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Stock Market & Company

Dhaka stocks gain slightly but nervousness prevails

The Newage, April 03, 2022

- Dhaka stocks gained marginally on Sunday, the first day of Muslim fasting month Ramadan, as some investors turned their focus on some selective non-bank financial institutions and banks while many others remained cautious. DSEX, the key index of the Dhaka Stock Exchange, added 0.2 per cent, or 14.08 points, to close at 6,771.91 points on Sunday after gaining 4.07 points in the previous day.
- Trading period was truncated by 30 minutes to 4 hours (10am to 2:00pm) for the whole month of Ramadan. Out of the 379 issues traded on Sunday, 195 declined, 129 advanced and 55 remained unchanged on the DSE.
- Among the large capitalised companies, share prices of LankaBangla Finance, LafargeHolcim Bangladesh, Eastern Bank, IPDC Finance, BRAC Bank and Robi advanced on Sunday. Average share prices of non-bank financial institution, telecommunication and bank sectors advanced by 2.9 per cent, 0.5 per cent and 0.2 per cent respectively.
- The turnover on the DSE dropped to Tk 836.62 crore on Sunday compared with that of Tk 1,116.94 crore in the previous session. DS30 index comprising of 30 large capitalised companies increased by 13.96 points to finish at 2,487.97 points and the DSE Shariah index added 2.82 points to close at 1,470.93 points.
- IPDC Finance topped the turnover chart with its shares worth Tk 57.96 crore changing hands. Provati Insurance, BEXIMCO, Fortune Shoes, GSP Finance, Genex Infosys, LafargeHolcim Bangladesh, Nahee Aluminum Composit Panel, Yeakin Polymer and VFS Thread Dyeing were the other turnover leaders.
- JMI Hospital Requisite Manufacturing was the day's best performer, posting a gain of 10 per cent, while Linde Bangladesh was the worst loser, shedding 1.99 per cent.

<https://www.newagebd.net/article/167142/dhaka-stocks-gain-slightly-but-nervousness-prevails>

NLI First Mutual Fund converted into open-end

The Business Standard, April 03, 2022

- On completion of its 10-year tenure, NLI First Mutual Fund has received consent from the securities regulator for its conversion into the open-end form, as unitholders want to run the fund instead of liquidating it.
- VIPB Asset Management manages the fund, the Investment Corporation of Bangladesh (ICB) acts as its custodian and trustee while National Life Insurance becomes the sponsor. Earlier on 16 February, in an online meeting, investors representing 69.29% of the fund units took part in voting and 99.93% of their votes went in favour of conversion, according to a statement by the fund's asset manager.
- In this context, the Bangladesh Securities and Exchange Commission (BSEC) has recently approved the conversion of NLI First Mutual Fund, which completed its 10-year tenure on 6 February, from a closed-end into an open-end one.
- Open-ended funds cannot be listed and their units cannot be traded between investors. Unitholders instead buy units from the asset managers concerned or their authorised agents. Investors can also surrender the fund units to the asset manager and get refunds of their money based on the units' current net asset value.

<https://www.tbsnews.net/economy/stocks/nli-first-mutual-fund-converted-open-end-396518>

EBL recommends 12.5% cash, 12.5% stock dividends

The Business Standard, April 03, 2022

- Eastern Bank Ltd has recommended a 25% dividend – a 12.50% cash and 12.50% stock – for its shareholders for 2021, which is lower than the previous year. In a stock exchange filing on Sunday, the private sector lender said stock dividend has been recommended to strengthen its capital base to support projected business growth and also to improve certain regulatory ratios.
- The bank has also decided to increase its authorised capital from Tk1,200 crore to Tk2,500 crore. Earlier in 2020, it had paid a 35% dividend – 17.5% cash and 17.5% stock.
- EPS jumps 15%: According to the disclosure, the earnings per share (EPS) of the bank increased by 15% in 2021 compared to the previous year. The consolidated EPS rose to Tk5.03, a 14.84% increase from Tk4.38 in 2020.

<https://www.tbsnews.net/economy/stocks/ebel-recommends-125-cash-125-stock-dividends-396534>

BIFC to meet shareholders after four years

The Business Standard, April 03, 2022

- The Bangladesh Industrial Finance Company (BIFC) is going to face its shareholders in an annual general meeting (AGM) after four years. The joint venture leasing and financing company – in a stock exchange disclosure – said, as per a High Court order, it will hold the pending AGM for 2018 on 17 May 2022 on a digital platform.
- According to data from the Bangladesh Bank, BIFC is overwhelmed with default loans. As of June last year, it disbursed Tk814.04 crore as loans, of which Tk774.12 crore or more than 95% defaulted. Worse, Tk772 crore of the default loan is uncollectible as most of the borrower companies exist only on paper.
- According to sources in the central bank, several companies including Sunman Group owned by Major (retd) Abdul Mannan, a former chairman of BIFC, are among the big defaulters. In 2021, the central bank's inquiry committee questioned Major Mannan and his wife over allegations of irregularities.

