



May 14, 2018: DSE & Chinese consortium inked deal

Information disclosure system: Developed but yet to be run

Financial data exchange platform: Insignificant progress

Matching engine and surveillance software: DSE hopes to begin run in 2022

Daily Business News

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BUSINESS NEWS ANALYSIS REPORT

Capital Market News

3yrs Into Chinese Partnership: DSE yet to see notable tech advancement

Nearly three years have passed since welcoming a Chinese consortium as a strategic partner, but the Dhaka bourse is yet to secure any significant technology transfer from the Shenzhen and Shanghai stock exchanges. The deal, which the country's premier bourse inked on May 14, 2018, selling 25 per cent stakes, bore promises of many technological upgradations to transform the Dhaka Stock Exchange (DSE) into a leading bourse in the region.

The partnership offered to bring about an electronic platform disclosing listed companies' corporate information, simple

analytics tools, an interactive question-answer system, and an online complaint portal. The consortium had also agreed to provide a trade-matching engine, surveillance software and extensible business reporting language. But none of the technological enhancements saw the light of day due to the Dhaka bourse's manpower shortages, the use of Mandarin language in the technologies, and the modus operandi being different in Bangladesh.

Some of the Chinese consortium's proposals bore prospects of bringing truly revolutionary changes for Bangladesh's capital market, such as automated management of the DSE and information disclosure processes, he said. So, the bourse needs to speed up the adoption process, he said, adding that one year was lost for the pandemic. The management

needs to act fast to bring about the applicable technologies.

The consortium provided two solutions to the DSE: an information disclosure system and a financial data exchange platform. The DSE has already developed some features of the information disclosure system, which is set to be commissioned, said DSE Chief Technology Officer Md Ziaul Karim.

Initially, 30 companies were incorporated into the system. The DSE requested the consortium to modify the financial data exchange platform, reasoning that its features were not applicable for Bangladesh. The modification requests intended to allow stock investors to transfer funds to brokerage houses quickly.

The consortium bought 45 crore, or 25 per cent of the DSE's shares at Tk 22 each, for which the brokers

got around Tk 947 crore. The BSEC should ask the bourse to get a hold of suitable technologies from them, Islam added. The DSE launched a new CNI-DSE Select Index in 2019 to attract foreign portfolio investments. It was jointly designed and developed by Shenzhen Securities Information Company and the DSE as a part of the technological collaboration plans. The new index has been on display at the Shenzhen Stock Exchange to help foreign investors become more informed about Bangladesh's stock market.

<https://www.thedailystar.net/business/news/dse-yet-see-notable-tech-advancement-2050145>

DSEX sinks to two-month low

Stocks extended the losing streak on Tuesday, with the core index of the Dhaka Stock Exchange (DSE) dipped to two-month low, as investors stayed cautious amid prolonged bearish trend. DSEX, the prime index of the DSE, went down further by 67.49 points or 1.25 per cent to settle at 5,317, which is the two months lowest level since December 24, last year. DSEX lost more than 226 points in the past five consecutive sessions.

Two other indices also ended lower. The DSE 30 Index comprising blue chips, lost 39.83 points to finish at 2,017 and the DSE Shariah Index (DSES) dropped 15.31 points to close at 1,206. Turnover, a crucial indicator of the market, stood at Tk 5.91 billion on the country's premier bourse, soaring by 26 per cent over the previous day's seven-month lowest turnover of Tk 4.67 billion.

Market analysts said the shaky investors continued their sell-offs in major stocks as a lack of positive

triggers prevented investors from making fresh investment. The market remained under pressure in the past few weeks along with sluggish turnover as investors stayed cautious amid ongoing dividend declaration by December-end companies, said a merchant banker. He noted that pressure on margin loans adjustment to regulatory allowable limit, Bangladesh Bank's circular regarding dividend limit of banks coupled with price fall of large-cap stocks continued to put a negative impact on the market.

Business conglomerate Beximco Group companies continued to face selling pressure as Beximco lost 7.82 per cent, heavyweight drug maker Beximco Pharma 4.48 per cent and Shinepukur Ceramic lost 5.24 per cent. All three featured in the day's top losers list.

eGeneration shares were frozen at 50 per cent—the upper limit circuit breaker within a few minutes of transaction-- on its first trading day on Tuesday. Its share closed at Tk 15, the highest allowable limit on the first day of trading, from its issue price of Tk 10 each, the DSE data shows.

Only two trades were executed at the DSE with a total of 201 shares were changed hands at the halted price as its IPO shares winners were unwilling to sell their stakes hoping for higher profit in future. Robi, which saw massive selling pressure in the past few days, rebounded in gaining streak with 3.80 per cent gain. Of the 339 issues traded, 156 declined, 66 advanced and 117 remained unchanged on the DSE trading floor.

