

Key News

- ✓ [DSE turnover dwindles as investors' turnout dips](#)
- ✓ [Listed firms must appoint a female independent director](#)
- ✓ [Rupali Bank's profit jumps 29% in Jan-Mar](#)
- ✓ [Startups to go public soon as BSEC modernising IPO rules](#)
- ✓ [Large-cap stocks drive DSEX rebound after two days' decline](#)
- ✓ [BB hopeful of inflation easing in months](#)
- ✓ [Global stocks rise as US inflation gauge steadies](#)

Stock Market & Company

[DSE turnover dwindles as investors' turnout dips](#)

The New Age, June 02, 2024

- The weekly turnover on the DSE witnessed a dive, by 24.61 per cent, to Tk 1,950.74 crore in the past week compared with that of Tk 2,070.02 crore in the previous week.
- The Dhaka bourse has witnessed decreased participation of investors for the third consecutive week amid the ongoing market volatility and the upcoming Eid-ul-Azha, one of the biggest religious festivals of the Muslims.
- DSEX, the key index of the DSE, lost 60.44 points, or 1.14 per cent over the past week to close at 5,251.96 points, after losing 205.02 points in the previous week.
- In the past 15 weeks, the market moved forward in only three weeks. Market operators said that the increasing economic concerns, including the ongoing reduction in foreign exchange reserves in the country had left a negative impression on investors.
- Out of the 390 issues traded in the past week, 115 advanced, 248 declined and 27 remained unchanged in the past week. Investors were mostly active in pharmaceutical scrips, followed by textile and food shares.

<https://www.newagebd.net/post/stocks/dse-turnover-dwindles-as-investors-turnout-dips>

[Listed firms must appoint a female independent director](#)

The Business Standard, June 01, 2024

- From now on, all the listed companies have to appoint at least one female independent director to their board of directors. The Bangladesh Securities and Exchange Commission (BSEC) has recently issued a gazette notification to this end. This move aims to promote gender diversity and enhance corporate governance.
- According to the gazette, the companies must comply with this directive within one year from the notification's issuance date.
- An independent director is a board member who does not have a material relationship with the company apart from board membership, ensuring unbiased and impartial decision-making.
- Earlier in March this year, State Minister for Finance Waseqa Ayesha Khan said there should be at least one female independent director in each company listed on the country's stock market.

- Then she said the government is working on women's development, and at the same time, the societal mindset towards women needs to change.
- Earlier in November last year, the securities regulator issued a notification amending the rules regarding independent directors.
- According to this notification, all listed companies must seek prior approval from the BSEC before appointing independent directors to their boards.
- This appointment must follow the recommendation of the company's Nomination and Remuneration Committee (NRC).

<https://www.tbsnews.net/economy/stocks/listed-firms-must-appoint-female-independent-director>

Rupali Bank's profit jumps 29% in Jan-Mar

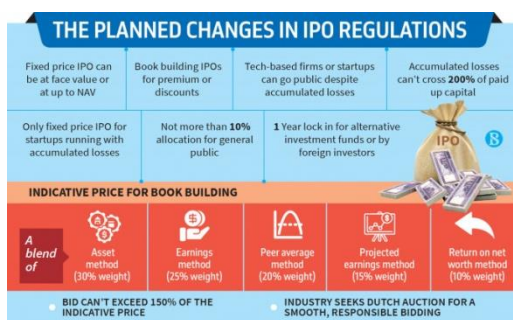
The Business Standard, June 01, 2024

- State owned Rupali Bank's net profit jumped by 29% in the January-March of this year compared to the previous year, according to the bank's financial statement disclosed today (1 June).
- During the first quarter of 2024, its earnings per share was Tk0.49, which was Tk0.38 at the same time a year ago. At the end of March, its net asset value per share stood at Tk36.07.
- Keep updated, follow The Business Standard's Google news channel. On Thursday, Rupali Bank shares closed 1.20% higher at Tk25.20 on the Dhaka Stock Exchange (DSE).
- Earlier, in May, Rupali Bank was downgraded to the Z category in Dhaka bourse, as it failed to declare any dividends for two consecutive years.
- The DSE downgraded the bank from its existing B category in line with the directive of the Bangladesh Securities and Exchange Commission issued on 15 February.
- The bank decided not to pay any dividend to its shareholders for 2022 and 2023. However, according to its financials, its consolidated earnings per share increased to Tk1.35 at the end of 31 December 2023, which was Tk0.61 in 2022.
- In March, Rupali Bank received approval from the finance ministry to issue ordinary shares, against the share money deposits of Tk700 crore.
- As per finance ministry officials, the issuance of ordinary shares priced at Tk15 each, comprising a Tk5 premium and Tk10 face value, has been approved.
- The shares issuance is subject to approval of the Bangladesh Securities and Exchange Commission.

<https://www.tbsnews.net/economy/stock/rupali-banks-profit-jumps-29-jan-mar>

Startups to go public soon as BSEC modernising IPO rules

The Business Standard, June 01, 2024



- Bangladeshi startups, deprived of the opportunity to go public due to their business model for scaling up before profitability, will be allowed to raise capital from the stock market, according to changes in the Public Issue Rules planned by the securities regulator.

