

Key News

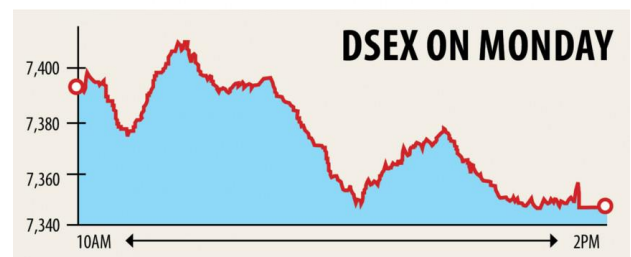
- ✓ [Stocks fall as investors cash out profits](#)
- ✓ [BSEC working for 'making a vibrant bond market'](#)
- ✓ [Saiham Cotton receives Tk42cr insurance claim](#)
- ✓ [Envoy Textiles' profit drops 66% in FY21](#)
- ✓ [Metro Spinning in expansionary mood, to invest Tk200cr](#)
- ✓ [State banks far away from targets](#)
- ✓ [\\$180b technical textile market still eludes Bangladesh](#)
- ✓ [India's Adani Ports to no longer handle cargo from Pakistan, Afghanistan, Iran](#)

Stock Market & Company

Stocks fall as investors cash out profits

The Daily Star, October 12, 2021

- Shares on the Dhaka Stock Exchange (DSE) dropped yesterday as investors cashed out profits. The DSEX, the benchmark index of the premier bourse of the country, fell 22 points, or 0.3 per cent, to close the day at 7,345.
- Turnover, one of the key indicators of the market, decreased 5.8 per cent to Tk 1,848 crore. It was Tk 1,962 crore a session earlier. The key index touched the 7,400-point mark within the first hour of the trading. But the momentum did not sustain amid sales pressure induced by the profit-booking during the remaining period of the session.
- Losers took a strong lead over the gainers: out of 376 issues traded, 259 ended lower, 97 higher, and 20 remained unchanged on the DSE.
- LafargeHolcim Bangladesh was the most-traded stock with its securities amounting to Tk 138 crore transacted. Orion Pharmaceuticals, Beximco Ltd, IFIC Bank, and Power Grid also saw heavy transactions. Shepherd Industries topped the gainers' list rising 9.65 per cent followed by ICB Islamic Bank, Tamijuddin Textiles, Kattali Textiles, and Aman Feed.
- Metro Spinning shed the most, giving up 8.94 per cent followed by Prime Finance, Keya Cosmetics, Eastern Insurance, and Asia Insurance. The shares on the Chittagong Stock Exchange also posted a decline. The CASPI, the general index of the bourse in the port city, dropped 27 points, or 0.12 per cent, to end the day at 21,488. Among 310 issues traded, 99 advanced, 190 fell, and 21 remained unchanged.



<https://www.thedailystar.net/business/economy/stock/news/stocks-fall-investors-cash-out-profits-2196311>

BSEC working for 'making a vibrant bond market'

The Financial Express, October 12, 2021

- Discussants have said the country's stock market, insurers and pension funds need to play a significant role in achieving the target of sustainable development goal (SDG). Their suggestions came Monday at a virtual seminar titled 'Sustainable Finance in Bangladesh: Strategies and Options for Implementation'.
- "Bangladesh has a target to achieve the SDG within a certain period. We will have to depend on the stock market, insurers and pension fund as the banking sector cannot supply the long-term finance," said Prof. Shibli Rubayat Ul Islam, chairman of Bangladesh Securities and Exchange Commission (BSEC).
- President of Bangladesh Association of Publicly Listed Companies (BAPLC) arranged the seminar to observe World Investor Week 2021. BAPLC president Azam J Chowdhury chaired the programme attended by business leaders and top officials of both the bourses.
- The BSEC chairman Mr. Islam said the securities regulator is working for making the bond market, mutual funds and secondary stock market vibrant. In his speech, the BSEC commissioner Shaikh Shamsuddin Ahmed emphasised proper audit of the listed companies' financial statements.
- More than 5200 companies are listed with Indian Stock Exchange while the number is 750 in Vietnam. On the other hand, the number of companies listed with the country's stock exchanges is only 388, including 37 mutual funds.
- BSEC commissioner Mr. Ahmed also said the listed companies are required to publish authentic price sensitive information in an effort to restore investors' confidence and increase good governance.

