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Stock Market & Company

Stocks trade mixed as investors turn cautious

The Financial Express, September 25, 2021

- Stocks posted a moderate rise in the outgoing week, after a single-week break, with investors maintaining a cautious stance amid high volatility. Week on week, the benchmark DSEX index of Dhaka Stock Exchange (DSE) edged up 22.29 points or 0.31 per cent to settle at 7,250, after shedding 30.43 points in the previous week.
- The DSE Shariah Index (DSES) also inched up 3.95 points to close at 1,581. On the other hand, the blue-chip DS30 index saw a fractional loss of 0.99 point to finish at 2,673. The weekly turnover stood at Tk 97.09 billion on the prime bourse, down from Tk 111.22 billion in the week before. And the daily average turnover clocked in at Tk 19.42 billion, 13 per cent down from the previous week's average of Tk 22.24 billion.
- Major sectors showed mixed performances this week. The textiles sector generated the highest return of 4.20 per cent, followed by general insurance (1.60 per cent), pharmaceuticals (0.90 per cent) and engineering (0.60 per cent). On the other hand, food, banking, telecoms, financial institutions and power sectors lost 1.70 per cent, 0.90 per cent, 0.70 per cent, 0.68 per cent and 0.60 per cent respectively.
- Beximco -- the flagship company of Beximco Group -- continued to top the turnover chart with shares worth Tk 5.96 billion changing hands, followed by Beximco Pharma (Tk 3.15 billion), Orion Pharma (Tk 2.46 billion), LankaBangla Finance (Tk 2.31 billion) and LafargeHolcim (Tk 2.28 billion).
- Low-cap companies dominated the week's gainer list, with Pacific Denims making its way to the top of the gainers chart, posting a 24.66-per cent rise, followed by Eastern Insurance (20.80 per cent), Alif Manufacturing Company (19.44 per cent), Bangladesh National Insurance (17.87 per cent) and KDS Accessories (17.25 per cent).

- The Chittagong Stock Exchange (CSE) also inched higher with the CSE All Share Price Index (CASPI) advancing 5.0 points to settle at 21,1146 and the Selective Categories Index (CSCX) gaining 0.50 points to close at 12,687.

<https://thefinancialexpress.com.bd/stock/stocks-trade-mixed-as-investors-turn-cautious-1632537342>

Stocks investors with Tk 50 lakh in investment can trade SME shares

Newage, September 22, 2021

- Investors having minimum Tk 50 lakh of investment in the stock market are allowed to trade shares of companies under the small capital platform of the Dhaka Stock Exchange and the Chittagong Stock Exchange.
- According to a Bangladesh Securities and Exchange Commission notification issued on September 16, any investors registered with the electronic subscription system of the stock exchanges must be considered as qualified investors for trading on the secondary market of SME maintaining a minimum investment of Tk 50 lakh in the listed securities at the market value as per portfolio statement.
- The sponsors, directors and promoters of the shifted companies must be considered as qualified investors for the purpose of trading on the secondary market of SME platform, the notification said. Investors are allowed to get margin loans against purchase of shares under the SME platform but not for shares under the alternative trading board, it said.
- On September 16, the BSEC abolished the over-the-counter market and sent 23 OTC companies to the SME platform and 18 other companies to the alternative trading board of the country's stock exchanges.

<https://www.newagebd.net/article/149935/stocks-investors-with-tk-50-lakh-in-investment-can-trade-sme-shares>

Cos settle Tk 16,000cr unclaimed dividends in two months

Newage, September 25, 2021

- The listed companies have distributed around Tk 16,000 crore in unclaimed and unsettled cash and stock dividends to the claimants in the last couple of months. According to the Bangladesh Securities and Exchange Commission, there was Tk 21,000 crore in unclaimed and unsettled cash and stock dividends before the settlement.
- Many companies had issued notices which were published on newspapers and the companies' official web sites to inform their shareholders to claim the dividends as they had to transfer the fund to the CMSF by August 30. However, a number of companies failed to settle or transfer the unclaimed dividends within the timeframe due to lack of proper documents of the claimants and a dispute between the Bangladesh Bank and the BSEC over the transfer.
- On July 6, the BSEC issued a letter to all asset management companies, stockbrokers, merchant banks, and listed companies, including companies operating in the over-the-counter market, to transfer amounts held against unclaimed, undistributed or unsettled dividends or non-refunded public subscription money in cash or others including accrued interest thereon for a period of three years from the date of declaration or approval or record date to the CMSF by July 30. The deadline was later extended to August 30.