Beximco continued to dominate the turnover chart with shares

worth over Tk 1.84 billion changing hands followed by BATBC, Beximco Pharma, LankaBangla Finance and Robi. GBB Power was the day's best performer, posting a gain of 5.53 per cent while NCC Bank Mutual Fund-1 was the worst loser, losing 10 per cent following its price adjustment after record date.

A total number of 110,508 trades were executed in the day's trading session with a trading volume of 136.77 million shares and mutual fund units. The market-cap of DSE also fell to Tk 4,570 billion on Tuesday, down from Tk 4,600 billion in the previous day.

<https://thefinancialexpress.com.bd/stock/dsex-sinks-to-two-month-low-1614076981>

Taxpayers' money to be sought to restructure ICB

Foreign investors have evinced interest to invest in the country's large projects including power plants. Their interest came following the securities regulator's presentation recently made at its road show held in Dubai. The chairman of the Bangladesh Securities and Exchange Commission (BSEC) Prof. Shibli Rubayat Ul Islam on Monday said this at a press briefing held to put press the outcome of the BSEC's road show.

"Apart from the capital market, our presentation made at the road show upheld the country's whole economic position. Later the foreign investors showed interest about their long term investments in Bangladesh," Mr. Islam said. The securities regulator held a three-day long road show at Dubai during February 9-12. "The securities regulator will also seek

fund from the government to restructure the state-run Investment Corporation of Bangladesh (ICB)," BSEC chairman told the press briefing.

According to BSEC officials, the securities regulator conducted bilateral meetings in Dubai with different foreign portfolio investors and investment banks such as Masreq Bank, Credit Suisse, Sinatra Holding, Baker Tilly JFC, and Industrial Packaging.

The securities regulator also held meeting with the City of London Investment Management, Kingsway Capital, Blackrock, Emirates NBD Capital, Asma Capital (Bahrain), Franklin Templeton, White & Case, National Bank of Fujairah, and Global SPAC Partners.

<https://thefinancialexpress.com.bd/stock/taxpayers-money-to-be-sought-to-restructure-icb-1614048005>

Industry News

BB eases credit rating for fresh bank loan issuance

The Bangladesh Bank on Tuesday eased the credit rating system so that borrowers, who have suffered economic shocks amid the coronavirus outbreak, can have easy access to bank finance to revive their businesses.

To this end, the central bank on the day amended its Internal Credit Risk Rating System, a mandatory rating system for the banks in issuing credit to their customers. Under the latest BB circular, the banks were allowed to consider the

audited finance statements of either 2019 or 2020 in determining the credit risk rating for the year 2021. The central bank said that the change was made with a view to keeping the impact of the coronavirus outbreak within tolerable levels for the banks' customers.

The BB also eased the rating system by lowering the aggregated score requirement of each of the four notches of the system that was prepared based on quantitative and qualitative parameters.

Under the amended ICRR system, if the score of a bank borrower is equal to or greater than 75, he or she is rated as excellent. To avail the 'excellent rating', achieving a score of equal to or greater than 80 was a must.

To avail the 'good rating' under the revised ICRR, achieving a score between 65 and 75 would be a must while the requirement range was set between 70 and 80 earlier to avail the same rating. To achieve a 'marginal rating', a score ranging between 55 and 65 would be a requirement under the amended ICRR system. However, to avail the same rating, the required score range had been set between 60 and 70. Under the amended ICRR, a rating score below 55 was set as unacceptable while the score was set at 60 before the amendment.

An official of the central bank said that the fundamental strength of many companies had deteriorated following the outbreak of coronavirus, prompting the central bank to relax the rating system. The central bank circular said that in deriving ICRR, whatever score a borrower gets in the qualitative part, if the score in the quantitative part is less than 45 per cent, the

borrower's ICRR will be unacceptable.

<https://www.newagebd.net/article/130973/bb-eases-credit-rating-for-fresh-bank-loan-issuance>

BSEC drafts rules on stocks stabilisation fund

The Bangladesh Securities and Exchange Commission has formulated draft rules on the formation and execution of capital market stabilisation fund. According to the draft rules published for public opinions, the main objective and purpose of the fund are to stabilise the capital market ensuring liquidity to the market by way of selling and buying of listed securities, lending and borrowing of listed securities for short selling purpose and settlement of investors' claims. A board of governor of 11 members would ensure the purpose.

The fund must be operated by maintaining bank account with any scheduled bank and beneficiary owners account in the name of the Capital Market Stabilisation Fund. Any amount of cash or stock dividend remained as unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the Capital Market Stabilisation Fund of the BSEC, the rules said.

Any cash in the clients' ledger under consolidated customer account and any securities left in the BO account remaining unclaimed for more than three years must also be transferred by the stockbroker and portfolio managers to the fund.

The fund may receive any grant or loan from the government or any

other organisation for the stabilisation as well as development of the capital market, it said. Any delay in transferring of such unclaimed dividends by the issuer, stockbroker or portfolio manager must be subject to charge default interest at the rate of 2 per cent per month on the amount of the unclaimed dividend.

