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Stock Market & Company

Dhaka stocks plunge again

The Newage, March 02, 2022

- Dhaka stocks fell sharply again on Wednesday after a two-day gain as investors went for selling shares heavily amid the Russia-Ukraine conflict. DSEX, the key index of the Dhaka Stock Exchange, dropped by 0.79 per cent, or 53.95 points, to close at 6,699.83 points on Wednesday after gaining 77.64 points in the previous two sessions.
- Average share prices of all the sectors except life insurance dropped on Wednesday. Share prices of non-bank financial institution, telecommunication, engineering and bank sectors declined by 1.4 per cent, 1.3 per cent, 1.28 per cent and 0.9 per cent respectively.
- The daily average turnover on the DSE dropped to Tk 656.06 crore on Wednesday compared with that of Tk 798.91 crore in the previous session. Wednesday's turnover was the lowest after December 21, 2021 when it was at Tk 652.01 crore.
- The DS30 index comprising of 30 large capitalised companies decreased by 19.45 points to finish at 2,470.5 points and the DSE Shariah index shed 10.30 points to close at 1,443.42 points. BEXIMCO topped the turnover chart with its shares worth Tk 110.26 crore changing hands.
- Bangladesh Shipping Corporation, British American Tobacco, Yeakin Polymer, SAIF Powertec, Orion Pharma, Dragon Sweater, Fortune Shoes, BRAC Bank and Fareast Life Insurance were the other turnover leaders.
- Sun Life Insurance Company Limited was the day's best performer, posting a gain of 9.97 per cent, while NCCBL Mutual Fund-1 Limited was the worst loser, shedding 10 per cent.

<https://www.newagebd.net/article/164248/dhaka-stocks-plunge-again>

Life insurers dominate chart of top 10 gainers

The Financial Express, March 03, 2022

- Most of the listed life insurers saw price appreciation on Wednesday and dominated the chart of top 10 gainers. Of top 10 gainers of Dhaka Stock Exchange (DSE), eight were life insurance companies whose share prices advanced ranging between 2.16 per cent and 9.97 per cent.

- Market operators said investors' expectation on the recommendation of upcoming dividend for the year ended on December 31, 2021, maybe a reason behind the price appreciation of insurers.
- Following the price appreciation, life insurance sector advanced 0.1 per cent while the remaining sectors of listed securities declined ranging 0.3 per cent to 1.9 per cent. Sunlife Insurance Company saw the highest price appreciation of 9.97 per cent or Tk 3.7 and closed at Tk 40.80 each. The company posted a turnover of Tk 34.73 million on the main bourse DSE.
- The share price of Takaful Insurance advanced 9.93 per cent or Tk 7.10 and closed at Tk 78.60 each and the company posted a turnover of Tk 43.67 on Wednesday. The share price of Prime Life Insurance Company closed at Tk 71.10 each with a rise of 5.65 per cent or Tk 3.8 and the company featured a turnover of Tk 17.48 million.
- The remaining two companies which were in the chart of top 10 gainers were Yeakin Polymer and Evince Textile and their share prices advanced 9.82 per cent and 4.62 per cent respectively.

<https://thefinancialexpress.com.bd/stock/life-insurers-dominate-chart-of-top-10-gainers-1646280808>

