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## Stock Market & Company

### Stocks drop for fifth day

Newage, October 17, 2021

- Dhaka stocks dropped for the fifth day on Sunday as investors unnerved by the recent volatility on the market continued selling shares to avoid any further losses. DSEX, the key index of the Dhaka Stock Exchange, lost 0.78 per cent, or 56.8 points, to close at 7,186.46 points on Sunday.
- The DSEX lost 181.8 points in the last five sessions. Among the prominent companies, share prices of Orion Pharmaceuticals, GPH Ispat, LafargeHolcim Bangladesh, Beacon Pharmaceuticals, Power Grid of Bangladesh, Investment Corporation of Bangladesh and Bangladesh Submarine Cables Company plunged on Sunday.
- Turnover on the DSE increased to Tk 1,655.37 crore on Sunday from Tk 1,433.87 crore in the previous session. Of the 374 scrips traded on the DSE on Sunday, 287 declined, 65 advanced and 24 remained unchanged.
- DS30, a composition of 30 large capitalised companies, dropped by 0.51 per cent, or 14 points, to close at 2,705.13 points on Sunday. Shariah index DSES shed 1.34 per cent, or 21.11 points, to settle at 1,546.31 points.
- DSMEX Index, an index of the SME platform, slid by 8.58 per cent, or 70.11 points, to close at 746.32 points on Sunday. The index soared to 1,185.86 points on its second day of its inception on October 3 but since then it has been declining. Mostafa Metal Industries Limited made its debut on the SME platform on Sunday and share prices of the company closed at Tk 12 each after rising by the maximum limit allowed on debut.
- Fortune Shoes led the turnover chart with its shares worth Tk 134.63 crore changing hands on the day. IFIC Bank, Orion Pharmaceuticals, LafargeHolcim Bangladesh, NRBC Bank, British American Tobacco Company, LafargeHolcim Bangladesh, Delta Life Insurance, Genex Infosys, BEXIMCO and Sonali Paper were the other turnover leaders on the day.

<https://www.newagebd.net/article/152067/stocks-drop-for-fifth-day>

## New insurance products coming for recompense stock investors' losses

The Financial Express, October 18, 2021

- A move gets underway to recompense stock investors' losses through insurance products if and when their brokerage firms fail or default on restoring their interests, sources said.
- Bangladesh's premier bourse-Dhaka Stock Exchange (DSE)-already met with the insurance regulator on the matter recently. A committee headed by Harunur Rashid, a director of the Insurance Development and Regulatory Authority or IDRA, has also been formed to prepare such new insurance tools.
- Such products are available in the United States of America-world's largest economy and have to manage some highest risks sometimes. They work to restore investors' cash and securities when their brokerage firms fail.
- "We've already organised a seminar drawing all stakeholders on the introduction of the securities investor-protection insurance," said an official at the DSE.
- He said compensation for losses of transactions is not possible, but if the TREC [trading right entitlement certificate] holder or broker-dealer fails to repay or goes for liquidation, the investors will get back their investment.
- The CSE, in collaboration with its TREC-holder companies, established CSE Investors' Protection Fund in 2000 to compensate within defined limits the claims of the client against defaulting broker.



<https://thefinancialexpress.com.bd/stock/new-insurance-products-coming-for-recompense-stock-investors-losses-1634525892>

## IPDC Finance's Q3 profit rises 18pc

The Daily Star, October 18, 2021

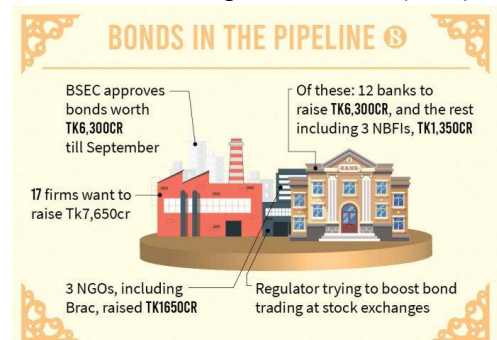
- IPDC Finance Limited witnessed higher profits year-on-year in the July-September period (third quarter) of the current year despite generating a lower net interest income.
- It logged net profits of Tk 22 crore in the quarter, up 18 per cent from Tk 18.61 crore in the same period of the previous year. Investment income rose 16 per cent to Tk 10.1 crore in the period. However, net interest income dropped 6 per cent to Tk 50.2 crore. In the quarter, its return on assets, return on equity and spread (difference between deposit and lending rate) stood at 1.11 per cent, 14.70 per cent and 2.49 per cent respectively.
- In the nine-month (January to September) period, the NBFIs net profit after tax was Tk 63 crore, up from Tk 50.2 crore in the same period of the previous year. Meanwhile its earnings per share were Tk 1.70 and Tk 1.35 respectively.

