10:30 am.



<https://thefinancialexpress.com.bd/stock/stocks-open-week-on-negative-note-ahead-of-eid-1620537612>

Local, foreign companies show interest in arranging funds

The Financial Express, May 10, 2021

- Some local and foreign companies have shown interest to work as arrangers of funds to be issued by the state-run Investment Corporation of Bangladesh (ICB) through the issuance of bond.
- Of the foreign companies, the Credit Suisse, a leading investment bank of Switzerland, has proposed to collect a foreign fund worth US \$ 1.50 billion for the corporation, according to the information of the ICB.
- The chairman of the Bangladesh Securities and Exchange Commission (BSEC) Prof. Shibli Rubayat Ul Islam said the process of raising foreign funds for the ICB is yet to be finalised.
- Following the interest of the fund arrangers, the state-run corporation earlier had sought the ministry's permission regarding raising foreign funds.
- After taking charge, the incumbent commission of the securities regulator laid efforts to bring reforms in the capital market along with facilitating the collection of foreign funds for the state-run ICB and infrastructure developments.

<https://thefinancialexpress.com.bd/stock/local-foreign-companies-show-interest-in-arranging-funds-1620626688>

BSEC okays SBAC Bank's Tk 100cr IPO

Newage, May 09, 2021

- The Bangladesh Securities and Exchange Commission on Sunday approved South Bangla Agriculture & Commerce Bank Limited's proposal to raise Tk 100 crore from the capital market through an initial public offering. A BSEC meeting, presided over by its chairman Shibli Rubayat-Ul-Islam, approved the IPO proposal, said a BSEC press release.
- The bank will float 10 crore shares at an issue price of Tk 10 each. As per the bank's IPO prospectus, the IPO proceeds will be used for enhancing the Tier 1 Capital Base of the bank.
- The bank would invest Tk 95.18 crore in government securities and use Tk 4.81 crore to bear IPO expenses from the IPO proceeds. The pre-IPO paid up capital of the bank is Tk 684.64 crore, the prospectus said.
- As per the entity's audited financial statements for the year ended on September 30, 2020, the bank's net asset value per share (without valuation) and five years' weighted average earnings per share were Tk 13.18 and Tk 1.24 respectively. ICB Capital Management Limited is the issue manager of the company.
- The BSEC, however, has imposed a condition that the bank would not declare, approve or disburse any dividend before it is listed on the stock exchanges.

<https://www.newagebd.net/article/137593/bsec-okays-sbac-banks-tk-100cr-ipo>

Vanguard announces 15pc cash dividend

The Daily Star, May 11, 2021

- While the DSEX, the Dhaka Stock Exchange's benchmark index, witnessed its lowest level in nearly seven years since January 2013, Vanguard Asset Management managed an open-end mutual fund showcasing noteworthy performance even amidst the pandemic.
- The Vanguard AML Growth Fund declared a 15 per cent (1.50 per unit) cash dividend for the year ending on March 31, 2021, which is 53.20 per cent of the realised earnings, says a press release.
- It is an open-ended fund that was launched for long-term capital appreciation and generating return from the money market.

<https://www.thedailystar.net/business/news/vanguard-announces-15pc-cash-dividend-2091625>

Three banks declare dividends for 2020

The Business Standard, May 10, 2021

- Three publicly listed banks - Al Arafah Islami Bank, EXIM Bank, and Southeast Bank - have declared shareholder dividends for the financial year ended 31 December, 2020.
- Of the three banks, Al Arafah Islami Bank and EXIM Bank have posted growth in earnings per share (EPS), thanks to Bangladesh Bank's policy of suspending interest on loans owing to the dire situation caused by the coronavirus pandemic.
- Al Arafah Islami Bank: In its last board meeting, the bank declared a 15% cash dividend for financial year 2020, which was 13% in the previous year. The bank's consolidated EPS was Tk2.41, 6% higher compared to the previous year. But its share price fell by 0.46% to Tk21.50 each at the Dhaka Stock Exchange (DSE) on Sunday.
- EXIM Bank: The bank declared a 7.5% cash dividend for financial year 2020, which was 10% in the previous year. Its consolidated EPS was Tk1.99, 18% higher compared to the previous year. The bank's share price fell by 1.69% to Tk11.60 each, at the DSE on Sunday.
- Southeast Bank : The bank declared a 10% cash dividend for financial year 2020, which was 7.5% cash, and 2.5% stock in the previous year. Its consolidated EPS was Tk1.81, 14% lower compared to the previous year.

