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Stock Market & Company

Stocks perform mixed, major indices finish flat

The Financial Express, May 31, 2022

- Stocks on Tuesday performed mixed with major indices finishing flat. DSEX, the prime index of the DSE, went up by 4.20 points or 0.06 per cent to settle at 6,392.86. The DSE Shariah Index (DSES) also gained 2.04 points to finish at 1,403.53. But the DSE 30 Index, comprising blue chips, closed the day 0.55 points down at 2,350.25, reports BSS.
- Turnover, a crucial indicator of the market, decreased to Taka 6378.77 million on the country's premier bourse which was Taka 8364.02 million in the previous session of the week. Gainers took a modest lead over the losers, as out of 376 issues traded, 138 closed green, 195 in the red and 43 remained unchanged on the DSE trading floor.
- Beximco topped the turnover chart, followed by Orion Pharma, Fuwang Food, GSP Finance and Beximco Pharma. Sonar Bangla Insurance was the day's best performer, posting a gain of 8.86 per cent while Provati Insurance was the worst loser, losing 5.84 per cent.
- The Chittagong Stock Exchange (CSE) also ended sharply lower with the CSE All Share Price Index - CASPI-losing 35.28 points to settle at 18,667.51 and the Selective Categories Index - CSCX shedding 20.76 points to close at 11,196.25. The port city's bourse traded 68.91 lakh shares and mutual fund units with a turnover value worth about Tk 175.7 million.

<https://thefinancialexpress.com.bd/stock/stocks-perform-mixed-major-indices-finish-flat-1653998098>

Square Pharma gets go-ahead to start manufacturing in Kenyan factory

The Daily Star, May 31, 2022

- Square Pharmaceuticals Kenya EPZ Ltd, a subsidiary of Square Pharmaceuticals, has recently received go-ahead to start commercial manufacturing in its Kenyan factory. The company will manufacture and sell generic pharmaceutical medicine in Kenya and East African Community (EAC).

- Square Pharmaceuticals Kenya got the certificate of good manufacturing practice and commercial manufacturing licence on May 26 from the Pharmacy & Poison Board of Kenya, the drug regulatory authority of the east African country. It is a big achievement for Bangladesh as Square Pharma is going to manufacture drugs in a foreign country, Muhammad Zahangir Alam, chief financial officer of the company told The Daily Star.
- The project's construction began in 2019 and the civil construction work was done by September 2021. The trial operation started in December 2021, according to the company's annual report for 2020-21 fiscal year.
- Nearly 80 per cent of the total market demand is met by importing pharmaceutical products, according to the annual report of Square Pharmaceuticals for 2020-21. The Kenyan project is financed by a 40:60 debt to equity ratio.

<https://www.thedailystar.net/business/news/square-pharma-gets-go-ahead-start-manufacturing-kenyan-factory-3036186>

Berger Paints declares highest dividend in five years

The Business Standard, May 31, 2022

- Berger Paints Bangladesh, the country's leading coating producer, recommended a 100% cash dividend for the financial year that ended on 31 March 2022.
- According to the company's filing on the Dhaka Stock Exchange (DSE) website on Tuesday, Berger Paints had paid an interim 300% cash dividend for the 2021-22 financial year. Hence, the total cash dividend payout will be 400% - the highest in five years.
- Back in the 2016-17 financial year, the company paid a total of 600% cash dividend. But the company's dividend announcement did not seem to affect the cautious investors who showed concerns about the central bank's recent move of increasing the repo rate by 25 basis points. On Tuesday, Berger's DSE share price fell 1.12% to Tk1,727 each.
- To determine the eligible shareholders for the dividend, the company has set the record date on 26 June, and the final approval of the dividend will be secured at an annual general meeting (AGM) dated 24 August.

