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Stock Market & Company

Stocks gain for fourth week

The New Age, June 03, 2023

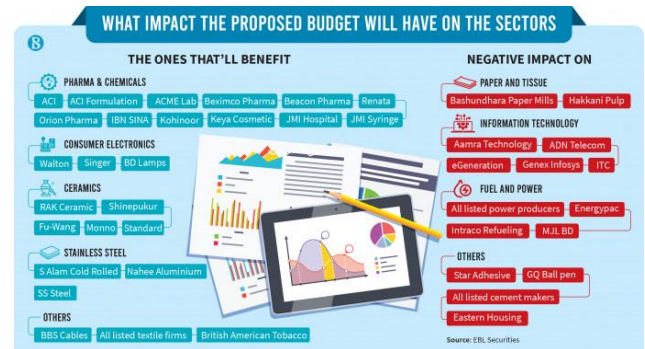
- The key index of the Dhaka Stock Exchange, DSEX, advanced by 0.47 per cent, or 29.82 points, over the week to close at 6,355.56 points on June 1. The DSEX gained 86.4 points in the past four weeks.
- Investors' participation in the market also increased this week as market average turnover rose by 20.4 per cent to Tk 1,104.3 crore this week in the past week from that of Tk 917.17 crore in the previous week.
- Investors were mostly active in life insurance sector, followed by general insurance sector and IT sector. Out of 392 companies traded, share prices of 81 declined, 108 advanced and 203 remained unchanged.
- The DS30, comprised of 30 large capitalised companies, also increased by 2.83 points to finish at 2,201.33 points and the DSE Shariah index, DSES, added 8.79 points to close at 1,379.57 points. Intraco Refueling Station topped the weekly turnover chart with a value of Tk 194.69 crore.
- Navana Pharmaceuticals, LafargeHolcim, Unique Hotel, Bashundhara Paper Mills, Rupali Life Insurance, Meghna Life Insurance, Gemini Sea Food, Eastern Housing and Sea Pearl Beach Resort were the other turnover leaders.

<https://www.newagebd.net/article/203324/stocks-gain-for-fourth-week>

Which listed firms to benefit or suffer from budget

The Business Standard, June 03, 2023

- Although the new budget does not have anything directly for the capital market, the proposed tax measures – rebates for some certain sectors and increases for others – may have an impact on stocks. It will have a positive impact on the profitability of the companies listed on the stock market in the sectors that receive tax exemption.
- At the same time, the listed companies in the sectors experiencing increased levies may face a negative impact on their profits.
- According to a budget review by EBL Securities, the proposed tax exemption will have a positive impact on the profits of companies in the pharmaceutical, stainless steel, tobacco, optical fibre, electronics, ceramic, textile, agri machinery, and pesticides sectors.
- On the other hand, the increase in tax rate will have a negative impact on the listed companies in the IT, real estate, paper and tissue, cement, fuel, and power sectors, it added.
- The brokerage house, however, believes that the proposed budget will have no impact on banks, non-bank financial institutions, or hotel and tourism businesses.
- In the proposed budget for the fiscal 2023-24, the tax rebate facility for investment in the capital market has been maintained. The tax differential between listed and non-listed companies remains unchanged, and there is no scope for black money investment

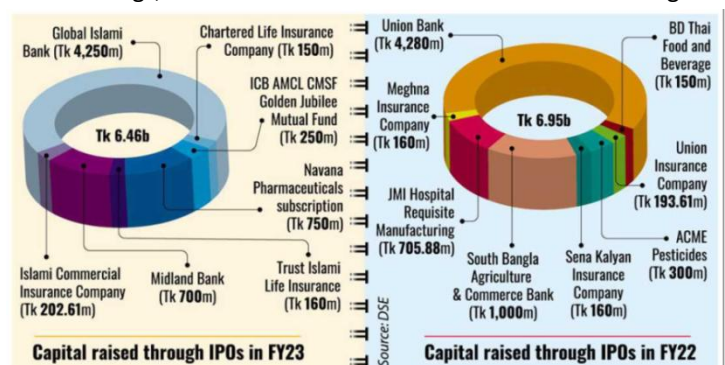


<https://www.tbsnews.net/economy/budget/which-listed-firms-benefit-or-suffer-budget-643490>

FY23's bleak business climate has driven out IPOs too

The Financial Express, June 04, 2023

- An electric equipment manufacturer backtracked on its plan to go public in FY23 months after making a deal with IDLC Investments as issue manager. The reason was a decline in its earnings, the most crucial factor to consider while fixing the offer price at which publicly-issued securities are made available for eligible investors under the book-building method. General investors can purchase shares at a discount to the offer price.
- The company's business was hit hard by the taka becoming cheaper against the dollar. It opened L/C (letter of credit) at Tk 85, which was finally settled at Tk 110, said Md. Moniruzzaman, immediate past managing director of IDLC Investments.
- The local currency devaluation squeezed many companies' income, which had been keen on getting listed in FY23 but then felt discouraged to do so, he added.
- Recent profit growth is an important determinant of the offer price when an IPO (initial public offering) is floated under the book-building method.