<https://thefinancialexpress.com.bd/stock/bsec-working-for-making-a-vibrant-bond-market-1634008793>

Saiham Cotton receives Tk42cr insurance claim

The Business Standard, October 11, 2021

- Saiham Cotton Mills Limited, which experienced a massive fire last year, has received more than Tk42 crore in an insurance claim. The 100% export-oriented cotton yarn manufacturer will spend the money on loan repayment and reconstruction of a raw cotton warehouse, the company said in its disclosure on stock exchanges on Monday.
- The warehouse and the whole stock of raw material were gutted in a fire in October 2020, resulting in huge losses for the company. Later, the cotton manufacturer claimed Tk59.04 crore from its insurer.
- Against the claim, the company has received Tk42.03 crore in three instalments. Saiham Cotton Mills received Tk30 crore in the first two instalments in July and August this year and the remaining Tk12.03 crore in the last instalment recently.

<https://www.tbsnews.net/economy/stocks/saiham-cotton-receives-tk42cr-insurance-claim-314581>

Envoy Textiles' profit drops 66% in FY21

The Business Standard, October 11, 2021

- Envoy Textiles Ltd, the world's first LEED-certified green denim manufacturing facility, which has been hit hard by the raw materials price hike and pandemic, on Monday reported 66% drop in net profit in FY21. In the last fiscal year, its net profit was Tk9.39 crore and earnings per share Tk0.56, which was Tk27.41 crore and Tk1.63 the previous year.
- Besides, the company also recommended a 5% cash dividend for the shareholders for the last fiscal. Earlier, they had paid 5% cash dividend as interim for the first quarter of the last fiscal. The total dividend will be 10% for FY21.
- Earlier in July, the company decided to invest Tk176 crore to enhance the production capacity of its spinning project by setting up an expansion unit. The project is scheduled to be completed by July 2022, subject to a usual business and health environment condition.
- The new project's production capacity will be 3,710 tonnes of yarns per year. Out of the total investment, the company will provide Tk56 crore from its retained earnings and the rest will come from banks.

<https://www.tbsnews.net/economy/stocks/envoy-textiles-profit-drops-66-fy21-314575>

Metro Spinning in expansionary mood, to invest Tk200cr

The Business Standard, October 11, 2021

- Metro Spinning Limited, a concern of Maksons Group, wants to invest Tk200 crore for the reconstruction and expansion of its factory and installation of new machinery in order to cater to the growing demand of apparel abroad. The company has set a target of Tk300 crore revenue income from the expansion project.
- The existing production capacity of the company is 26.29 lakh kgs. After the completion of the expansion project, it will reach 91.25 lakh kgs. According to the Export Promotion Bureau, apparel shipments grew by 41.66% in September this year compared to the same month last year.
- The highest earnings, \$1.90 billion, came from knitwear shipment, while woven items fetched \$1.51 billion, both posting over 41% growth from a year-ago period. In December last year, the company Chairman Mohammad Ali Khokon had announced they were going to invest Tk340 crore in the Mirsarai Economic Zone.