The fund could make income from buying and selling of securities and from any investments, from securities lending and borrowing activities and other credit facilities, from interest income on bank deposits, and fees and fine received.

If any shareholder or unit holder claims his/her dividends, within 15 days of receiving such claim, the issuer must recommend with detailed information to the chief of operation of the fund paying off such dividend from the fund, and the CO must address the claims within 15 days of such recommendation.

<https://www.newagebd.net/article/130972/bsec-drafts-rules-on-stocks-stabilisation-fund>

Company News

eGeneration makes flying debut on bourses

Information and technology-based company eGeneration Limited made its debut trading on Tuesday, with a 50% surge in its share price on both stock exchanges. Early morning before the stock's debut, the bell-ringing ceremony of eGeneration took place at the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) offices in the capital. During the trading period, its share price rose to Tk15 from Tk10 each. As per the securities rule, a newly-listed company's share price cannot rise more than 50% on the first day.

Investors showed great interest in the company's shares on the first day of trading. Buyers offered to buy above 1.5 crore shares of the company at Tk15 each but only 201 shares were traded on the first day at the DSE, because there were very few sellers in the market as most initial public offering (IPO) winners were reluctant to give up their shares at this price.

Most investors did not want to sell the company's shares because they expected the price of the shares to go further up. eGeneration has raised Tk15 crore by issuing 1.5 crore shares through IPO. The company is due to use the funds to purchase business floor space, repay loans and develop digital healthcare platforms.

As of 30 June, 2019, the company's net profit was Tk10.90 crore, slightly up from Tk10.49 crore in the previous year. During that period, its gross profit was Tk15.68 crore, which was Tk14.41 crore a year ago. At the same time, its earnings per share stood at Tk1.82 and the net asset value per share was Tk20.56.

<https://tbsnews.net/economy/stock/egeneration-makes-flying-debut-bourses-206410>

Price Sensitive News

Trading Code: EXCH

News Title: DSENEWS: Revised cut-off dates for Baraka Patenga Power Limited

News: DSENEWS: Revised cut-off dates for maintaining minimum required investment for the Bidding of Baraka Patenga Power Limited through Book Building Method: This is for information for all the respective EIs that the cut-off dates to consider for maintaining a minimum required matured investment would be February 07, 2021 as well as February 11, 2021 for the bidding of Baraka Patenga Power Limited through Book Building Method.

Post Date: 2021-02-24

Trading Code: EXCH

News Title: DSENEWS: NEWS for Stock Brokers of DSE and Merchant Bankers

News: (Continuation of DSENEWS): from NRB and foreign applicants along with original bank certificate(s) mentioning the FC account number which has been debited to issue the FDD and a copy of the list containing information of FDDs at Stock Exchange Building (Ground Floor), 9/F, Motijheel C/A, Dhaka or DSE Tower (Ground Floor), Plot # 46, Road # 21, Nikunja-2, Dhaka from 10:00

AM to 04:00 PM of February 22, 23 & 24, 2021. Please be informed that no data will be received after aforementioned date and time.
(end)

Post Date: 2021-02-24

Trading Code: EXCH

News Title: DSENEWS: NEWS for Stock Brokers of DSE and Merchant Bankers

News: DSENEWS:NEWS for Stock Brokers of DSE and Merchant Bankers: All the respective Stock Brokers of DSE and Merchant Bankers are requested to send IPO application data along with list of Bank drafts (FDDs) submitted by NRB and foreign applicants of Desh General Insurance Company Limited in electronic format through IPO Data Transmission Software in the following link:<http://dsebd.org/IPO-Data-Transmission-Software.php> and also send original bank certificates as well as all the bank drafts (FDD) received(Cont.)

Post Date: 2021-02-24

Trading Code: LIBRAINFU

News Title: LIBRAINFU: Board Meeting schedule under LR 19(1)

News: As per Regulation 19(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on March 07, 2021 at 4:00 PM to consider, among others, audited financial statements of the Company for the year ended on June 30, 2019.

Post Date: 2021-02-24

Trading Code: FIRSTFIN

News Title: FIRSTFIN: Permission to hold AGM

News: The Company has informed that they received an order from Hon'ble High Court Division in Company Matter No. 236/2020 in relation to holding of Annual General Meeting of the Company for the year ended on 31st December, 2018 and subsequent years within twelve weeks from February 23, 2021.

Post Date: 2021-02-24

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Business News

UFCML Research Team

Contact:

Rishad Reza Nur

Analyst

Mob: 01715551555

Email: rishad_reza@outlook.com

UTTARA FINANCE CAPITAL MANAGEMENT LIMITED

Jibon Bima Tower (6 th Floor),

10 Dilkusha C/A,

Dhaka-1000, Bangladesh.