<https://www.tbsnews.net/economy/stocks/berger-paints-declares-highest-dividend-five-years-430562>

Rahima Food's cashew nuts unit starts operation

The Business Standard, May 31, 2022

- Rahima Food Corporation started the operation of its plant for processing and packaging cashew nuts after the successful completion of the unit's trial run. In February this year, the company decided to set up this new plant to produce and market cashew nuts in both local and foreign markets.
- Rahima Food had been out of production since 2013 because of a drop in demand for its products. Then after a big gap, it started the commercial production of coconut oil, soybean oil, and mustard oil.
- But on 19 July 2018, the Dhaka Stock Exchange (DSE) delisted its share trading because the company was not in operation for a long time. Then in 2020, it got relisted on the stock exchanges. As of 30 April 2022, sponsors and directors jointly held 37.38%, institutions 13.19%, foreign investors 4.99%, and the general public 44.44% shares in the company.

<https://www.tbsnews.net/economy/stocks/rahima-foods-cashew-nuts-unit-starts-operation-430558>

Islami Bank calls for auction of Amzad's assets

The Business Standard, May 31, 2022

- Islami Bank has put assets of Rupsha Fish on auction to retrieve Tk78 crore in loan plus interest. SM Amzad Hossain took the loan from the bank in the name of Rupsha Fish and Allied Industries Limited. Last week, the bank called for an auction to recover the money.
- Amzad is now the chairman of Khulna Printing and Packaging. He was also the chairman of South Bangla Agriculture and Commerce Bank, a company listed on the share market. Amzad Hossain, who fled to the United States, is accused of embezzling money from the bank.



- In October last year, Khulna Printing decided to shut down its factory, following the freezing of the bank accounts of the company's chairman and managing director as per a court order. On 21 October last year, the court ordered the freezing of all bank accounts of SM Amjad Hossain and all his companies in a money laundering case filed by the Anti-Corruption Commission (ACC).
- Amjad Hossain has reportedly taken out loans on a false identity. Earlier, in March last year, Bangladesh Financial Intelligence Unit (BFIU) directed banks to freeze accounts of SM Amjad Hossain, his wife Sufia Amjad and daughter Tazri Amjad.
- Against such a backdrop, the listed company will not run its business for an uncertain period. But its board has decided to continue the legal battle, said in a statement filed on the Dhaka Stock Exchange (DSE) website. That is why the company could not earn revenue in October-March of FY22.

<https://www.tbsnews.net/economy/stocks/islami-bank-calls-auction-amzads-assets-430570>

DSE to launch exchange-traded fund by September

The Business Standard, May 31, 2022

- As part of its product diversification, the Dhaka Stock Exchange (DSE) has planned to launch an exchange-traded fund (ETF) by September this year. LankaBangla Asset Management, Shanta Asset Management, and Green Delta Dragon Asset Management have recently shown their interest in becoming a sponsor of an ETF, and already submitted proposals to this end.
- The DSE will also launch an alternative trading board (ATB) with some companies in unlisted securities, mutual funds and over the counter market, said Tarique Amin Bhuiyan, managing director of the country's premier bourse, at a press conference on Tuesday.
- Currently, alongside equities, bonds, Sukuk and mutual funds are traded at the country's capital market. Typically, ETFs will track a particular index, commodity or other assets, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way a regular stock is traded.

<https://www.tbsnews.net/economy/stocks/dse-launch-exchange-traded-fund-september-430574>

BBS Cables to supply materials for Bangabandhu tunnel

The Business Standard, May 31, 2022

- BBS Cables – the second-largest cable manufacturer in the country – will supply cables for the Bangabandhu Sheikh Mujibur Rahman Tunnel under the Karnaphuli River in Chattogram. To this end, the company has signed an agreement with China Communications Construction Company Ltd – the foreign firm constructing the country's first underwater expressway tunnel.
- BBS Cables will supply cables amounting to Tk47.25 crore. The materials will be delivered within ninety days from the date of signing. Up to 40% of the revenue of BBS Cables comes from the sale of products to government companies and the rest to corporations and retailers.
- In the January-March quarter of 2022, its revenue fell 12% to Tk114 crore, and net profit 37% to Tk13 crore compared to the same period of the previous fiscal year. Despite the fall in revenue, its sales and distribution expenses surged 75% to Tk7.73 crore, up from Tk4.41 crore in the January-March quarter of 2021.