Investors cautiously optimistic about 2022 market: Lanka Bangla Survey

The Business Standard, March 02, 2022

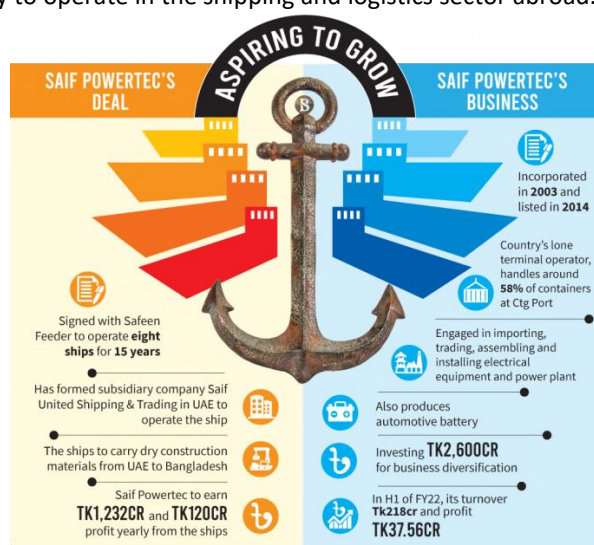
- Investors are found to be cautious about many economic and market factors in 2022, but their optimism did not let off, revealed the Bangladesh Capital Market Sentiment Survey 2022 by Lanka Bangla Securities, the top brokerage firm in the country.
- The majority of respondents anticipate the Dhaka Stock Exchange's broad-based benchmark DSEX will close above the 7,000 mark at the end of this year.
- They came up with the anticipation despite their perception of increased risks of less money flow on the country's bourses, further policy interventions by different regulators, weakened investor confidence, the weak regulatory framework, and risk of poor corporate earnings growth.
- Only a minority of 10.3% of respondents are bearish about the stock market.
- The bulls are counting on stable economic growth amid the ongoing low-interest-rate policies of the government and the Bangladesh Bank, while many believe effective new regulations, improved corporate earnings, and some good initial public offerings (IPO) can be strong catalysts for the market. A hundred individuals from the investment industry and academia participated in the detailed sentiment survey which the Lanka Bangla Securities research team conducted for the tenth consecutive year.

<https://www.tbsnews.net/economy/stocks/investors-cautiously-optimistic-about-2022-market-lankabangla-survey-379003>

Saif Powertec becomes first local firm to operate ships from abroad

The Business Standard, March 02, 2022

- Saif Powertec Limited is set to become the first Bangladeshi company to operate in the shipping and logistics sector abroad. The company will operate eight vessels to transport imported goods from Fujairah Port of the United Arab Emirates (UAE) to Chattogram and Mongla ports, and other ports in South-East Asia and the Indian subcontinent.
- This arrangement will allow for easier and low cost shipment of goods from the UAE, company authorities said.
- On 28 February, Saif Powertec informed the Dhaka Stock Exchange (DSE) that it had signed an agreement with Safeen Feeder Company of the UAE in this regard.
- Safeen Feeder is a UAE-based container feeder services company launched in 2020 by AD Ports Group, with a focus on the container distribution network in the Arabian Gulf and Indian subcontinent.
- AD Ports Group, in a press release, said that under the terms of the agreement, Safeen Feeders and Saif Powertec will collaborate on cargo services from the UAE to Bangladesh over a period of 15 years.



- Each ship will have a capacity of 55,000 DWT. It, however, did not disclose the amount of investment made in the business. The vessels are each expected to bring in an income of Tk154 crore for Saif Powertec, registering a profit of Tk15.48 crore.

<https://www.tbsnews.net/economy/industry/saif-powertec-becomes-first-local-firm-operate-ships-abroad-378496>

Renata to buy land to expand Rajendrapur factory

The Daily Star, March 02, 2022

- Listed and leading pharmaceutical company Renata Ltd has decided to purchase 560 decimals of land along with a carton factory at Rajendrapur in Gazipur to expand its factory. It will cost Tk 51 crore, excluding registration and incidental cost, the company said today in a disclosure posted on the website of the Dhaka Stock Exchange (DSE).
- Last Monday, Renata announced that it is going to take over its two subsidiaries—Purnava Ltd and Renata Agro Industries—after securing approval from the High Court Division of the Supreme Court of Bangladesh. The pharma company also announced that it will hold an extraordinary general meeting to get approval from the shareholders about the amalgamation of its two subsidiary.

<https://www.thedailystar.net/business/news/renata-buy-land-expand-rajendrapur-factory-2974016>

First chief of operation joins CMSF

The Business Standard, March 02, 2022

- Md Monowar Hossain has joined as the first chief of operation (COO) of Capital Market Stabilization Fund (CMSF). Md Nojibur Rahman, chairman of CMSF has welcomed him at the office, read a press release.
- "Monowar brings with him a lot of relevant experiences which will facilitate our ongoing activities in particular and the fulfillment of CMSF mandates in general", Nojibur said. Earlier the securities regulator, Bangladesh Securities and Exchange Commission (BSEC), has approved his appointment.
- The CMSF was established by the BSEC (Capital Market Stabilization Fund) Rules, 2021 (CMSF Rule 2021) by BSEC in exercise of the powers conferred by section 33(1) of the Securities and Exchange Ordinance, 1969.