<https://thefinancialexpress.com.bd/stock/bangladesh/fy23s-bleak-business-climate-has-driven-out-ipos-too>

Berger Paints' annual profit up over 3pc

The Financial Express, June 01, 2023

- Berger Paints' profit surpassed Tk 3 billion for the year ended in March this year despite macroeconomic adversities and costlier raw materials.
- The multinational company, which takes up over half of the country's paint market, had its consolidated profit rise by 3.4 per cent to Tk 3.01 billion in the year through March, compared to the previous year, according to a disclosure on Wednesday.
- The global prices of raw materials had been through slight corrections in the recent months while increased selling prices helped the paint maker maintain a profit growth.
- The company did not disclose its annual sales revenue for the year ended in March. However, its nine-month sales revenue was Tk 18.68 billion. The annual sales revenue until March 2022 was Tk 21.97 billion.

<https://thefinancialexpress.com.bd/stock/bangladesh/berger-paints-annual-profit-up-over-3pc>

Agro Organica set to get listed on SME board to raise Tk 50m

The Financial Express, June 01, 2023

- Another SME Agro Organica Ltd is all set to join the SME board of the Dhaka Stock Exchange as the securities regulator on Wednesday approved its proposal to raise Tk 50 million from the stock market. As per the regulatory approval, the company will issue 5 million ordinary shares at the face value of Tk 10 each under the fixed price method.
- Incorporated in 2015, Agro Organica is engaged in agro-business, which entails agro contract farming, trading, processing, and manufacturing for consumers in the local and global markets.
- Agro Organica will utilise the fund for an expansion of its building, machinery installation and working capital.
- According to the company's unaudited financial statements, its earnings per share stood at Tk 1.12 and the net asset value per share at Tk 14.68 for the nine months through March this year.
- The company will not be able to issue stock dividend within three years after its debut on the SME platform, according to the BSEC. Shahjalal Equity Management is working as the issue manager of the company's qualified investor offer process.



<https://thefinancialexpress.com.bd/stock/bangladesh/agro-organica-set-to-get-listed-on-sme-board-to-raise-tk-50m>

HC keeps Tk30 lakh as minimum portfolio size for investing in SME stocks

The Business Standard, June 03, 2023

- The High Court has kept Tk30 lakh as the minimum investment limit for an investor to be qualified for trading in the SME platform stocks of the bourses.
- Earlier, in September last year, the Bangladesh Securities and Exchange Commission (BSEC) increased the minimum investment limit from Tk20 lakh to Tk30 lakh for an investor to be qualified for trading shares of companies on the SME board of the exchanges.
- The High Court bench of Justice Farah Mahbub and Justice Muhammad Mahbub UI Islam discharged the order on Wednesday. The court also cleared that there will be no floor price for the SME market like the main board.

<https://www.tbsnews.net/economy/stocks/hc-keeps-tk30-lakh-minimum-portfolio-size-investing-sme-sto>

Emerald Oil back to profits after five years

The Business Standard, June 03, 2023

- Emerald Oil Industries Limited, which has been making losses for five straight years, has finally returned to profits in the fiscal 2021-22. Therefore, for FY22, the company's board of directors has recommended a 2% cash dividend to its shareholders in a meeting held last Thursday, where the company's audited annual report was also approved.
- According to the company's FY22 report, its after-tax net profit stood at Tk1.21 crore at the year end, which was a loss of Tk3.62 crore in FY21. Its earnings per share stood at Tk0.17 and net asset value per share at a negative Tk12.85 at the end of FY22.
- To secure shareholders' approval of the dividend, Emerald Oil, after a hiatus of six years, called an annual general meeting (AGM) on 12 July this year after an order from the High Court. The record date has been fixed on 26 June.

<https://www.tbsnews.net/economy/stocks/emerald-oil-back-profits-after-five-years-643478>

BSEC rejects IPO application of Islam Oxygen

The Business Standard, June 01, 2023

- The Bangladesh Securities and Exchange Commission (BSEC) has rejected the initial public offering (IPO) application of Islam Oxygen Limited after the company's non-compliance and failure in submitting relevant documents. Earlier, the company applied to the commission for raising Tk93 crore from the capital market through an IPO under the book-building method. The firm wanted to use the fund for business expansion.
- BSEC Executive Director Mohammad Rezaul Karim said Islam Oxygen has overstated its assets in the financial statements. Also, it failed to submit the documents regarding its sales within the stipulated time. "Besides, a VAT evasion case filed by the National Board of Revenue (NBR) against the company is pending in court."
- Therefore, considering all these, the commission has cancelled the company's IPO application, he added. Sources said Islam Oxygen plans to resubmit its IPO application after resolving the issues.

