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Stock Market & Company

DSEX exceeds 7000-mark as major sectors soar

The Financial Express, November 16, 2021

- Stocks witnessed a big jump on Tuesday, with the key index of the Dhaka bourse crossing the 7000-mark, as buoyant investors put fresh bets on major sector shares riding on regulatory moves. The market opened on a high note and the upbeat trend continued till the end of the session with no sign of reversal after the news that the securities regulator has asked the stockbrokers and merchant bankers not to consider the index at giving margin loans to investors.
- DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 115.21 points or 1.65 per cent to settle at 7,056.
- Two other indices also closed higher with the DSE 30 Index, comprising blue chips, soaring 31.71 points to finish at 2,691 and the DSE Shariah Index (DSES) rising 19.77 points to close at 1,484.
- Turnover, a crucial indicator of the market, also rose to Tk 14.91, which was 5.0 per cent higher than the previous day's tally of Tk 14.21 billion.
- Top positive index contributors were Square Pharma, BRAC Bank, Islami Bank, LafargeHolcim, ICB, GP, and IFIC Bank, according to amarstock.com.
- Beximco was the most traded stock with shares worth Tk 1.44 billion changing hands, followed by IFIC Bank (Tk 1.16 billion), BRAC Bank (Tk 735 million), Square Pharma (Tk 572 million) and Beximco Pharma (Tk 497 million). AB Bank was the day's top gainer, rising 9.92 per cent while Renata was the worst lower, losing 8.81 per cent.
- The Chittagong Stock Exchange (CSE) also ended higher with the CSE All Share Price Index – CASPI –jumping 315 points to settle at 20,638 and the Selective Categories Index – CSCX, soaring 192 points to close at 12,407.



<https://thefinancialexpress.com.bd/stock/dsex-exceeds-7000-mark-as-major-sectors-soar-1637056989>

CMSF allowed to lend Tk 100cr to ICB for stocks investment

Newage, November 16, 2021

- The Bangladesh Securities and Exchange Commission on Tuesday allowed the Capital Market Stabilisation Fund to lend Tk 100 crore to state-run Investment Corporation of Bangladesh to ensure fund flow to the capital market. The regulator also decided to form a 10-year closed-end mutual fund named 'Subarna Jayanti Fund' under the patronage of Capital Market Stabilisation Fund on the occasion of 50 years of independence of the country.
- The size of the fund would be Tk 500 crore and the CMSF will subscribe 10 per cent of the fund. The remaining Tk 450 crore would be raised through initial public subscription. The fund would be listed on the stock market. The BSEC also decided to award 'Shadinata Subarna Jayanti Puraskar' to three market intermediaries under each category from stockbroker, stock dealer, merchant bank and asset management company for their activities in 2020.
- The BSEC made the decisions at a commission meeting presided over by its chairman Shibli Rubayat-ul-Islam, a BSEC press release said. The BSEC approved the loan to the ICB following the proposal of the CMSF.
- The interest rate of the Tk 100 crore loan would be 6.5 per cent. The ICB will invest the funds in the secondary market of the capital market to ensure fund flow to the market. CMSF will initially invest Tk 50 crore as sponsor in Subarna Jayanti Fund, a 10-year mutual fund.
- ICB Asset management Limited will manage the closed-end mutual fund. The CMSF is formed with the unclaimed and unsettled cash dividends and IPO subscription money of the listed companies and mutual funds.

<https://www.newagebd.net/article/154845/cmsf-allowed-to-lend-tk-100cr-to-icb-for-stocks-investment>

AB Bank share tops gainers' list without any positive news

The Daily Star, November 16, 2021

- The share of AB Bank topped the gainers' list today although there was no good news from the financial institution for the investors. The lender's stock rose 9.93 per cent to Tk 15.50 today from the previous day. Even, there was no seller of the stock for a big part of the trading hour.
- What is more, AB Bank disclosed that it did not get regulatory go-ahead to issue rights share due to the recent fall in its financial performances.
- The Bangladesh Securities and Exchange Commission has expressed its inability to approve the rights issue of AB Bank by taking into account the dividend payment history and present financial position, according to the disclosure. Its earnings per share in the July to September period was Tk 0.13, which was Tk 0.11 in the same period of the previous year.