<https://www.newagebd.net/article/150129/cos-settle-tk-16000cr-unclaimed-dividends-in-two-months>

Evince Textiles tops gainer list after merger news

The Financial Express, September 24, 2021

- Evince Textiles topped the gainer's list on Thursday as the company announced to merge with its subsidiary, Evitex Fashions in order to reduce operational costs. The textile company's share closed at Tk 13.50 on Thursday, soaring 8.87 per cent over the previous day. Its share traded between Tk 6.40 and Tk 13.80 in the last one year.
- The board of directors of the Evince Textiles will hold an extraordinary general meeting (EGM) on November 6 at 12:00 noon through the digital platform to get approval of the scheme of amalgamation, the company said in a filing with the Dhaka Stock Exchange (DSE) website on Thursday.
- Earlier on May 11, the company took the merger decision and further informed on Thursday that the board has decided to hold an EGM to get approval of the scheme of amalgamation for merger of Evitex Fashions with Evince Textiles in accordance with the direction of the High Court by an order dated August 23, 2021.

<https://thefinancialexpress.com.bd/stock/evince-textiles-tops-gainer-list-after-merger-news-1632460339>

RD Food to launch four new products

The Financial Express, September 23, 2021

- The board of directors of Rangpur Dairy & Food Products Limited has taken the decision to launch four new products and launch a new brand name which will include 12 products (December 25, 2021). The new four products will be launched on Saturday (September 25), the company said in a filing with the Dhaka Stock Exchange (DSE) on Thursday.
- As per the board's decision, the company will invest an amount of Tk 70 million (import amount will be Tk 42 million and local cost will be Tk 28 million) approximately for machinery purchase. Source of the fund of investment will be 50 per cent from bank finance and 50 per cent from its own fund, said the company.
- The company expects from this financial year the company's revenue will increase 15 per cent to 18 per cent from existing revenue and expected profit may increase 12 per cent to 15 per cent from this investment.

<https://thefinancialexpress.com.bd/stock/rd-food-to-launch-four-new-products-1632395865>

Meghna Petroleum signs business deal with Delta LPG

The Financial Express, September 23, 2021

- Meghna Petroleum, a state-run listed company, has signed an agreement with Delta LPG, a concern of TK Group of Industries, as part of its business expansion.
- Under the agreement, Delta LPG will sell LPG by establishing LPG (Autogas) refueling station parallel to the sale of petroleum oil through the company's registered fillings stations. Meghna Petroleum will receive royalty of Tk 0.50 against per liter sale of LPG, the company said in a filing with the Dhaka Stock Exchange (DSE) on Wednesday.
- Each share of Meghna Petroleum, which was listed on the Dhaka bourse in 2007, closed at Tk 201.30 on Wednesday, losing 1.13 per cent over the previous day. Its shares traded between Tk 160.30 and Tk 218.90 in the last one year. The company's earnings per share (EPS) stood at Tk 5.15 for January to March 2021 as against Tk 5.97 for the same period a year ago.
- The company disbursed 150 per cent cash dividend for the year ended on June 30, 2020. In 2019, it also paid a 150 per cent cash dividend. The company's paid-up capital is Tk 1.08 billion and authorised capital is Tk 4.0 billion while the total number of securities is 108.21 million.

