

## Key News

- ✓ [Stocks decline amid volatility](#)
- ✓ [BSEC finds involvement of 9 companies in share price manipulation](#)
- ✓ [ICB acquires 14.47 per cent shares in Agni Systems](#)
- ✓ [Southeast Bank to raise Tk 7.0b thru perpetual bond](#)
- ✓ [Cuts in system loss, corporate tax boost Desco profit](#)
- ✓ [LafergeHolcim profit surges 106% in Jan-Sep](#)
- ✓ [Exit proposals of 4 OTC cos okayed in principle](#)
- ✓ [Treasury bonds finally make stock market debut](#)
- ✓ [Islam Oxygen to go public for business expansion](#)
- ✓ [AB Bank settles claim of Tk20 lakh against 'AB Nishchinto' account of deceased customer](#)
- ✓ [Heyday for junk stocks as manipulation drives prices up](#)
- ✓ [Banks slow on stimulus loan disbursement](#)
- ✓ [World stocks notch best day in 5 months](#)

## Stock Market & Company

### Stocks decline amid volatility

Newage, October 16, 2021

- Dhaka stocks dropped in the past week as investors went for trading cautiously amid volatility on the market. DSEX, the key index of the Dhaka Stock Exchange, lost 1.36 per cent, or 99.7 points, over the past week to close at 7,243.27 points on October 14, the last trading session of the week, after gaining 114.66 points in the previous three weeks.
- The market had gained in the previous four weeks due mainly to a surge in share prices of some selective large capitalised companies. The market had also witnessed a sharp fall in the investors' participation in the period.
- Average share prices of non-bank financial institution, energy, engineering and pharmaceutical sectors dropped by 5.3 per cent, 3.7 per cent, 1.9 per cent and 1.3 per cent respectively. DSE's blue-chip index DS30 decreased by 1.74 per cent, or 48.25 points, to finish at 2,719.14 points.
- The daily average turnover on the DSE dropped to Tk 1,812.42 crore in the past week compared with that of Tk 2,544.99 crore in the previous week. Shariah index DSES also declined by 1.78 per cent, or 28.35 points, over the past week to close at 1,567.44 points.
- Orion Pharmaceuticals, IFIC Bank, Fortune Shoes, Bangladesh Export Import Company, Power Grid Company of Bangladesh, British American Tobacco Company, Delta Life Insurance Company, Paramount Textile and GPH Ispat were the other turnover leaders in the week.

<https://www.newagebd.net/article/151967/stocks-decline-amid-volatility>

## BSEC finds involvement of 9 companies in share price manipulation

The Financial Express, October 16, 2021

- The probe committee, formed by the Bangladesh Security and Exchange Commission (BSEC), has primarily found the involvement of nine companies in the recent share market price manipulation.
- “Further investigation is underway. The matter is thoroughly being scrutinised, and the people concerned will be called to be present before the investigation committee, if necessary,” said BSEC spokesperson Mohammad Rezaul Karim on Saturday, reports UNB.
- According to the BSEC, the companies are Fu-Wang Ceramics Industry Ltd, Beacon Pharmaceuticals Limited and Anwar Galvanizing Limited in the engineering sector; Paper Processing & Packaging Ltd, National Feed Mill Ltd, Dhaka Dying, GBB Power Limited in the energy sector, and Emerald Oil Industries Ltd and Bangladesh National Insurance.
- The BSEC formed the four-member inquiry committee, headed by its director Sheikh Mahbubur Rahman on August 30 to look into the recent abnormal hike in the share prices of some particular companies. The committee was asked to submit its report within 60 days.

<https://thefinancialexpress.com.bd/stock/bsec-finds-involvement-of-9-companies-in-share-price-manipulation-1634398757>

## ICB acquires 14.47 per cent shares in Agni Systems

Newage, October 16, 2021

- The state-run Investment Corporation of Bangladesh has acquired 14.47 per cent shares in Agni Systems Limited, an internet and computer service provider listed on stock exchanges. The ICB has recently appointed Mofizur Rahman as its representative on the board of the company.
- Agni Systems company secretary Muhammed Shariful Islam told New Age that the ICB had bought 14.47 per cent or 1.05 crore shares of Agni System. The ICB appointed has its representative and he attended a meeting on Tuesday, he said.
- With the holdings of the ICB, the sponsor-directors shareholdings now stood at 23.81 per cent, he said. When asked about compliance of 30-per cent joint shareholding by sponsor-directors, Shariful said that the company would gradually comply with the securities rules.
- According to the financial statement of Agni System, managing director Mohammed Abdus Salam holds 53.21 lakh shares and director Zia Shamsi 14.52 lakh shares.