<https://www.tbsnews.net/economy/corporates/metro-spinning-expansionary-mood-invest-tk200cr-314617>

Economy & Industry

State banks far away from targets

The Daily Star, October 12, 2021

- The Bangladesh Bank yesterday ordered four state banks to speed up cash recovery from defaulters as their record in realising delinquent loans has remained dismal. In addition, the central bank asked them to take prompt measures to bolster the capital base since they have been facing a capital shortfall for a long time.
- The four state-run lenders – Sonali, Janata, Agrani and Rupali – were also asked to invest their excess liquidity to make a profit.
- The BB gave the instructions at a quarterly meeting as part of its memoranda of understanding with the four banks. Governor Fazle Kabir presided over the meeting at the central bank headquarters, where the managing directors of the lenders were present.
- The central bank had set a loan recovery target of Tk 1,610 crore from the top defaulters of the banks for 2021. But they got back only Tk 53.38 crore as of June.
- Similarly, the banks recovered Tk 320 crore from other defaulters in contrast to an annual target of Tk 1,700 crore, according to data from the central bank.
- Non-performing loans (NPLs) at the lenders stood at Tk 43,836 crore, which accounted for 45 per cent of the total bad loans in the banking industry in Bangladesh. The BB asked the banks to beef up efforts to recover the delinquent loans as their performance has so far been dismal to this end, said three central bankers.
- The banking regulator also asked the banks to avoid seeking regulatory forbearance related to keeping required provisioning against the NPLs and unclassified loans. Regulatory forbearance is when the regulator refrains from exercising its right to put an insolvent bank out of business.

RECOVERY FROM TOP 20 DEFAULTERS

In crore taka
SOURCE: BB

Bank	Target for 2021	Recovery till June	In % of recovery
Sonali	350	10	3
Janata	800	7	1
Agrani	240	36	15
Rupali	220	0.38	0.17

<https://www.thedailystar.net/business/economy/banks/news/state-banks-far-away-targets-2196356>

\$180b technical textile market still eludes Bangladesh

The Business Standard, October 11, 2021

- The current size of the global technical textile market is about \$180 billion but Bangladesh is yet to tap this huge potential. There are five main reasons behind this: lack of awareness of market requirements, inadequate technical expertise, difficulty in sourcing high-performance raw materials, compliance and certification requirements and need for capital investment.
- A recent study came up with such information. According to the study, Bangladesh, still in the early stage of technical textiles, has a huge potential to capture the markets of Europe and America, the big buyers of this product.

- Technical textile is a textile product manufactured for non-aesthetic purposes, where functionality is the primary criterion. Currently, technical textile materials are most widely used in filter clothing, furniture, hygiene medicals, and construction materials. Mask and PPE are also technical textile products.
- According to the Export Promotion Bureau (EPB), in the last fiscal year 2020-21, Bangladesh exported PPEs and masks worth \$618 million to the world market, which is 23% more than the previous year. Apart from this, the exact amount of other technical textiles exported is not known.

<https://www.tbsnews.net/economy/rmg/180b-technical-textile-market-still-eludes-bangladesh-314635>

International

India's Adani Ports to no longer handle cargo from Pakistan, Afghanistan, Iran

The Daily Star, October 12, 2021

- India's largest port operator Adani Ports and Special Economic Zone said on Monday that its terminals would no longer handle export and import of container cargoes from Iran, Pakistan and Afghanistan from November 15.
- "This trade advisory will apply to all terminals operated by (Adani Ports) and including third party terminals at any (company) port till further notice," Adani Ports, which is part of the Adani Group conglomerate, said in a statement. The company did not give a reason for its action.
- "The port has issued it to the concerned stakeholders," an Adani Group spokesperson said without giving any other details. The decision comes weeks after Indian officials seized nearly three tonnes of heroin originating from Afghanistan worth an estimated \$2.65 billion from two containers at western Gujarat's Mundra Port, run by Adani Ports.
- On the seizure, Adani Ports had said that port operators are not allowed to examine containers and the company has "no policing authority over the containers or the millions of tonnes of cargo" that passes through the terminals at its ports.
- The containers had been declared as containing semi-processed talc stones from Afghanistan and had been shipped from Bandar Abbas Port in Iran to Gujarat Mundra port, he had said, adding that forensic tests confirmed the presence of heroin.

<https://www.thedailystar.net/business/news/indias-adani-ports-no-longer-handle-cargo-pakistan-afghanistan-iran-2196366>

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.