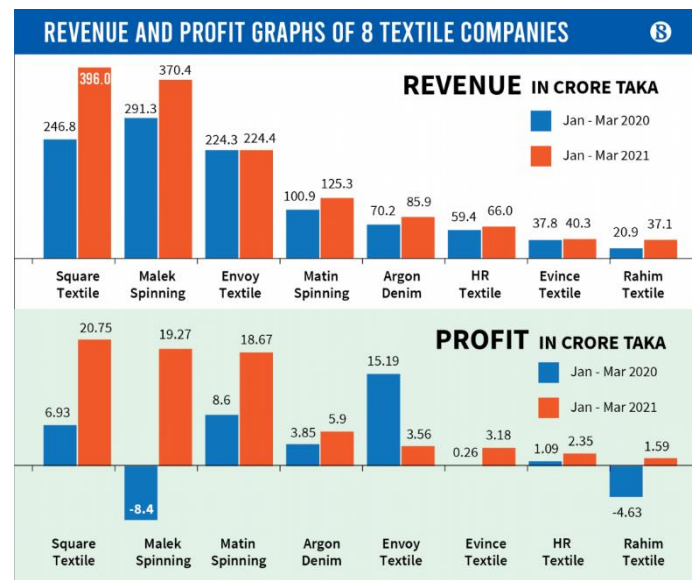
<https://www.tbsnews.net/economy/banking/three-banks-declare-dividends-2020-244507>

Economy & Industry

Rising yarn prices bring smile to textile millers

The Business Standard, May 10, 2021

- Local textile millers racked in moderate growth in revenue riding on the burgeoning rates and demand of yarn and fabrics in the January-March quarter of this year.
- Major Bangladeshi textile market players such as Square Textiles Limited, Malek Spinning Mills Ltd, Envoy Textile Ltd, Matin Spinning mills Ltd, Argon Denims Ltd and HR Textile Mills Ltd clocked growth up to 78% during the third quarter or Q3, according to the companies' financial statements.
- Textile millers said they stocked cotton during the pandemic as the prices were low. Yarn market later rebounded and surged followed by the US ban of China's cotton in January. Matin Spinning Mills Ltd, a sister concern of DBL Group, enjoyed 24% growth in revenue to Tk125.25 crore in Q3 this year.
- Export Promotion Bureau (EPB) data support his statement as knitwear products is the first ten months of the current fiscal year registered a 15.34% growth to \$13.99 billion, while woven garment export fell by 2.71% to \$12 billion compared to the same period in FY2019-20.
- According to EPB, the country's apparel export saw an unusual 400% growth to \$2.51 billion in April this year than the corresponding period of the previous year.
- In the first ten months of 2020-21 fiscal year, apparel export rose by 6.24% to \$26 billion compared to the same period of the last fiscal year. The overall export growth was 8.74% to \$32.07 billion in the ten months of this fiscal year compared to the year-on-year data.
- Another large textile manufacturer Square Textiles enjoyed 60% growth in revenue to Tk396.04 crore during the January-March quarter.