<https://www.tbsnews.net/economy/bbs-cables-supply-materials-bangabandhu-tunnel-430582>

Economy & Industry

US dollar crunch: Many banks fail to follow BB exchange rates

The Daily Star, June 01, 2022

- Amid a US dollar crunch in the domestic market, many banks failed to comply with the exchange rates set by Bangladesh Bank a couple of days ago. Though the BB injected \$123 million into the market yesterday, most of the banks were unable to settle import bills at Tk 89.15 per dollar fixed by it on Sunday, say officials of several banks.

- The central bank has so far supplied a record \$5.95 billion to the foreign exchange market this fiscal year to cool it off. The Daily Star yesterday contacted seven banks to know whether they followed the BB-set exchange rates. Of them, five said they had no choice but to sell each dollar to importers for Tk 91-94.
- The BB on Sunday also asked banks to offer exporters a maximum of Tk 88.15 for each dollar while purchasing export bills and Tk 89.20 for foreign exchange houses that channel remittances to Bangladesh from abroad. The central bank fixed the interbank rate -- the benchmark exchange rate of the taka against the dollar -- at Tk 89.

<https://www.thedailystar.net/news/bangladesh/news/us-dollar-crunch-many-banks-failing-follow-bb-rates-3036321>

45 CAs signed financial reports without proper auditing

The Newage, May 30, 2022

- The Financial Reporting Council has suspected that about 45 chartered accountants of 42 CA firms signed several thousand financial statements of different companies without auditing the reports properly, audited a huge number of financial statements in a single year and violated auditing norms and regulations.
- The accounting regulator revealed the anomalies after assessing companies' financial statements signed by the CA firms in the last 10 months. The FRC found that audit firms submitted hundreds of financial statements without auditing, which violated the Company Law 1995 and the Financial Reporting Act, 2015.
- One hundred and fifty-four CA firms are practicing actively under the supervision of ICAB. As of July 1, 2021, ICAB had 1,746 members and out of them, 384 were practicing as public accountants.
- After finding the irregularities, the FRC forwarded its findings to the Institute of Chartered Accountants of Bangladesh and asked it to investigate the financial statements audited by the 45 auditors and take punitive actions if any wrongdoing is found.
- The FRC also asked ICAB to submit all investigation reports to it. However, the FRC in a letter on May 12 expressed its dissatisfaction over ICAB saying that ICAB did not send any of the 45 investigation reports despite writing repeatedly with mentioning various irregularities about the auditors and the ICAB delay impeded FRC's regular activities.

<https://www.newagebd.net/article/172045/45-cas-signed-financial-reports-without-proper-auditing>

International

India's March quarter GDP growth at one-year low

The Daily Star, June 01, 2022

- India's economic growth slowed to the lowest in a year in the first three months of 2022, hit by weakening consumer demand amid soaring prices that could make the central bank's task of taming inflation without harming growth more difficult.
- Gross domestic product grew 4.1 per cent year-on-year in January-March, government data released on Tuesday showed, in line with a 4 per cent forecast by economists in a Reuters poll, and below 5.4 per cent growth in Oct-December and growth of 8.4 per cent in July-Sept.
- The economy's near-term prospects have darkened due to a spike in retail inflation, which hit an eight-year high of 7.8 per cent in April. The surge in energy and commodity prices caused partly by the Ukraine crisis is also squeezing economic activity.
- "Inflation pressures will remain elevated," V. Anantha Nageswaran, chief economic adviser at the finance ministry, said after the data release, adding that the risk of stagflation - combining slow growth and high inflation - was low in India.
- Rising energy and food prices have hammered consumer spending, the economy's main driver, which slowed to 1.8 per cent in the Jan-March period from a year earlier, against an upwardly revised growth figure of 7.4 per cent in the previous quarter, Tuesday's data showed.

<https://www.thedailystar.net/business/news/indias-march-quarter-gdp-growth-one-year-low-prices-hit-consumers-3036226>

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