<https://thefinancialexpress.com.bd/stock/meghna-petroleum-signs-business-deal-with-delta-lpg-1632380160>

Insurers must take Idra clearance for IPO

The Business Standard, September 25, 2021

- Insurance Development and Regulatory Authority (Idra) has recently urged the stock market regulator not to approve any initial public offering (IPOs) for insurers without a no-objection certificate (NOC) from their primary regulator.
- The companies will collect the rest of the amount from the general public through stock market listing within three years of their registrations, said Idra Act. If insurers fail to collect the portion from the general public within the stipulated time, Idra can charge a penalty from the companies. It is also mandatory for insurers to take NOC from their first regulator regarding IPO applications.
- However, as per the Finance Ministry instruction, the BSEC On 30 November 2020 halved the minimum IPO size to Tk15 crore for the insurance companies and the initial big target of Tk75 crore in post-IPO paid-up capital came down to Tk37.5 crore.
- The IDRA, in January this year had asked all the insurers to comply with its law ensuring 60% shareholding by sponsors alone while above 80% of the listed insurers are only complying with the BSEC's demand for 2% shareholding by each director individually, and 30% shareholding by sponsors and directors collectively.

<https://www.tbsnews.net/economy/stocks/insurers-must-take-idra-clearance-ipo-307498>

Tax receipts from DSE up 82pc in July-August

The Financial Express, September 23, 2021

- The bullish capital market helped the government to collect higher revenue from the Dhaka Stock Exchange (DSE) as month-on-month tax collection soared 74 per cent in August riding on higher trading activities.

- The market turnover rose significantly in recent months as the buoyant investors have given a boost to the capital market amid increased confidence in the market, said a merchant banker.
- The government bagged revenue worth Tk 502 million in August which was Tk 289 million a month earlier in July, 2021, registering an increase of 74 per cent, according to statistics with the DSE.
- Of the total earnings in August, Tk 451 million came from the TREC holders' commission, popularly known as brokerage commission, while Tk 51 million came from the share sales by sponsor-directors and placement holders, the DSE data showed. In July, Tk 233 million came from the TREC holders' commission and Tk 56 million came from the share sales by sponsor-directors and placement holders.
- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05 per cent and 5.0 per cent respectively and deposits the amount to the government exchequer.



<https://thefinancialexpress.com.bd/stock/tax-receipts-from-dse-up-82pc-in-july-august-1632381843>

Sea Pearl set to enter cruise ship business

The Business Standard, September 23, 2021

- Sea Pearl Beach Resort & Spa Limited – a five-star resort and hotel in Bangladesh – has decided to enter the cruise ship business. The company expects to kick off the business in October this year. It has been estimated that the new business will earn a revenue of Tk7.15 crore annually.
- On Thursday, the company published the information on local stock exchanges. Due to the new decision, its shares price rose 5.12% to Tk45.20 each, from Tk43 on Wednesday. As per the decision, initially, the company will purchase two cruise ships for Tk8.50 crore.
- The passenger cruise ships will operate on the Khulna-Sundarbans-Khulna route based on the tour package programmes. In fiscal 2020-21, Sea Pearl Beach Resort & Spa Limited earned revenue of Tk64.39 crore.

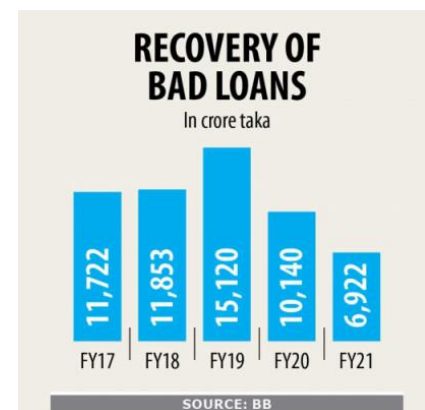
<https://www.tbsnews.net/economy/stocks/sea-pearl-set-enter-cruise-ship-business-306592>