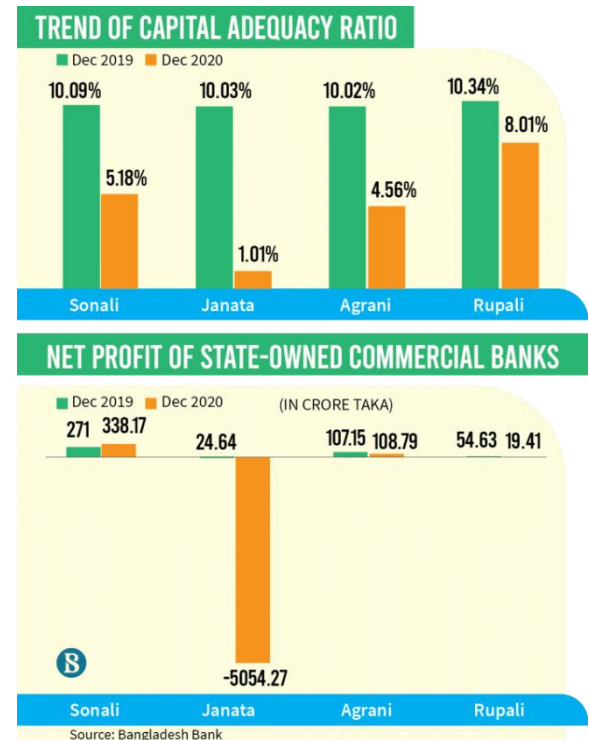
- Envoy Textile Ltd – the world's very first LEED certified platinum denim manufacturer – saw slight growth in revenue to Tk224.41 crore in the third quarter compared to the same period of the last year, but its profit fell by 77% to Tk3.56 crore.

<https://www.tbsnews.net/economy/rmg/rising-yarn-prices-bring-smile-textile-millers-244054>

Defaulters squeeze out crores poured into state banks

The Business Standard, May 10, 2021

- The government had injected around Tk18,000 crore – enough to fund some mega projects like the Dhaka-Ashulia Elevated Expressway or the Karnaphuli tunnel – with the taxpayers' money into them in the last one decade till FY18, but the four state-owned commercial banks have failed to improve their capital base.
- Every time their vaults were refilled with fresh money, they were eventually drained dry to feed a few big defaulters who have lavishly used the banks as a conduit to becoming rich without accountability.
- Eventually, capital shortfalls in these four banks have increased fourfold since the government stopped providing them support from the state coffers in 2019.
- The cumulated capital deficit in these banks – Sonali, Janata, Agrani and Rupali – stood at Tk12,195 crore at the end of December 2020, up from Tk3,358 crore in March 2019 when Finance Minister AHM Mustafa Kamal announced that state banks would no longer be recapitalised by the government.
- This has made the Bangladesh Bank concerned, prompting it to form a committee in March this year to find ways to meet the capital shortfall.
- In the committee formation meeting attended by top executives of the four banks, Bangladesh Bank Governor Fazle Kabir expressed serious concerns over the acute capital shortfalls in the banks and asked the committee to find a way to improve their capital base, according to meeting minutes.
- However, the financial health of these banks did not improve according to the finance minister's instructions. Instead it has deteriorated gradually.



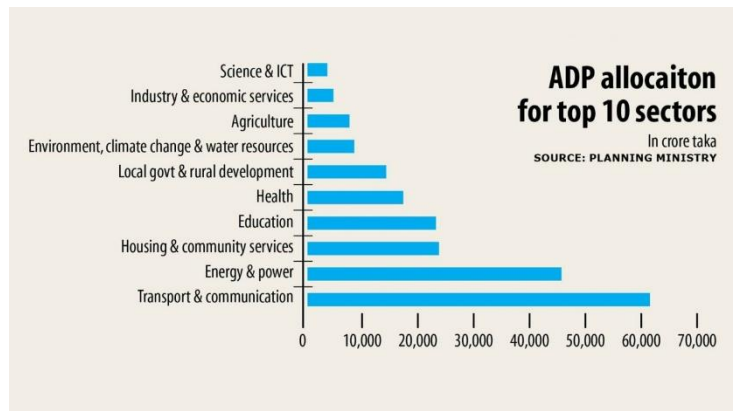
<https://www.tbsnews.net/economy/banking/defaulters-squeeze-out-crores-poured-state-banks-244582>