<https://www.newagebd.net/article/151969/icb-acquires-1447-per-cent-shares-in-agni-systems>

## Southeast Bank to raise Tk 7.0b thru perpetual bond

The Financial Express, October 16, 2021

- Southeast Bank will raise a capital worth Tk 7.0 billion by issuing a perpetual bond to augment its tier-I capital base. In a disclosure, the bank said its board of directors had approved the issuance of the perpetual bond.
- In its directive issued in May last, the Bangladesh Securities and Exchange Commission (BSEC) included a provision for the subscription of 10 per cent of a perpetual bond through public offer. And the listing of such bonds with the stock exchanges will be conducted under the direct listing method. Apart from Southeast Bank, 10 other banks have so far issued perpetual bonds ranging from Tk 4.0 billion to Tk 6.0 billion.

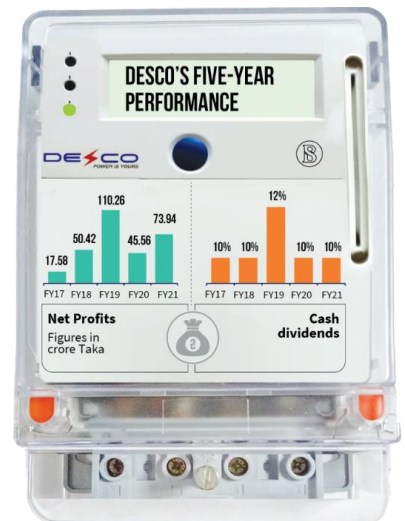
<https://thefinancialexpress.com.bd/stock/southeast-bank-to-raise-tk-70b-thru-perpetual-bond-1634355937>

## Cuts in system loss, corporate tax boost Desco profit

The Business Standard, October 16, 2021

- The Dhaka Electric Supply Company (Desco) – a listed power distributor – has reported a 62% growth in profit for FY21, thanks to the reduction in system loss and lower corporate tax. Desco's net profit stood at Tk73.94 crore at the end of the last fiscal year, which was Tk45.56 crore in the previous year.

- The company's system loss due to the transmission of electricity at high voltage recently decreased to a great extent. Besides, in the last budget, the government decided to cut the corporate tax by 2.5 percentage points to 22.5% for the listed companies. Desco's revenue also rose by 10% to Tk4,347 crore in the last fiscal year.
- Among them, around 91% of users are from the domestic level, 7% are from commercial and industrial levels, and other consumers make up the remaining 2%.
- Earlier, on 1 September this year, the Bangladesh Power Development Board (BPDB) announced that it will transfer all of its 67% stake in the Desco to the Dhaka Power Distribution Company Ltd (DPDC).
- The Desco informed its shareholders that the company's sponsor, BPDB, owns nearly 26.38 crores of its 39.76 crores paid-up shares with a face value of Tk10 each. The entire stake transfer is to take place outside the stock exchange's trading system with the approval of the Bangladesh Securities and Exchange Commission.



<https://www.tbsnews.net/economy/stocks/cuts-system-loss-corporate-tax-boost-desco-profit-316816>

## LafergeHolcim profit surges 106% in Jan-Sep

The Business Standard, October 14, 2021

- Strengthening digital initiatives and optimising costs, LafargeHolcim Bangladesh—a multinational cement maker – has posted a 106% growth in net profit in January-September this year.
- Rajesh Surana, CEO of LafargeHolcim Bangladesh Ltd, Said, "The company has delivered yet another exceptional quarter backed by strong cost control and efficiency improvements." At the end of the first three quarters of 2021, the net profit of the company stood at Tk308.9 crore and earnings per share (EPS) at Tk2.66, which was Tk149.7 crore and Tk1.26 respectively in the January-September of 2020.
- During the period, its net sales rose 37% to Tk1565.6, which was Tk1142.4 crore in the same time the previous year. Currently, LafargeHolcim has a capacity to produce 4.2 million tonnes of cement, which makes up 10% of the market in Bangladesh.
- The company, which has been running the cement business for almost two decades, has invested \$500 million – the largest foreign direct investment in the sector – in building one fully integrated cement plant and three grinding plants. It is a joint venture of Switzerland-based LafargeHolcim Group and Spain-based Cementos Molins.