<https://www.thedailystar.net/business/economy/news/ipdc-finance-q3-profit-rises-18pc-2201081>

## Tk7,650cr bonds in the pipeline

The Business Standard, October 17, 2021

- Sixteen listed companies including banks and financial institutions and a non-government organisation (NGO) are awaiting regulatory approval to issue bonds worth Tk7,650 crore. The Bangladesh Securities and Exchange Commission (BSEC) is scrutinising the applications.
- The banks and financial institutions want to raise funds to strengthen their capital base while other firms have plans to spend the proceedings on expanding their business. Facing scarcity of funds from both local and foreign sources, the NGO has chosen the capital market as a preferred place to raise money amid the pandemic.
- Most banks will come up with perpetual bonds which have no tenure. According to the BSEC decision, issuers must float 10% units of their perpetual bonds through public offerings and the bonds must be tradable on local bourses.



- Bank Asia will raise Tk500 crore, Mercantile Bank Tk700 crore, Standard Bank Tk500 crore, Dhaka Bank Tk400 crore, Pubali Bank Tk500 crore, Premier Bank Tk400 crore, and AB Bank Tk600 crore by issuing perpetual bonds. NCC Bank wants to raise Tk700 crore, NRBC Bank Tk500 crore, Brac Bank Tk600 crore, Dutch Bangla Bank Tk500 crore, and Meghna Bank Tk400 crore through issuing subordinated bonds.
- Besides, non-bank financial institutions Bangladesh Finance and Investment Company will raise Tk200 crore, DBH Finance Corporation Tk300 crore, and Strategic Finance and Investment Limited Tk500 crore by issuing bonds.

<https://www.tbsnews.net/economy/stocks/tk7650cr-bonds-pipeline-317371>

## Sea Pearl's future uncertain over high debt

The Business Standard, October 17, 2021

- Sea Pearl Beach Resort and Spa Limited, a five-star hotel in Cox's Bazar, is facing an uncertain future due to its high debt-to-equity ratio, which measures the degree to which the company finances its operations through debt versus wholly-owned funds.
- In its qualified opinion, the auditor said Sea Pearl's total debt stood at Tk462.57 crore including bank loans and bonds, which represents 78.72% of its equity and liabilities. Moreover, it has failed to pay the regular instalment of bonds since April 2020.
- Besides, the company's capacity utilisation is poor and it decreased by 9.21% compared to the previous year. The total utilisation of the company's attainable capacity is only 44.28% in the last fiscal year, which was 53.49% in the previous year. All these factors indicate uncertainty to be an ongoing concern, said the auditor.
- Sea Pearl Beach Resort Managing Director Aminul Hoque could not be reached over the phone for comments regarding the matter. Replying to the auditor's opinion in the report, the company said its capacity utilisation shortfall resulted from the lockdown over the Covid-19 and the increase in the company's attainable capacity. But the company did not make any comments on the other indicators.
- Despite the auditor's concern over the company's future, in FY21 its revenue jumped 40% to Tk64.39 crore, which was the highest since its inception. Its net profit was Tk7.36 crore.
- They paid only 5% stock dividend to their shareholders in the first year of its stock exchanges journey. In the next year, they paid 1% cash due to a business slump for Covid-19. For the last fiscal they recommended the same dividend for the shareholders.



