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## Stock Market & Company

### [Stocks open higher amid eased lockdown worries](#)

The Financial Express, April 21, 2021

- Stocks opened marginally higher on Wednesday as optimistic investors continued their buying appetite on sector-wise issues as virus lockdown worries eased somewhat.
- The market opened on a positive note this morning as DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 18.23 points or 0.33 per cent to stand at 5,440 within the first 30 minutes of the trading.
- Meanwhile, two other DSE indices also saw a positive trend till then with the DS30 index, comprising blue chips, advanced 12.21 points to reach 2,095 and the Shariah Index (DSES) gained 4.62 points to stand 1,238 points. Turnover, another important indicator of the market, stood at Tk 2.21 billion within the first 30 minutes of the trading when the report was filed at 10:30 am.
- Beximco - the flagship company of Beximco Group- was the most traded stock till the filing of this report with shares worth Tk 551 million changing hands, followed by Beximco Pharma, Robi, BD Finance and LafargeHolcim.
- The port city bourse – the Chittagong Stock Exchange – (CSE) also opened marginally higher with CSE All Share Price Index-CASPI-gaining 50 points to stand at 15,736, also at 10:30 am.

<https://thefinancialexpress.com.bd/stock/stocks-open-higher-amid-eased-lockdown-worries-1618981977>

### [DSE finds 51 firms eligible for TREC](#)

Newage, April 21, 2021

- The Dhaka Stock Exchange has found 51 out of 66 applicants eligible for the bourse's trading right entitlement certificate (TREC) and has sent their names to the Bangladesh Securities and Exchange Commission.
- The DSE narrowed down the names of 51 companies eligible for TREC issued by the bourse at a board meeting held on April 20, DSE officials said.
- The 51 eligible companies are Kabir Securities, Amar Securities, Monarch Holdings, Sohel Securities, Bang Jin (BJ) Geo Textile, RAK Capital, Wings Fin, Meenhar Securities, Biplob Holdings, Jamuna Bank Securities, Associated Capital Securities,

Snigdha Equities, Be Rich, International Securities Company, South Asia Securities, Tristar Securities, 3i Securities, Far East Shares and Securities, Columbia Shares and Securities, Sonali Securities, Rahman Equity Management, KDS Shares and Securities, Al Haramain Securities and Mir Securities, Trust Regional Equity, NC Securities, TK Shares and Securities, MKM Securities, NRB Bank Securities, SBAC Bank Investment, Amaya Securities, Prudential Capital, Takaful Islam' Securities, HSB Securities, Smart Share and Securities, Innova Securities, BNB Securities, Agrani Insurance Securities, Mahid Securities, Baraka Securities, Benemoy Securities, Relief Exchange Limited, ANC Securities, SFIL Securities, Tasia Securities, Dynasty Securities, Emperor Securities and Wealth Management, Mirpur Securities, Celestial Securities, Trade X Securities and DP7 Limited.

- Currently, there are 236 active TREC holders on the DSE and many of them are struggling to continue running their businesses. As per the BSEC TREC rules, any local and foreign company can buy a TREC for a registration fee of Tk 5 lakh. The application fee for the licence is Tk 1 lakh.

<https://www.newagebd.net/article/136001/dse-finds-51-firms-eligible-for-trec>

## Brac Bank registers Tk 454cr net profit

The Daily Star, April 22, 2021

- Brac Bank registered a net profit of Tk 454 crore last year, sidestepping the business slowdown caused by the coronavirus pandemic. The net profit, however, stood at Tk 403 crore on a consolidated basis given the performance of all its subsidiary companies, according to a press release issued by the bank. The net profit has been reached upon deduction of tax paid to the government.
- Earnings per share (EPS) of the bank stood at Tk 3.42 on a standalone basis and Tk 3.33 on a consolidated basis. The bank's board has recommended 10 per cent cash dividend and 5 per cent stock dividend for formal adoption at its annual general meeting, which is scheduled to be held on May 27.
- Customer deposits grew by 9 per cent year-on-year while the current account and savings account (CASA) improved from 43 per cent to 55 per cent, which the bank sees as a reflection of a successful deposit mobilisation and interest rate management strategy.
- The non-performing loan (NPL) ratio in the bank dropped to 2.9 per cent last year, reflecting regulatory forbearance, while the NPL coverage ratio was enhanced to 171 per cent to build reserves against potential bad debt challenges arising out of the pandemic. It is one of the highest NPL coverage ratios in the country's banking industry.