<https://www.thedailystar.net/business/news/ab-bank-share-tops-gainers-list-without-any-positive-news-2231336>

Power Grid maintains consistent growth in profits

The Business Standard, November 16, 2021

- The Power Grid Company of Bangladesh (PGCB) grew consistently both in terms of profit and revenue for the last four years. The country's state-owned sole power transmission company has been making an annual profit of more than Tk300 crore since the 2017-18 fiscal year.
- In fiscal 2020-21, it posted a profit of Tk377 crore, a 38% increase from the previous fiscal year. The company registered a 16.62% growth in its revenue. Among the listed government firms, the Power Grid Company – a subsidiary of the Bangladesh Power Development Board (BPDB) – was able to keep consistency in profit as it enjoys a monopoly in the business.
- It also continued upward growth in revenue and profit by 7% and 49%, respectively, in the July-September quarter of the current fiscal year. According to its financials, in fiscal 2020-21 fiscal, its revenue grew to Tk2,185.70 crore, a 16% increase from Tk1874.06 crore in the previous year.
- Its revenue came from two segments – Tk2135.45 crore as transmission and wheeling charges, and Tk50.25 crore as optical fibre charges. The profit grew to Tk377.86 crore for FY21, a 38.15% increase, from Tk244.56 crore in the previous year.

<https://www.tbsnews.net/economy/stocks/power-grid-maintains-consistent-growth-profits-330682>

BSEC gives nod to launch three new mutual funds

The Business Standard, November 16, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has approved the plans to float three new mutual funds in its bid to strengthen the institutional investment base in the capital market.
- After the 799th commission meeting on Tuesday, the capital market regulator said of the three funds, two would be open-ended funds to be sponsored by HF Asset Management and Bangladesh Race Management Private Company Ltd, while the other would be a closed-end one with a tenure of 10 years.
- On the other hand, HF Asset Management Shariah Unit Fund will get Tk2.5 crore from its sponsor which would also manage the fund assets. The fund would collect investments from the public to fulfil the target size of Tk25 crore. Bangladesh Race Management Private Company Ltd fund will also have the same amount of sponsor investments with the same target size.
- Open-ended funds are not tradable in the stock exchanges and investors instead buy and sell the fund units directly with the asset manager or their authorised agents.

<https://www.tbsnews.net/economy/stocks/bsec-gives-nod-launch-three-new-mutual-funds-330673>

Controversial JMI Hospital's Tk 75cr IPO gets BSEC nod

Newage, November 16, 2021

- The Bangladesh Securities and Exchange Commission on Tuesday allowed controversial JMI Hospital Requisite Manufacturing Limited to raise Tk 75 crore through an initial public offering under the book building method. Earlier on July 30, 2020, the BSEC had rejected the IPO of JMI Hospital which was embroiled in N95 scam during the Covid outbreak in the country.
- The BSEC made the latest decision at a commission meeting presided over by its chairman Shibli Rubayat-UI-Islam, a BSEC press release said. BSEC spokesperson and executive director Rezaul Karim told New Age that the commission approved the IPO of JMI Hospital after the company had rectified previous mistakes and complied with relevant securities rules completely.
- JMI Hospital was accused of supplying fake N95 masks to the health ministry. When the masks were supplied to several hospitals, including the Mugda General Hospital in Dhaka, doctors questioned their quality.
- The commission had observed that the Investment Corporation of Bangladesh held 30 per cent shares of JMI Hospital and was also acting as issue manager of the company's IPO, which was a violation of securities rules.

<https://www.newagebd.net/article/154852/controversial-jmi-hospitals-tk-75cr-ipo-gets-bsec-nod>