<https://www.tbsnews.net/economy/stocks/bifc-meet-shareholders-after-four-years-396562>

BSEC to appoint a special auditor for Khulna Printing

The Business Standard, April 03, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has recently decided to appoint a special auditor to review the financial statement of Khulna Printing and Packaging Limited, a concern of the Lockpur Group, as it found anomalies in the company. The turnover of Khulna Printing sharply fell in fiscal 2020-21, but its costs increased suspiciously. Moreover, its financial statement did not represent the truth, observed the stock market regulator.

- The packaging material producer had a Tk4.70 crore loss in the fiscal which means a Tk6.12 loss per share. Besides, its net asset value per share stood at Tk1.23, according to the financial statement. It also says the company's net sales stood at Tk52.08 crore in FY2020-21, down by 52% from Tk108.06 crore a year earlier.
- The company also showed its raw materials worth Tk18.47 crore were damaged and it, additionally, invested Tk3.35 crore in another concern of the Lockpur Group. However, the investment did not generate any income during this period. The BSEC now wants to look into the facts through a special audit to protect the interest of investors. However, it is yet to finalise the auditor.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-special-auditor-khulna-printing-396602>

Economy & Industry

Remittance hits 8-month high

The Daily Star, April 04, 2022

- Remittance to Bangladesh rose to an eight-month high in March as migrant workers sent home a higher amount to help their families meet an increased expenditure during Ramadan, official data showed yesterday.
- Expatriates transferred \$1.86 billion last month, the highest since July when \$1.87 billion flew into the country, according to the Bangladesh Bank. March's receipts were nearly 25 per cent higher than February's \$1.49 billion but down 2.67 per cent from \$1.91 billion recorded in the same month last year.
- Families of migrant workers usually receive a higher amount of remittance ahead and during Ramadan and ahead of Eid, said Arfan Ali, managing director of Bank Asia. The fasting month began yesterday. "The exchange rate has also been adjusted upwards amid higher demand for US dollars," he said.
- Because of the escalated commodity prices, the US dollar supply in Bangladesh has come under strain as import payments have outstripped export receipts. Exports and remittances are two major sources of American dollars for the country. The government also provides a 2.5 per cent cash subsidy on remittance to prop up the flow of foreign currencies with a view to tackling the foreign exchange crisis.

<https://www.thedailystar.net/business/economy/news/remittance-hits-8-month-high-2997396>

Finance Minister seeks US investment in BD

The Business Standard, April 03, 2022

- The business environment in Bangladesh is quite lucrative and a good place to invest, said Finance Minister AHM Mustafa Kamal urging for more investment from the United States in Bangladesh. The minister made the remark during a courtesy call on US Ambassador to Bangladesh Peter D Haas on Sunday (3 April) at the Secretariat.
- "Bangladesh is no longer a 'development miracle', rather a role model of development for others. The country currently stands 41st in the world economy, which was 60th in 2006," he stated. AHM Mustafa Kamal further said that the diplomatic relations between Bangladesh and the United States have expanded in various fields.
- The US Ambassador praised Bangladesh's economic progress. He also lauded the steps taken by Bangladesh and the vaccination programme to address the health and socio-economic challenges posed by the pandemic. He expressed confidence towards investment opportunities and benefits of the United States in Bangladesh.

<https://www.tbsnews.net/economy/finance-minister-seeks-us-investment-bd-396494>

International

China to remove hurdle to Sino-US audit cooperation

The Daily Star, April 04, 2022

- China on Saturday proposed revising confidentiality rules involving offshore listings, removing a legal hurdle to Sino-US cooperation on audit oversight while putting the onus on Chinese companies to protect state secrets.
- The draft rules, announced by China's securities watchdog, mark Beijing's latest attempt to resolve a long-running audit dispute with Washington that could lead to roughly 270 Chinese companies being forced to delist from US exchanges in 2024. Saturday's proposal scraps requirements that on-site inspection of overseas-listed Chinese companies be conducted mainly by Chinese regulators.
- China is stepping up efforts to ensure Chinese firms remain listed in New York. The commission said on Thursday that Chinese and US regulators had held multiple rounds of meetings and both sides had a willingness to solve their audit dispute.
- But US securities and audit regulators have pushed back on speculation of an imminent audit deal with China. In March, the US Securities and Exchange Commission (SEC) identified 11 US-traded Chinese companies, including Baidu Inc and Yum China, that face delisting risks.
- The draft rules make clear that Chinese companies are responsible for information security in overseas listings, reducing the chance that confidential information unnecessarily enters auditors' working papers, CSRC said.

<https://www.thedailystar.net/business/global-economy/news/china-remove-hurdle-sino-us-audit-cooperation-2997321>

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