ADP spending may expand by 14pc

The Daily Star, May 10, 2021

- The government may allocate Tk 225,324 crore to implement development projects in the next fiscal year, which is 14 per cent higher than that in the revised budget.
- The highest 27.39 per cent of the allocation under the annual development programme (ADP) has been proposed for the transport and communication sector.
- The health sector, which is in the forefront of the coronavirus pandemic and has not been in good shape, was given the fifth-highest allocation, or 7.68 per cent of the ADP.
- The size of the original ADP was Tk 205,144 crore in the current fiscal year. The planning ministry proposed to slash it to Tk 1,97,643 crore in the revised budget as the pandemic has hamstrung the government's expenditure ability.

- In the proposed ADP for the fiscal year of 2021-22, the size of foreign aid will be Tk 88,024 crore, up 39.72 per cent from the revised allocation of Tk 63,000 crore.
- The government portion in the development programme will be Tk 137,299 crore, which is 1.97 per cent higher than in the current fiscal year.
- Among the top sectors in terms of allocation, the transport and communication sector may get Tk 61,721 crore, followed by the power and energy sector (Tk 45,867 crore, or 20.36 per cent of ADP), the housing and community services sector (Tk 23,747 crore, or 10.54 per cent of the ADP), the education sector (Tk 23,177 crore, or 10.29 per cent of the ADP), and the health sector Tk 17,306 crore.
- In its budget proposal last month, the Centre for Policy Dialogue said the national budget for FY2022 should take a two-pronged approach: faster implementation of the ADP projects by maintaining quality and standards; and enhancing the ability to spend more to implement essential projects.



<https://www.thedailystar.net/business/banking/news/adp-spending-may-expand-14pc-2091233>

International

Stocks cheer prospects for low rates, oil jumps on pipeline outage

The Daily Star, May 11, 2021

- World stocks ticked up to new peaks on Monday on bets interest rates will remain low and the economy continue its recovery, while oil prices jumped after a cyber attack on a US pipeline operator unnerved markets.
- MSCI's gauge of stocks across the globe hit a fresh record high and was up 0.1 per cent by 0740 GMT, driven by gains across Asian markets overnight and a steady open in Europe. Europe's STOXX 600 regional benchmark was up 0.1 per cent in early deals, while MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.4 per cent. S&P 500 futures were flat while Nasdaq futures fell 0.5 per cent.
- On Friday the Dow Jones Industrial Average and the S&P 500 rose to record closing highs as the disappointing data on the US jobs market eased concerns about a spike in consumer prices.
- In recent weeks, some investors had been placing bets that a robust US economic recovery from the coronavirus pandemic would force the Federal Reserve to tighten policy earlier than the central bank has outlined. However, the weak nonfarm payrolls report caused a rapid reversal in some of these trades, which rippled through stocks, bonds, and major currencies.
- The dollar index against a basket of six major currencies edged up 0.17 per cent to 90.301 but was just above its lowest since February 25 hit earlier in the session.
- In the cryptocurrency market, ether rose 5 per cent to a fresh record above \$4,000. Bigger rival bitcoin rose 1 per cent to \$58,862. The yield on benchmark 10-year Treasury notes added around 1 basis point to 1.597 per cent after having plunged to a two-month low of 1.469 per cent on Friday.
- Oil prices rose after a cyber attack shut down a US pipeline operator that provides nearly half of the US east coast's fuel supply. Brent crude rose 0.5 per cent to \$68.64 per barrel as the disruption to US supplies rattled energy markets, while US crude ticked up 0.5 per cent to \$65.23 a barrel.

<https://www.thedailystar.net/business/news/stocks-cheer-prospects-low-rates-oil-jumps-pipeline-outage-2091633>

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

Bijoynagar Extension

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

Nikunja Branch

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

Khulna Branch

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

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.