Economy & Industry

New bill proposes govt guarantee on public debt

The Daily Star, November 16, 2021

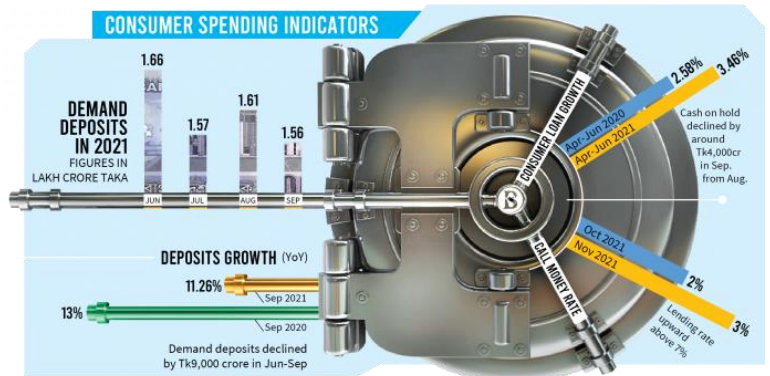
- The Public Debt Bill 2021 was placed in the parliament today. Finance Minister AHM Mustafa Kamal placed the bill which was sent to the respective parliamentary standing committee for further evaluation. The committee was asked to submit its report before the House within 15 days.
- The Public Debt Act 1944 is a dated law, which was extended on several occasions. Since the debt system has witnessed a radical change, the Finance Division has designed the new law incorporating necessary changes.
- According to the proposed law, the government will give a precise guarantee against the debt taken by it from the people -- that they would get their deposited money back under any circumstance. Provision was also incorporated in the draft law for running a Shariah-based deposit system alongside the regular deposit system, the finance minister said while placing the bill.
- The public would be informed about the profits or interests against their deposits. If anyone provides false information in obtaining the issued certificates under the government security and saving certificate schemes, he or she would face maximum six-month imprisonment, Tk one lakh fine or both.

<https://www.thedailystar.net/business/news/stocks-cross-7000-points-level-after-11-days-2231251>

Money movement indicates spending pick-up

The Business Standard, November 16, 2021

- Consumer confidence has rebounded strongly in recent months as reflected in money movement indicators, with people releasing their pent-up demands, especially for travelling, following the vaccination roll-out. Moreover, soaring commodity prices amid rising inflation are forcing consumers to spend more.
- The drastic fall in demand deposits with banks, which show disposable income, declined by Tk9,000 crore in June-September, indicating that consumer spending has made a strong return.
- The demand deposits grew at above 20% in almost every month last year when people were cooped up in homes due to movement restrictions amid rising Covid-19 cases that prompted consumers to hold more cash on hand to face any unexpected health expenditure.
- Cash on hold declined by around Tk4,000 crore in a month from August to September, according to the Bangladesh Bank data, while demand deposits declined by Tk4,000 crore in September from the previous month. In September, the overall deposit growth slowed down to 11.26%, which was above 13% last year.
- Concerned for safety, people held more cash in hand during the pandemic and also eschewed direct banking, said **Md Arfan Ali**, managing director of Bank Asia. With the normalisation of lives, money-holding patterns have changed as people are now purchasing goods, travelling for recreation, causing a decline in cash on hold and demand deposits, he added.
- Inflation rate continued to rise for several months, reaching 5.59% in September owing to rising prices of food and non-food items. In August, inflation was 5.54%, according to data from the Bangladesh Bureau of Statistics (BBS).



<https://www.tbsnews.net/economy/money-movement-indicates-spending-pick-330712>

International

Lagarde stays quiet on ECB rate rises beyond 2022

The Daily Star, November 17, 2021

- European Central Bank President Christine Lagarde said on Monday she would not "venture" into speculation over interest rate rises in 2023 amid pressure for the bank to define its response to high inflation. "I don't think I will venture into 2023," Lagarde told the European Parliament's Committee on Economic and Monetary Affairs, repeating her statement from earlier in the month that rates were "very unlikely" to change in 2022.
- "Inflation has been surprising to the upside for a while," Lagarde said after the measure hit 4.1 per cent in the eurozone in October, a 13-year high driven by soaring energy prices. The bank nonetheless expects inflation to remain below its two-percent inflation target "in the medium term", Lagarde said. The ECB expected "higher wages in 2022 than in 2021" as employees set about negotiating new pay deals with business, she said.
- The ECB has long held interest rate at historic lows, including a negative bank deposit rate that means lenders pay to park excess cash at the central bank. The bank's policymakers will meet December 16 to decide on the future of its massive pandemic-era bond purchasing programme.
- The 1.85-trillion-euro (\$2.12-trillion) pandemic emergency bond-buying programme (PEPP), the ECB's main crisis fighting tool, is expected to come to an end in March 2022.

<https://www.thedailystar.net/business/global-economy/news/chinas-factory-output-retail-sales-see-surprise-jump-2230996>

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