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Stock Market & Company

[Stocks down for third straight week](#)

The Business Standard, March 02, 2024

- Dhaka-Chattogram stocks, following a sharp reversal from their post floor low, fell for the third consecutive weeks till Thursday owing to profit booking amid fears of further selloff after floor price withdrawal from large cap stocks such as Grameenphone and British American Tobacco Bangladesh.
- More than 50% of the ten-day gains till 11 February, was wiped out during the sharp correction as DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell to 6,254 on Thursday from an intraday high of 6,473 on 12 February.
- The DSEX extended its losing streak for three consecutive weeks as cautious investors preferred to stay on the sidelines and remain watchful of the prevailing volatility in the market, said EBL Securities, a top tier brokerage firm, in its weekly market commentary.
- Investors' participation in the market inched up as average turnover increased by 4.1% to over Tk877 crore. Analysts said the market during a rising interest environment had a sharp upward reversal from the dent caused by the withdrawal of floor prices starting on 21 January.

<https://www.tbsnews.net/economy/stocks/stocks-down-third-straight-week>

[BAT Bangladesh stock floor to go Monday](#)

The Business Standard, March 02, 2024

- The floor price restriction for British American Tobacco (BAT) Bangladesh stock is set to be withdrawn on 4 March, as stated by the Bangladesh Securities and Exchange Commission (BSEC).
- In a directive issued on 6 February, the market regulator said the floor restriction for BAT Bangladesh shares would be removed the day after the record date, scheduled for 3 March.

- Currently, BAT Bangladesh shares have been stuck at the floor price of Tk518.70 each at the Dhaka bourse since September 2022. BAT is currently recognised as the second-largest company in terms of market capitalisation, representing 6.55% of the Dhaka Stock Exchange's total valuation. The tobacco company's current total market cap stands at Tk28,000 crore.
- Despite the similar profit, the company declared a dividend, representing only 30% of last year's total profit. This marks a significant decrease from the 200% cash dividend payout in 2022.
- While dividend data for BAT Bangladesh was not available before 2010, the company was known for announcing generous dividends over the years. As per the disclosure, it reported earnings per share of Tk33.11 in 2023, a marginal increase from Tk33.10 in the previous year.

<https://www.tbsnews.net/economy/stocks/bat-bangladesh-stock-floor-go-monday>

Cement makers Crown and Premier post stellar growth despite economic slowdown

The Business Standard, March 02, 2024

- Despite challenges, including inflation, foreign currency shortage, interest rate hikes, and utility availability constraints, faced by the country's cement industry, two manufacturers — Crown Cement and Premier Cement — performed remarkably well in October-December of the fiscal year 2023-24.
- Seven companies are listed on the stock market under the cement sector, and among them, six have published their financial statements. Heidelberg Cement is the only company yet to publish its financial statement.
- Among the six companies, only Crown Cement and Premier Cement showed growth in both revenue and profit in the second quarter of FY24.
- Crown Cement reported the highest revenue among its peers, achieving a remarkable 14% growth and reaching Tk815 crore in the last three months of 2023. Additionally, its net profit saw a significant increase, jumping by 121% to reach Tk36 crore compared to the same quarter of the previous year.
- In the quarter, its revenue surged by 29% to reach Tk662 crore riding on a 23% growth in the volume of sales to 8.20 lakh tonnes, as per the company's financial statement.

<https://www.tbsnews.net/economy/stocks/cement-makers-crown-and-premier-post-stellar-growth-despite-economic-slowdown>

Shareholders approve Tanvir as Envoy Textiles MD

The Business Standard, March 02, 2024

- Shareholders of Envoy Textiles Limited have approved the appointment of a managing director for the company at an Extraordinary General Meeting (EGM) held at the Gulshan Shooting Club today.
- Tanvir Ahmed secured a substantial 73% of the total votes for his appointment at the MD. However, the majority of shareholders expressed their opposition to the appointment of Shehrin Salam Oishee as deputy managing director.
- Chaired by the court-appointed Chairman Retired Justice Moyeenul Islam Chowdhury, the EGM aimed to fulfill the directives of the Appellate Division of the Supreme Court regarding the appointment of the managing director and deputy managing director of the textile miller.
- Meanwhile, Syed Md Nurul Amin, a shareholder of Envoy Textiles, filed a writ petition against the approval of the Ministry of Commerce regarding Tanvir Ahmed to hold the position of another 41 companies' managing director. After the hearing, the High Court stayed the commerce ministry approval for six months.

<https://www.tbsnews.net/economy/stocks/shareholders-approve-tanvir-envoy-textiles-md>

GP will have no floor from Sunday

The Financial Express, March 01, 2024

- The floor price of the country's largest stock Grameenphone will be removed on Sunday, according to a stock exchange filing.
- The market value of Grameenphone or GP is currently Tk 387 billion, more than 5 per cent of the total market capitalisation. GP has been stuck on the floor at Tk 286.6 per share since September 2022.
- That means Tk 286.6 per share is not the equilibrium price, said Mohammad A Hafiz, former president of the Merchant Bankers Association, adding that the stock is likely to fall on the bourses after the floor price removal but investors need not panic. With time, experts say, the stock may gain overcoming the investor inertia, as the company has performed well consistently since listing.
- GP's price-to-earnings ratio is 12, according to the DSE, which is far less than its peer Robi's 49. The P/E ratio means how much investors have paid for every Tk 1 income of the company. Though the price restriction will no longer be in place for GP from Sunday, upper limit and lower limit of the circuit breaker will be applicable.