<https://www.tbsnews.net/economy/stocks/sea-pearls-future-uncertain-over-high-debt-317359>

## Economy & Industry

### Steel prices on upward curve

The Daily Star, October 18, 2021

- Steel prices in Bangladesh have been on an upward curve as millers hiked the rates in the wake of continuous spiralling of scrap metals in the international market owing to a pickup in demand and constrained supplies.
- In the last one year, the price of steel has up gone by 38 per cent in Bangladesh, which will push up the construction cost of bridges, culverts, flyovers and homes, according to industry people.
- The retail price of 60-grade MS (mild-steel) stood at Tk 75,700 per tonne yesterday, up from Tk 73,000 two months ago and Tk 55,000 last year, data from state-run Trading Corporation of Bangladesh showed. The price of scrap metals, which are used to produce steel products, has increased in the international market due to the constrained supply globally after production declined in Japan and European countries due to the coronavirus pandemic.
- At the same time, demand picked up after the economies began to operate in full swing in keeping with the easing of coronavirus restrictions, driving up the price of scrap steel in most markets.

- If manufacturers import scraps at the current rate, the cost of the finished product would be as high as Tk 83,000 per tonne, he said, adding that the millers were selling MS rod at the lower than the production cost to protect their businesses.
- According to industry people, the cost of scrap steel stands at \$580 per tonne, up from \$300 to \$350 in October last year. Around 70 to 85 per cent of 6.5 million tonnes of melting scrap used by the domestic steel industry is imported, while the rest is produced locally.

<https://www.thedailystar.net/business/economy/news/steel-prices-upward-curve-2201091>

## Govt bank borrowing up 17%

The Business Standard, October 17, 2021

- Government borrowing from the banking sector has jumped 17% during the first three months of the 2021-22 fiscal year (FY) compared to the same period last fiscal as the Covid-19 situation gradually improves. Government borrowing from the banking sector stood at Tk1,76,386 crore at the beginning of September while at month-end the amount rose to Tk2,06,513 crore, according to information from the Bangladesh Bank.
- Besides, the government borrowed Tk14,121 crore from banks in the first three months of the current fiscal and it repaid loans amounting to Tk9,524 crore to the central bank. The net loan for this FY now stands at Tk4,597 crore, which is around 6% of the government's target.
- The deficit in the budget of the current 2021-22 fiscal year was estimated at Tk 2,14,681 crore, which amounts to 6.2% of the GDP. The Banking Sector is the main source for the government in meeting the budget deficit. The government planned to take loans of Tk76,452 crore from the banking sector this fiscal.
- In July, the first month of the new financial year, net sales of savings certificates went down by about 54%. Net sales of savings certificates in July were Tk2104 crore which only a month before in June was Tk4,573 crore, according to Bangladesh Bank information.
- Total deposits in the first month of the current financial year amounted to Tk5,365 crore, 38.37% less than a year ago in July of the last financial year.

<https://www.tbsnews.net/economy/banking/govt-bank-borrowing-17-317380>

## International

### US steps into China's bitcoin breach

The Daily Star, October 18, 2021

- The long sheds at North America's largest bitcoin mine look endless in the Texas sun, packed with the type of machines that have helped the United States to become the new global hub for the digital currency. The operation in the quiet town of Rockdale was part of an already bustling US business -- now boosted by Beijing's intensified crypto crackdown that has pushed the industry west.
- Experts say rule of law and cheap electricity in the United States are a draw for bitcoin miners, whose energy-gulping computers race to unlock units of the currency. China was the undisputed heartland of crypto mining with about two-thirds of global capacity in September 2019, but last month Beijing declared illegal all transactions involving crypto money as it seeks to launch one of its own.
- Figures released Wednesday by the University of Cambridge showed that activity in the United States more than doubled in the four months to the end of August, increasing the market share held by the world's biggest economy to 35.4 per cent. Samir Tabar, chief strategy officer at miner Bit Digital, said the company started to pull out of China in 2020 and accelerated that process as the crackdown intensified. They have operations in the United States and Canada.
- The steady increase in US-based mining operations has fanned the ongoing environmental criticisms of the industry's massive annual electricity consumption -- more than what the Philippines uses in a year, according to Cambridge University data. An ongoing backlash has been fueled by concerns the industry relies on carbon-emitting power sources that contribute to climate change.

<https://www.thedailystar.net/business/global-economy/america/news/us-steps-chinas-bitcoin-breach-2200766>

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## 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).

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