<https://www.tbsnews.net/economy/stocks/bsec-rejects-ipo-application-islam-oxygen-642566>

Economy & Industry

ICAB welcomes Tk 2,000 minimum tax

The Daily Star, June 03, 2023

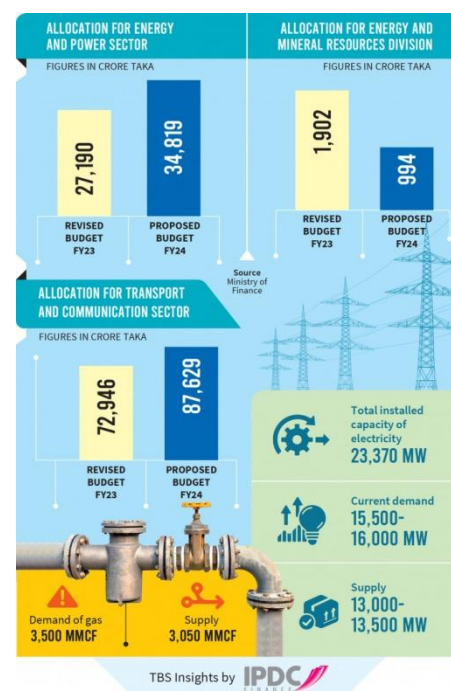
- The Institute of Chartered Accountants of Bangladesh (ICAB) yesterday welcomed the budgetary proposal for registered taxpayers, who have to file their income, expenditure and wealth statements to avail 38 services, to pay a minimum tax of Tk 2,000 even if they have no taxable income.
- The autonomous body thinks that it would help expand the tax net and increase the filing of returns. The ICAB issued the statements organising a press briefing at its headquarters in Dhaka on the proposed budget for fiscal year 2023-24.
- "The minimum tax is not new. It is already there," said Md Humayun Kabir, chairman of the ICAB's Taxation and Corporate Laws Committee while responding to journalists' queries. Currently there are many individuals with bank deposits who actually pay taxes on their interest earnings from the savings, he said.
- And the tax is deducted by banks while crediting the interest income to the accounts of the depositors, he said. The depositors will be able to show the withholding tax in their tax returns, which now many do not do, he said.
- Businesses should not oppose the new rule as this will increase tax net, said Kabir. Besides, the body of professional also welcomed the Tk 761,795 crore budget despite the global and domestic challenges.

<https://www.thedailystar.net/business/economy/news/icab-welcomes-tk-2000-minimum-tax-3336926>

Businesses want energy first

The Business Standard, June 03, 2023

- The energy crisis has featured dominantly as businesses scanned the proposed budget to see what they got to move forward and what more they need. They suggest, at a time of acute shortage, energy now needs more allocation than sectors like road transportation to ensure uninterrupted supply to industries to help them run at full capacity, give more revenue to the exchequer, and attract companies willing to shift from some Asian countries.
- The apex trade body, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) was more specific about the most burning issue for the business.
- "Considering the current situation of electricity and gas supply, the government may cut some allocation from the transport and communication ministry for power and energy," said its President Jashim Uddin at a press conference disrupted by frequent outages at the FBCCI conference hall in the city on Saturday.
- Energy issues came prominently in separate formal budget reactions of other leading trade bodies on Saturday.



<https://www.tbsnews.net/economy/budget/businesses-want-energy-first-643494>

International

Global stocks surge on US debt breakthrough

The New Age, June 02, 2023

- World stocks rallied Friday after senators voted to suspend the US debt ceiling in an 11th-hour deal, eliminating the threat of a potentially catastrophic default. London, Paris and Frankfurt bourses leapt after bumper gains in Asia and on Wall Street, as investors welcomed news that the world's biggest economy would not run out of money to pay its bills.
- Hammered out between Democratic President Joe Biden and the Republicans, the measure passed the Senate on Thursday with a comfortable majority of 63 votes to 36 a day after it had sailed through the House of Representatives, ending months of wrangling. 'The Senate swiftly approved the new debt ceiling deal in the US prompting relief in the markets,' said AJ Bell investment director Russ Mould.
- 'A bigger bounce might have been forthcoming had investors not already been very much factoring in an agreement, with only a modest sell-off around the crisis.' Oil prices meanwhile jumped as traders eyed a weekend output meeting of the OPEC+ grouping of crude producers.
- London stocks were also lifted after pet care firm Dechra Pharmaceuticals agreed to a £4.5-billion (\$5.6-billion) takeover by Swedish private equity firm EQT and the Abu Dhabi Investment Authority. Attention has meanwhile returned to the US central bank's drive to defeat decades-high inflation.
- There are increasing hopes that the US Federal Reserve will decide against lifting interest rates this month as officials assess

<https://www.newagebd.net/article/203210/global-stocks-surge-on-us-debt-breakthrough>

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