<https://www.thedailystar.net/business/news/brac-bank-registers-tk-454cr-net-profit-2081661>

## Investors suffer for malfunctioning DSE mobile app

The Daily Star, April 22, 2021

- Investors yesterday faced prolonged malfunctioning of the DSE mobile app while trying to execute trade, all at a time when the digital mode is enabling the stock market to stay open amidst the ongoing lockdown. As a result, mobile trading dropped yesterday. Order submission through the app dropped 38 per cent to 26,321 yesterdays from that the day before.
- Dhaka Stock Exchange (DSE) launched the app, developed by FlexTrade Systems, on March 9, 2016, to facilitate trading. Apart from executing buy and sale orders, the app features real time display of market and trading statistics, company and portfolio status, company news and purchase and sale alerts.
- Investors will get 15 minutes before and after the trading hour to submit their orders. Currently, 20,000 users can simultaneously enter the app through their mobile phones.
- An order was previously executed against two order submissions through the app but the ratio is now one against every four submissions

<https://www.thedailystar.net/business/news/investors-suffer-malfunctioning-dse-mobile-app-2081649>

## RD Food corporate director to buy 7.37 lakh shares

The Business Standard, April 21, 2021

- Concrete and Steel Technologies Limited – a corporate director of Rangpur Dairy and Food Products Ltd (RD Food) – has announced it will buy more than 7.37 lakh shares of the listed company from the open market.
- Its corporate director's share purchase announcement came on the back of a corporate disclosure that the RD Food is going to increase its exports, and at "Gulfood Fair-2021" in the United Arab Emirates last February, it received a good response from buyers.
- The company, already exporting products on a test basis to African countries, was awarded \$1.1million export orders to Burkina Faso, the UAE, Ghana, Mali, the Republic of Moldova, Yemen, and many other countries of the world, RD Food informed shareholders on 12 April.
- Export proceeds will impact company revenues in the coming days. Its turnover will increase by Tk9.13 crore, gross profit by nearly Tk1.7 crore, and its annual earnings per share (EPS) will go up by Tk0.1.
- The company generated Tk31.46 crore in sales over the first half of the current fiscal year, which yielded Tk2.36 in profits after taxes and an EPS of Tk0.32, which was Tk0.31 over the entire preceding fiscal year. With the jump in profits and the good news of exports, the RD Food stock price soared to Tk25 this week, from Tk12 five months ago.

<https://www.tbsnews.net/economy/stock/rd-food-corporate-director-buy-737-lakh-shares-235258>

## Desh General Insurance stocks soar 77% in 14 days

The Business Standard, April 21, 2021

- The share price of the newly listed Desh General Insurance has soared by 77% to Tk39.9, from Tk22.5, in the last fourteen days. Market records show that the share price rose by 5.56% on Tuesday, and 9.79% on the previous day The Dhaka Stock Exchange (DSE), in a letter on 18 April and again on 19 April, asked the company to explain the reason for its unusual share price hike.
- Desh General Insurance got listed on the capital market this year and made its debut on both stock exchanges of the country on 29 March. The company has raised Tk16 crore in capital from the stock market, issuing shares at Tk10 each with an initial public offering (IPO) for business expansion. It will invest the IPO funds in the capital market, fixed deposit receipts (FDRs), and treasury bonds.
- Following the stock market debut, the share price of the company soared by 50% in the first trading session. The share price rose by 50% again on the second day, and after that, the company has come under the circuit breaker from 1 April.
- According to its financial statement, in the first nine months of 2020, Desh Insurance posted a profit of Tk1.99 crore and earnings per share (EPS) stood at Tk0.83, which was Tk1.98 crore and Tk0.82 respectively in the same time frame the year before.

<https://www.tbsnews.net/economy/stock/desh-general-insurance-stocks-soar-77-14-days-235294>

## Economy & Industry

### Government treasury bonds to allow nominees

The Business Standard, April 21, 2021

- The finance department has made a draft of Bangladesh Government Treasury Bond Rules 2021, including the provision of nominees to smoothen the ownership handover process of government treasury bonds in the event of an investor's death.

- According to the draft, published as a gazette by the department on 11 April, nominees or heirs will be eligible to hold the bonds till maturity or can withdraw the money by selling them. The department will finalise the draft after one month of getting feedback from concerned authorities.
- The draft states that investors can nominate one or more nominees at the time of opening the account. If more than one nominee is nominated, the amount of ownership of each nominee should be mentioned in percentage terms. Nominees and percentages can be changed. If there is no nominee, the legal heirs will be the owners of the bond after an investor's death.
- Besides, any foreign person or organization, including non-resident Bangladeshis, can buy government treasury bonds. Foreign or non-resident investors will be able to take their profits or the money from selling their bonds in foreign currency. According to existing income tax law, taxes will be applicable on the profits of government bonds.
- There was no approval before to trade bonds on the Dhaka Stock Exchange as part of the secondary market. That approval has been given in the draft rules.