<https://thefinancialexpress.com.bd/stock/bangladesh/central-pharmas-stock-soars-63pc-in-one-month>

Central Pharma's stock soars 63pc in one month

The Financial Express, March 01, 2024

- Central Pharmaceuticals Limited's stock price surged by over 63 per cent in just one month on the Dhaka Stock Exchange (DSE), despite a lack of apparent catalysts to justify investors' interest in the stock. The drug maker has incurred losses for the past four consecutive years, with accumulated losses reaching Tk 1.23 billion by the end of FY'23.
- The company even failed to pay any dividend after FY'19 when it disbursed only 1.0 per cent cash dividend for its shareholders.
- However, the stock price more than doubled in just three months (between November 30 and February 29) and closed at Tk 33.30 on Thursday, despite no disclosure of price-sensitive information.
- Central Pharma is also among 14 companies the DSE is inspecting, aiming to expose the real situation of their factories to the investors, as some are not in operation but have refrained from making any information public. The general investors keep chasing stocks as they fly on the bourses to make capital gains overnight, a tendency that manipulators cash in on by selling off overvalued stocks to general investors.

<https://thefinancialexpress.com.bd/stock/bangladesh/central-pharmas-stock-soars-63pc-in-one-month>

LafargeHolcim Bangladesh sees 34% growth in profit

The Financial Express, February 29, 2024

- Cement maker LafargeHolcim Bangladesh posted a 34% rise in net profit to Tk594 crore in 2023, riding on cost management and diversified products.
- LafargeHolcim's net profit crossed Tk500 crore mark for the first time in its history at a time when Bangladesh is in a crisis compounded by dollar shortages and mounting inflation.
- "The performance demonstrates the strength of our diverse product portfolio and strategic presence driven by innovative products, high-value solutions, digital footprint and new channels," he added.
- To approve the dividend and audited financial statement, the company will conduct annual general meeting on 14 May. The record date is 24 March. Till then the shareholders will be entitled for the dividend and will be allowed to attend the AGM. Its share price closed at Tk74.50 at the Dhaka Stock Exchange on Thursday.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-bangladesh-declares-historic-high-50-cash-dividend>

Economy & Industry

Cash reserve ratio for offshore banking units relaxed to boost foreign trade

The Business Standard, March 01, 2024

- The Bangladesh Bank has relaxed conditions for maintaining the cash reserve ratio (CRR) of offshore banking units to facilitate foreign trade.
- To further facilitate the offshore banking operations, the central bank yesterday said that banks now will not require to maintain any CRR with the Bangladesh Bank for offshore banking operations.
- The offshore banking units are now allowed to place funds to their domestic banking units without limiting the import payment of capital machinery, industrial raw materials, imports by the government, and other permissible payment obligations as per prevailing foreign exchange rules and regulations.
- "Moreover, the Bangladesh Bank has given the opportunity of unlimited fund transfer from offshore banking units to domestic banking units. Foreign dollars will enter the country's economy. This will benefit the economy," he said.
- According to the draft of the Offshore Banking Act, no income tax or any direct or indirect charges will be imposed on the interest or profit earned by the offshore banking business through the offshore banking units.

<https://www.tbsnews.net/economy/banking/cash-reserve-ratio-offshore-banking-units-relaxed-boost-foreign-trade>

International

European stocks mostly climb as eurozone inflation eases

The New Age, March 01, 2024

- Europe's stock markets mostly climbed Friday as investors digested news of a smaller-than-expected slowdown in eurozone inflation. The Euro-area annual inflation rate slowed to 2.6 per cent last month from 2.8 per cent in January on weaker food and drink price rises, official data showed before next week's rate decision from the European Central Bank.
- 'With inflation coming in above estimates, traders will be keeping a close eye out for any change in stance from the ECB at Thursday's monetary policy announcement,' noted Shore Markets analyst Joshua Mahony.
- 'This means that next week's ECB meeting and US labour market report will be crucial.' On Wall Street, the tech-linked Nasdaq set a new record, surpassing a 2021 high, boosted by optimism surrounding artificial intelligence (AI) technology.
- New York's two other major US indices also rose. Factory activity in China contracted for the fifth straight month in February, official figures showed Friday, as sluggish demand in the world's second-largest economy continues to drag on growth.
- The purchasing managers' index, a key barometer of factory output, was 49.1 per cent last month, indicating a contraction in activity.

<https://www.newagebd.net/article/226765/european-stocks-mostly-climb-as-eurozone-inflation-eases>

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