Economy & Industry

Default Loan recovery plunges

The Daily Star, September 26, 2021

- Default loans recovery in Bangladesh fell to at least a five-year low of Tk 6,922 crore in the last fiscal year as borrowers struggled to pay back amid the economic slowdown caused by the coronavirus pandemic. The amount stood at Tk 10,140 crore in the fiscal year of 2019-20, data from the central bank showed.
- The loan recovery had nosedived to Tk 869 crore in April to June of 2020, the first quarter hit by the crisis in Bangladesh. This was the first time it had fallen below Tk 1,000 crore in a single quarter since at least FY17. It recovered in the subsequent quarters before falling in the last quarter in FY21.
- Banks collectively recouped Tk 1,795 crore in the last quarter of the last fiscal year, also down from Tk 1,904 crore in the third quarter.
- Defaulters paid back Tk 280 crore to six state-run commercial banks in the fourth quarter, up from Tk 167 crore in the third quarter. They had Tk 43,450 crore in bad loans at the end of the last fiscal year. Forty-one private commercial banks got back Tk 937 crore, versus Tk 642 crore in the third quarter, leaving them with Tk 45,010 crore in defaulted loans.



<https://www.thedailystar.net/business/economy/news/default-loan-recovery-plunges-2184346>

BASIC, Bank Asia extend hands to revive Emerald Oil

The Business Standard, September 22, 2021

- BASIC Bank and Bank Asia have come forward to revive Emerald Oil Industries – the producer of the almost forgotten Spondon rice bran oil – by waiving loan interest. The company owes Tk61 crore to BASIC and Tk20 crore to Bank Asia in principal amounts. Including interest, the size of the loans went beyond Tk100 crore.
- Minori Bangladesh Limited – a subsidiary of Japanese farming company Minori Co Limited – the interested company to take over Emerald Oil, will take care of the loans after they are regularised. In return, Minori Bangladesh will get a 30% stake in Emerald Oil Industries, which is held by sponsors and directors of the company.
- After receiving the stakes, Minori will inject around Tk45 crore as working capital to rejuvenate Emerald Oil – a loss-making entity in the food and allied sector of the capital market. As part of transferring shares held by sponsors and directors, the company is likely to sign a deal with Minori Bangladesh on Wednesday.
- **BSEC initiatives and interest waiver:** Keeping the interest of investors in mind, Bangladesh Securities and Exchange Commission (BSEC) in March this year reconstituted the board by appointing five distinguished professionals to revive the company.
- In a joint meeting with BSEC and the reconstructed board, the high officials of the two banks have recently agreed to waive the interest and receive only the principal amount of their loans.

<https://www.tbsnews.net/economy/banking/basic-bank-asia-extend-hands-revive-emerald-oil-305737>

International

Quicken shift from fossil fuels

The Daily Star, September 26, 2021

- Major UK-based companies on Friday urged the government to accelerate the nation's shift away from fossil fuels for electricity generation, amid turmoil over surging gas prices. The 14 firms -- including energy supplier Octopus, telecoms operator BT and supermarket chain Co-op -- wrote a joint letter to Business Secretary Kwasi Kwarteng calling for a rethink.
- "We are writing to urge the government to (commit) to the full decarbonisation of UK electricity generation by 2035," read the letter, which was organised by environmental think-tank Green Alliance. The new target would require annual investments of up to 14 billion (\$19.2 billion, 16.3 billion euros) per year in renewable energy, they added.
- Britain, which hosts the COP26 United Nations climate summit in Glasgow in November, aims to reduce its carbon emissions to net zero by 2050. "As COP26 approaches, we believe the time is right for the UK to signal an end to the use of unabated fossil fuels in the power sector, claiming another historic first," the letter added.
- "The UK has been very successful in decarbonising electricity generation - emissions from the sector have halved since 2015, and solar and wind are now cheaper than existing coal and gas power plants in much of the world," read a government statement.
- Britain is particularly exposed to Europe's ongoing energy crisis due to its reliance on natural gas to generate electricity. The price of European gas futures has more than doubled since May.

<https://www.thedailystar.net/business/global-economy/europe/news/quicken-shift-fossil-fuels-2184311>

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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.