<https://www.tbsnews.net/economy/government-treasury-bonds-allow-nominees-235309>

## Banking stocks lose grace for high defaulted loans

The Daily Star, April 22, 2021

- Once known to many for their attractive stocks, banks are a long way from raising adequate interest among stock market investors as confidence has been sunk by high amounts of non-performing loans and low asset value.
- Among the listed 31 banks, 21 are witnessing their stocks of a face value of Tk 10 being traded at less than Tk 20. Stocks of AB Bank, First Security Islami Bank, ICB Islamic Bank, National Bank and Standard Bank even traded below the face value.
- Default loans stood at Tk 88,734 crore last year, which was 7.66 per cent of the outstanding loans at that time, showed data from Bangladesh Bank. The moratorium on bank loan repayments was introduced in mid-March 2020. It was extended up to December last year as the crisis persists.
- The P/E ratio of banks is much lower than that of other listed companies. Of the 31 listed banks, 22 have had their P/E ratio in the past 12 months ranging from 4 to 8, according to the DSE data. The P/E ratio of most companies range from 15 to 25, shows the data. If the P/E ratio is lower than 15, the stocks are considered to be much lucrative.
- The DSE data shows that the average P/E ratio for the banking sector is 8.13, the lowest among all the sectors. Ratios closest to it are of the fuel and power and textile sectors, 11.93 per cent and 17.93 per cent respectively.
- Almost all the listed banks are paying over 10 per cent dividend every year.
- For 2020, 15 banks have declared dividends. Of them, two declared less than 10 per cent, four 10 per cent to 14 per cent, four from 15 per cent to 19 per cent and three from 20 per cent to 29 per cent. Two are going to provide over 29 per cent.

### PERFORMANCE OF BANKING STOCKS

- **31** banks are listed
- Five trade below face value
- **12** trade between Tk **10** and Tk **15**
- Five hover between Tk **15** and Tk **20**
- Most banks are paying more than **10%** dividend

<https://www.thedailystar.net/business/news/banking-stocks-lose-grace-high-defaulted-loans-2081673>

## Steel structure business slumps 50% in pandemic

The Business Standard, April 21, 2021

- Bangladesh Building Systems Limited, a top company in this sector, posted an operating loss of Tk8.53 crore in the fiscal year 2019-20. It was the first time that the company recorded losses in the last decade and the operating loss continued in the first half of the current fiscal year as well.
- The company, which is listed on the stock exchanges, also witnessed a 46% fall in revenue in the last fiscal year. That year, it earned a revenue of Tk87.58 crore, down from Tk163.07 crore in the previous year. Another listed company Dominage Steel's revenue also fell by 11% to Tk56.52 crore in the last fiscal year but they managed to make profits that year.
- Some of the big firms are Magnum Engineering and Construction, Bangladesh Building System, Modern Structures, Steelpac, which is a concern of Energypac Engineering, McDonald Steel Building Products, Quantam Builders and Engineering, Build Trade Engineering, PEB Steel Alliance, ALM Steel Building Technology, Tiger Steel Bangladesh, and Newaz Steel.
- Dominage Steel has also raised Tk30 crore from the capital market through an initial public offering to enhance its production capacity.

<https://www.tbsnews.net/economy/industry/steel-structure-business-slumps-50-pandemic-235249>

## International

### Wall St headed for lower open as focus turns to tech earnings

The Daily Star, April 21, 2021

- Futures pointed to a lower open for Wall Street's main indexes on Tuesday as investors banked on results from Netflix and other major technology-related companies this week to sustain the positive start to the earnings season.
- Streaming service provider Netflix, which thrived during last year's lockdowns, will be the first among the so called FAANG group to report quarterly numbers. Its shares slipped about 0.3 per cent in pre-market trading, ahead of its results after markets close.
- International Business Machines Corp rose 2.7 per cent as it recorded the biggest rise in quarterly sales in more than two years, boosted by its bets on the high-margin cloud computing business.
- After blockbuster earnings from major US. banks last week, analysts expect first-quarter profit for overall S&P 500 firms to jump 30.9 per cent from a year earlier, according to Refinitiv IBES data.
- A pullback in longer-dated bond yields from 14-month highs has eased worries over higher borrowing costs, reviving demand for richly valued technology stocks. Also, a string of robust economic data and expectations of a strong rebound in corporate earnings helped the S&P 500 and the Dow to hit record highs last week.
- At 08:32 a.m. ET, Dow E-minis 1YMcV1 were down 154 points, or 0.45 per cent, S&P 500 E-minis EScv1 were down 18 points, or 0.43 per cent and Nasdaq 100 E-minis NQcv1 were down 48.75 points, or 0.35 per cent.

<https://www.thedailystar.net/business/news/wall-st-headed-lower-open-focus-turns-tech-earnings-2080969>

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## BASL Research Team

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Mr. Shariful Alam Chowdhury Head of Research & Investments	tushar@basl-bd.com
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com

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## BASL Networks

<b>Head Office</b> Hadi Mansion (2nd Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 E-mail: info@basl-bd.com	<b>Dhanmondi Branch</b> Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-44611923-24	<b>Mirpur Branch</b> Nishi Plaza, plot # 01, Avenue-04, Section-06, Block-C Mirpur, Dhaka - 1216 Phone: +8802-58055449, 48032449	<b>Uttara Branch</b> House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka-1230 Phone: +88-02-48958389,48958371
<b>Banani Branch</b> Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +88028836155, 8836849	<b>Bijoynagar Extension</b> Prime Tower (3rd Floor), 180- 181 Dhaka-1213 Phone: +880248318685	<b>Nikunja Branch</b> DSE Tower, Level 10, Room# 200, Nikunja, Dhaka-1229 Phone: +8809666702070	<b>Khulna Branch</b> 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).