<https://www.tbsnews.net/economy/stocks/lafergeholcim-profit-surges-106-jan-sep-315961>

## Exit proposals of 4 OTC cos okayed in principle

Newage, October 16, 2021

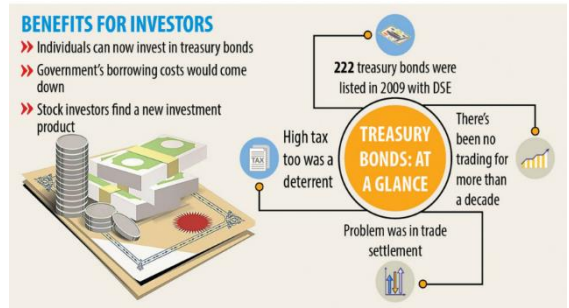
- The Bangladesh Securities and Exchange Commission has in principle approved the exit plan proposals of four companies trading under the over the counter market. The four companies were Jessore Cement Company Limited, Azadi Printers Limited, Arbee Textiles Limited and Hill Plantation Limited. The regulator issued a letter in this regard on October 13.
- The BSEC asked both the Dhaka Stock Exchange and the Chittagong Stock Exchange to suspend trading of securities of the applicants immediately and to start the process as per the BSEC's exit scheme, the letter said.
- On September 16, the BSEC abolished the OTC market and sent 41 OTC companies to the small capital platform and alternative trading board of the country's stock exchanges. It was also decided that twenty-nine other OTC companies, including the four companies mentioned above, were to be delisted from the stock market.

<https://www.newagebd.net/article/151965/exit-proposals-of-4-otc-cos-okayed-in-principle>

## Treasury bonds finally make stock market debut

The Daily Star, October 15, 2021

- The trading of treasury bonds began in the secondary market of the Dhaka Stock Exchange yesterday, ending a wait of more than a decade and creating one more investment tool for the retail investors reliant only on shares and mutual funds.
- Some 222 government bonds, with a combined value of Tk 55,000 crore, were listed with the premier bourse of the country between 2005 and 2011. But they were not traded like shares and mutual fund units as there was no secondary market.
- Problems related to the settlement of the trading of treasury bonds and a higher tax had prevented the government securities from being traded on the exchange. All of the problems have now been solved, paving the way for retail investors to take part in the trading.
- Their trading has so far been concentrated within the interbank ecosystem under the market infrastructure module of Bangladesh Bank. At present, government bonds are traded between institutional shareholders, including banks and financial institutions.
- A committee comprising officials of the central bank, the DSE and the BSEC worked to remove all the barriers with a view to introducing the treasury bonds in the stock market.



<https://www.thedailystar.net/business/economy/stock/news/treasury-bonds-finally-make-stock-market-debut-2198736>

## Islam Oxygen to go public for business expansion

The Business Standard, October 16, 2021

- Oxygen manufacturer and supplier Islam Oxygen Limited wants to raise Tk93 crore from the capital market through a book-building method for its business expansion. The company will spend Tk90.70 crore on the expansion. According to the spending breakdown, Tk87.15 crore will be spent on new capital machinery and Tk3.55 crore on the construction of sheds for generators and a new plant.
- As per the book building criteria, Islam Oxygen will arrange a roadshow on 25 October in Dhaka, where it will introduce the company to institutional investors. The entity is engaged in manufacturing and supplying medical, industrial, and laboratory gases. Its manufacturing plant is located in Narayanganj's Tarabo area.
- According to the audited financial report of the 2020-21 fiscal year, the net profit of the company stood at Tk41.48 crore, which was Tk26.34 crore in 2019-20. During the period, the revenue of the company was Tk145.42 crore, which was Tk110.82 crore in the previous fiscal year.
- The company's earnings per share were Tk4.37, which was Tk2.77 in the previous year. The net asset value per share with revaluation stood at Tk38.37 and without revaluation at Tk25.09 during the period.

<https://www.tbsnews.net/economy/stocks/islam-oxygen-go-public-business-expansion-316822>

## AB Bank settles claim of Tk20 lakh against 'AB Nishchinto' account of deceased customer

The Business Standard, October 14, 2021

- AB Bank Ltd handed over a cheque of Tk20 lakhs to the nominee of a deceased "AB Nishchinto" Account holder where the account holder had her life insurance coverage from Metlife. "AB Nishchinto" is a Fixed Deposit Account where the account holder would get life insurance with Metlife without paying any premium, said a press release.
- The insurance covers up to Tk80 lakhs, the highest amount offered in the banking industry. AB Bank Deputy Managing Directors Abdur Rahman and Mahmudul Alam; MetLife Deputy Managing Director and Chief Operations Officer Kamrul Anam along with other senior officials from both the organisations were present on the occasion.

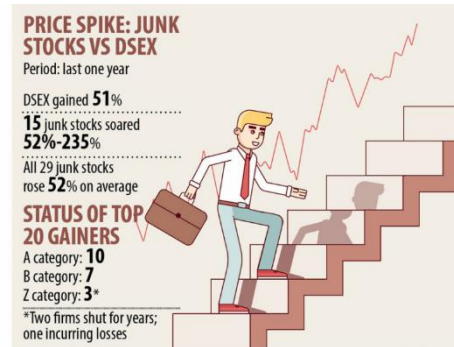
<https://www.tbsnews.net/economy/banking/ab-bank-settles-claim-tk20-lakh-against-ab-nishchinto-account-deceased>