<https://www.tbsnews.net/economy/stocks/first-chief-operation-joins-cmsf-379021>

Economy & Industry

Default loans increase by Tk14,539cr in 2021

The Business Standard, March 02, 2022

- Defaulted loans have started to rise from the pandemic lows as banks began ending moratorium packages by classifying loans amid normalisation of the financial condition of borrowers. Default loans in the banking sector increased by Tk14,539 crore in the past year after loan moratoriums were partially lifted.
- Although resumption of business activities increased money flow last year, many borrowers were yet to meet payments, forcing banks to classify a number of loans causing a rise in defaults, industry insiders said. The banking sector experienced a 16.38% growth in default loans after many banks did not extend the moratorium facility in 2021.
- The payment deferral that the central bank offered for January to December in 2020 helped banks reduce default loans amounting to Tk5,600cr throughout the year. Default loans came down to Tk88,734cr in December 2020, which was 7.66% of total loans, the lowest in recent years.
- The payment deferral facility, however, was partially lifted from the beginning of last year causing a sharp rise in default loans, which crossed Tk1 lakh crore in September. At the end of the year, the total default loans stood at Tk1,03,273cr, 7.93% of total loans, according to the central bank data.

<https://www.tbsnews.net/economy/banking/default-loans-increase-tk14539-crore-2021-378835>

February exports hit another milestone

The Daily Star, March 02, 2022

- Earnings from merchandise shipments continued to soar in February, registering growth of 34.54 per cent year-on-year to reach \$4.29 billion on the back of increased garment exports. February's earnings were the highest in the same month of the past 10 years.
- The February receipts are also 18.80 per cent higher than the target of \$3.61 billion. In February last year, Bangladesh recorded merchandise shipments amounting to \$3.19 billion, according to data from the Export Promotion Bureau. In January this year, earnings from merchandise shipments stood at \$4.85 billion, the second-highest single-month receipts. In December, exporters raked in \$4.9 billion, an all-time high for single-month earnings.
- Meanwhile, the takings were \$4.16 billion in September, \$4.72 billion in October, and \$4.04 billion in November. Between July and February, the first eight months of the current fiscal year, receipts from merchandise shipments grew 30.86 per cent to \$33.84 billion.
- The July-February earnings are also 16.5 per cent higher than the target of \$29.05 billion. During the July-February period in fiscal 2020-21, the total earnings were \$25.86 billion. As usual, the garment sector contributed the highest in the period.

<https://www.thedailystar.net/business/economy/news/february-exports-hit-another-milestone-2974526>

International

Russia bans payments to foreign investors holding rouble bonds

The Financial Express, March 02, 2022

- Foreign investors are effectively stuck with their holdings of Russian stocks and rouble-denominated bonds after the central bank put a temporary halt on payments and major overseas' settlement systems stopped accepting Russian assets. Moscow is blocking foreign investors, who hold of Russian stocks and bonds worth tens of billions of dollars, from exiting after its invasion of Ukraine triggered a wave of economic sanctions and a haemorrhage of assets, reports Reuters.
- The Bank of Russia said on Wednesday it had banned coupon payments for foreign investors holding rouble-denominated sovereign debt, known as OFZs, and Russian companies were also barred from paying dividends to overseas shareholders. It did not specify how long the curbs, which don't apply to local investors, would last.
- "Issuers are eligible to take decisions on paying dividends and making payments on other securities," the central bank said in a statement. "But actual payments ... towards foreign clients will not be made. This applies to OFZs as well." Foreigners held around 3 trillion roubles (\$28 billion) worth of OFZs out of a total market of 15.5 trillion roubles, according to central bank data as of February 1.
- The National Settlement Depository (NSD), the Russian system for overseeing the sale of securities, said separately it was limiting payment options on Russian securities for foreign individuals and companies, as well as a right to transfer such assets, in line with a central bank request. The world's biggest settlement systems, Euroclear and Clearstream, are no longer accepting Russian assets, effectively shutting off an exit route for overseas investors.

<https://thefinancialexpress.com.bd/stock/russia-bans-payments-to-foreign-investors-holding-rouble-bonds-1646217821>

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