- The criteria for no accumulated losses and no net annual loss in the latest financial year will not be applicable for startups applying for an initial public offering (IPO), Bangladesh Securities and Exchange Commission (BSEC) officials told representatives and investors of tech-based companies or startups at a stakeholder consultation meeting on Thursday.
- According to the primary plans, startups that have accumulated losses, if that do not exceed 200% of their paid-up capital, can go for fixed-priced IPOs only. Fixed-priced IPOs can be at face value or up to the net asset value per share.
- On the other hand, a startup with no accumulated losses can apply for a book-building method despite its losses in the past financial year.
- No traditional business is allowed to go public with accumulated losses or annual losses in the immediate past year. As startups are high-risk, high-reward investments, the regulator plans to keep only 10% of the primary shares for the general public.
- Also, the eligible investors' shares may be locked in for three years, while the pre-IPO alternative investment funds and foreign investors may see a one-year lock in period for their stake.
- Not only accommodating startups on the bourses, the securities regulator also eyes a complete overhaul of the public issue rules that govern how companies raise capital from the market.

<https://www.tbsnews.net/economy/stocks/startups-go-public-soon-bsec-modernising-ipo-rules>

Large-cap stocks drive DSEX rebound after two days' decline

The Business Standard, June 01, 2024

- The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rebounded on Thursday after two consecutive days of decline, as cautious investors renewed their interest in lucrative stocks.
- It jumped 23 points to reach 5252 on the last trading session of the week. During the previous two sessions, DSEX lost a total of 82 points.
- The blue-chip index DS30 rose by 5 points to 1,875, helping to mitigate a sharp decline in the overall DSE indices. The Shariah-based index, DSES, also rose by 5 points, reaching 1,144.
- A few large-cap stocks contributed 16 points, while shares of some banks declined in the session. Turnover on the DSE increased by 22% during the session, reaching Tk 374 crore compared to the previous session.
- The latest decline has been attributed to investors' losing confidence due to a prolonged bearish trend prevailing on the country's premier bourse.
- A selling spree among investors in anticipation of a potential 15% income tax on capital gains for FY25 intensified the recent decline. The capital gains from the stock market are currently tax-free.
- In its daily market commentary, EBL Securities said the DSEX managed to stay positive on Thursday, as opportunistic investors sought bargain-hunting opportunities in specific sectors.
- "However, overall market participation remained stagnant as cautious investors stayed observant of the market's trend amid uncertainties leading up to the national budget declaration," it added.
- Meanwhile, the DSE has requested the National Board of Revenue (NBR) not to impose such taxes in the upcoming budget, citing that the market is in a critical condition thanks to a global economic crisis intensified by the Russia-Ukraine War.
- Among the traded scrips on the DSE, 213 advanced, 126 declined, and 50 remained unchanged. Rupali Life Insurance Company, Orion Pharma, Orion Infusion, and Asiatic Laboratories Limited were the most traded shares.

<https://www.tbsnews.net/economy/stocks/large-cap-stocks-drive-dsex-rebound-after-two-days-decline>

Economy & Industry

BB hopeful of inflation easing in months

The Financial Express, May 31, 2024

- The Bangladesh Bank has expressed cautious optimism that its own policy initiatives coupled with that of the government would help ease inflation in the coming months.
- It says there was a slight drop in the contribution of import-concentrated items in March 2024, cooled by price drops of commodities on the international market.
- The Bangladesh Bank has found such picture in an analysis of inflation data for the first quarter (January-March) of this calendar year (2024), revealed Thursday.
- The central bank has blamed higher global commodity prices as a key reason for the inexorable inflation in Bangladesh, touching double-digit highs.
- "When the local currency becomes weaker, the imported goods become costlier that leads to a rise in the rate of inflation," the analysis report says.
- It notes that the food inflation during the January-March quarter was mostly driven by the protein-based food items, spices and other culinary essentials.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-hopeful-of-inflation-easing-in-months>

International

Global stocks rise as US inflation gauge steadies

The New Age, May 31, 2024

- US and European stock markets mostly rose Friday as investors digested fresh inflation data that could set the tone for interest-rate moves by central banks.
- Wall Street's three main indices opened higher after the US Federal Reserve's preferred metric for inflation remained unchanged in April, though the tech-heavy Nasdaq fell almost half an hour later.
- The yield for two-year and five-year US Treasury bills, a proxy for interest rates, were lower on expectations that the Fed could lower borrowing costs later this year.
- 'Most of the market seems to be finding some comfort in the recognition that rates headed lower' after the release of the US personal consumption expenditures (PCE) index, said Briefing.com market analyst Patrick O'Hare.
- The PCE index rose at an annual rate of 2.7 per cent in April, the same as the previous month and in line with analyst forecasts.
- 'The key takeaway from the report is that the year-over-year PCE inflation rates did not worsen,' O'Hare said.
- 'However, they did not improve either, so it seems unlikely that the Fed would find any new confidence in this report that inflation is moving sustainably toward its two-per cent.'
- Fed officials 'will need to see a sustainable trend toward lower inflation to feel confident enough to lower rates without seeing a snapback in inflation,' said Bret Kenwell, a US investment analyst at eToro.
- 'We're not there yet, but the inflation reports in the month of May were a constructive first step,' he said.

<https://www.newagebd.net/post/stocks/global-stocks-rise-as-us-inflation-gauge-steadies>

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