## Economy & Industry

### Heyday for junk stocks as manipulation drives prices up

The Daily Star, October 17, 2021

- Production of Emerald Oil, a listed rice bran oil producer, has discontinued since 2017, so it has been incurring losses every year since then. But its stock has risen a staggering 223 per cent in the last one year. The astounding surge has propelled the manufacturer to the list of the top 20 gainers of the Dhaka Stock Exchange (DSE).
- Emerald Oil is not the single case. Rather, some other junk stocks are also on the list, raising the question about the overall efficiency of the market.
- Among the 10 low-performing companies, the production of C&A Textiles and Emerald Oil has been closed for several years. Aramit Cement, another Z category stock, has been in the red since 2017. Dacca Dyeing, Maksons Spinning, Salvo Chemical, RD Food, Beacon Pharmaceuticals, Metro Spinning, and Mozaffar Hossain & Spinning Mills are placed in the B category for declaring an insignificant amount of dividends for years.
- The DSEX, the benchmark index of the premier bourse of the country, went up 51 per cent between October last year and October 12 this year. The junk stocks collectively rose 52.08 per cent, on average, during the same period, DSE data showed.
- Referring to the Emerald Oil case, he said the company's disclosure raised a question. On July 12 this year, it said the board of Emerald Oil decided to start its full-fledged commercial operation from September 1 with a daily output capacity of 48 tonnes of rice bran oil. But on August 26, it said the company was not in a position to begin the commercial operation.
- Mohammad Rezaul Karim, a spokesperson of the BSEC, says people investing in low-performing stocks is not unusual in a bullish market. "But at a certain stage, investors return to the stocks with good fundamentals. The same will happen soon," he said, adding that the commission was trying to raise awareness among the investors.



<https://www.thedailystar.net/business/economy/stock/news/heyday-junk-stocks-manipulation-drives-prices-2200016>

### Banks slow on stimulus loan disbursement

The Business Standard, October 16, 2021

- Loan disbursement from the stimulus packages in the second phase is moving at a snail's pace as banks are waiting for interest subsidies from the government against loans they distributed last year. In the first two and a half months of the current fiscal year, banks have distributed Tk519 crore as working capital loan among the Covid-affected industrial and service sector entities, which is just 7.6% of the target for the same period.
- The Bangladesh Bank has set a target to disburse Tk33,000 crore in the current financial year in the sector. Till 12 September, only 55 industries have availed the benefits. In the last fiscal year, the government announced a loan package of Tk40,000 crore for this sector and disbursed 81.75% of the amount among 3,306 companies.
- To ward off the Covid-19 shocks, the government has so far announced 28 stimulus packages amounting to more than Tk1.87 lakh crore. The Bangladesh Bank is directly involved in 10 of the stimulus packages. So far, three packages have been fully implemented and the remaining seven will be implemented this fiscal year.
- According to the latest data, the central bank has a target to disburse Tk20,000 crore as working capital among small and medium enterprises. But only Tk477 crore has so far been disbursed, which is 2.38% of the target.
- The central bank has set a target for the Tk5,000 crore package in the Pre-Shipment Credit Refinance Scheme. The number of beneficiaries under this package so far is 65 business entities that have received a loan facility of Tk375 crore. The amount is 7.51% of the target.
- In April last year, the Bangladesh Bank issued a separate policy saying the tenure of stimulus packages would be three years. If the loans are not recovered by the time, then they would be considered as regular loans of the distributing banks, it added.

<https://www.tbsnews.net/economy/banking/banks-slow-stimulus-loan-disbursement-316834>

## International

### World stocks notch best day in 5 months

The Daily Star, October 17, 2021

- Stocks surged globally on Friday in their best day in five months as strong US corporate earnings reports fueled optimism about the economy, though three-year-high oil prices kept inflation risks alive and lifted government bond yields.
- US investment bank Goldman Sachs Group Inc was the latest on Wall Street to trounce market expectations when it reported a 66 per cent surge in third-quarter profit, thanks to a record wave of investment banking activity. Though some analysts warned investors against complacency so early in the earnings season, especially given current constraints in the supply chain, US stocks joined Friday's rally in global equities.
- The Dow Jones Industrial Average jumped 1.1 per cent in its best weekly performance since June 25. The S&P 500 climbed 0.75 per cent to notch its best week in 2-1/2 months, and the Nasdaq Composite added 0.5 per cent.
- The pan-European STOXX 600 index rose 0.74 per cent and MSCI's gauge of stocks across the globe gained 0.86 per cent, the biggest daily rise since May 14. "We are clearly off to a good start of the third-quarter earnings season, but have miles to go before we sleep," said Arthur Hogan, chief market strategist at National Securities Corp.

<https://www.thedailystar.net/business/global-economy/america/news/world-stocks-notch-best-day-5-months-2199916>



## 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](mailto:research@basl-bd.com).