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Stock Market & Company

DSE turnover hits nearly 12-month low

The Financial Express, April 05, 2022

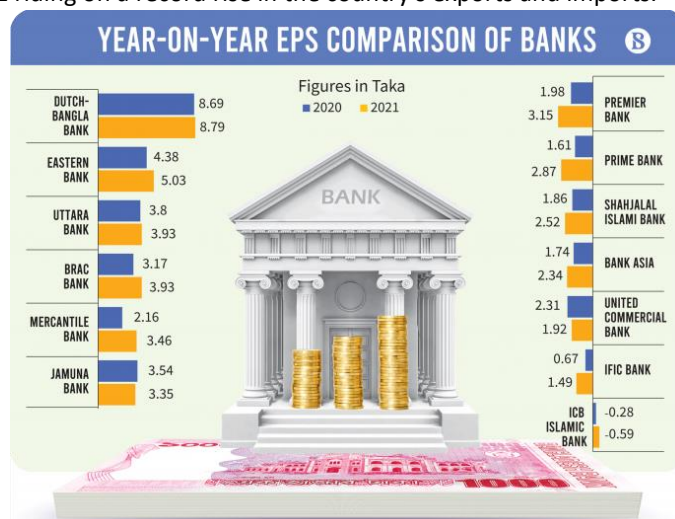
- Stocks extended the losing streak for the second straight session on Tuesday, with turnover hitting one year low, as jittery investors sold shares to avoid further losses. Turnover, the crucial indicator of the market, came down to Tk 5.75 billion, which was 7.25 per cent lower than the previous day's tally of Tk 6.20 billion.
- It was also the lowest single-day transaction in the last 12 months since April 15, 2021, when turnover was recorded at Tk 5.56 billion. DSEX, the key index of the DSE, slid 24.61 points to settle at 6,694. DSEX lost 77.61 points in the past two straight sessions.
- Two other indices also closed lower with the DSE 30 Index, comprising blue chips, losing 4.08 points to finish at 2,464 and the DSE Shariah Index (DSES) dropped 1.27 points to close at 1,460. Beximco topped the turnover list with shares worth Tk 486 million changing hands, closely followed by LafargeHolcim (Tk 325 million), IPDC Finance (Tk 306 million), GSP Finance (Tk 253 million) and VFS Thread Dyeing (Tk 151 million).
- The newly listed JMI Hospital Requisite Manufacturing was the top gainer for the third straight session, posting a 9.77 per cent gain, while Pragati Insurance was the day's worst loser, losing 2.66 per cent following its corporate declaration.
- The Chittagong Stock Exchange (CSE) closed lower with the CSE All Share Price Index – CASPI – losing 54 points to settle at 19,646 and the Selective Categories Index – CSCX – shedding 32 points to close at 11,786. The port city bourse traded 5.12 million shares and mutual fund units with a turnover value worth Tk 123 million.

<https://thefinancialexpress.com.bd/stock/dse-turnover-hits-nearly-12-month-low-1649152903>

Non-fund income boosts banks' profit, dividend

The Business Standard, April 05, 2022

- Despite the slow growth in private sector investment amid the pandemic and less than expected loan recovery pace, most banks have posted growth in earnings per share (EPS) in 2021 riding on a record rise in the country's exports and imports.
- Based on this growth, most banks have paid more dividends to their shareholders in 2021 than in 2020. Of the 33 banks listed on the Dhaka Stock Exchange (DSE), 13 have released their audited annual accounts for last year.
- According to the disclosures, the EPS of 10 out of these 13 banks has increased. IFC Bank saw the highest growth of 122%, followed by Prime Bank, Mercantile Bank and Premier Bank.
- On the other hand, the EPS of United Commercial Bank and Jamuna Bank decreased. ICB Islamic Bank has been in losses for a long time, although the losses in 2021 have decreased.
- In 2020, the Bangladesh Bank had set a limit of 30% dividend, including 15% cash and 15% stock, in the pandemic which has been increased to 35% in 2021, including 17.5% cash and 17.5% stock.
- Out of these seven banks, Uttara Bank has paid a maximum of 28% dividend, followed by Eastern Bank and Dutch Bangla Bank. However, dividends have not made any impact on the share prices of banks. The share price of most of the banks fell the day after the announcement of the dividend.



<https://www.tbsnews.net/economy/stocks/non-fund-income-boosts-banks-profit-dividend-397990>

BSEC worried about GP investors

The Newage, April 05, 2022

- The Bangladesh Securities and Exchange Commission has expressed its worries about the interest of shareholders of Grameenphone after the recent agitations by workers of Grameen Telecom, a substantial shareholder of GP. The BSEC on March 27 issued a letter to GP, expressing its concerns on the matter and asked the mobile operator's top brass to attend a meeting to explain the company's position on the matter on March 31.
- GP's senior officials, however, are yet to meet with the regulator on the issue. Grameen Telecom, a company owned by Nobel Laureate Muhammad Yunus, has a shareholding of 34.2 per cent of GP and availed dividend almost every year, which is a considerable sum, the letter said.
- 'We have noticed that GT, which owns more than one-third of GP, has major compliance issues with respect to its "Workers' Profit Participation Fund" and a lot of litigation is pending at court,' it said. Having issues with workers is against the law of the country and against enforcement of corporate governance, the regulator said.
- 'Since this attracts reputational elements of GP, a company listed with stock exchanges, it might have an impact on shareholders' interest especially international investors,' it said. The regulator called the top brass of GP to explore more on this issue and related facts to protect the interest of the local and foreign investors, the letter said.

<https://www.newagebd.net/article/167339/bsec-worried-about-gp-investors>

Two Meghna Group cos under BSEC scanner

The Newage, April 05, 2022

- The Bangladesh Securities and Exchange Commission has initiated an enquiry into affairs of Meghna Pet Industries Limited and Meghna Condensed Milk Industries, their head offices and factories. The BSEC on Tuesday issued an order forming a four-member enquiry committee headed by its joint director Md Saiful Islam.
- The commission ordered that an enquiry be made on the affairs of Meghna Pet and Meghna Condensed Milk and their related issues. Both of the companies are concerns of Meghna Group of Industries-KA.
- The enquiry committee will complete the enquiry and submit report to the commission within 30 days, the order said. Both of the companies are non-performing and their shares have been trading under the 'Z' category for years.
- Earlier on December 26, 2022, the Dhaka Stock Exchange disclosed on its web site that a DSE team visited the factory premises of Meghna Condensed Milk and Meghna Pet Industries and found operations of their factories were found closed.

<https://www.newagebd.net/article/167331/two-meghna-group-cos-under-bsec-scanner>

Achia Sea Foods gets BSEC nod to raise Tk15cr

The Business Standard, April 05, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) recently approved Achia Sea Foods Limited to raise Tk15 crore from the SME platform of the Dhaka bourse through a qualified investor offer (QIO). The company will issue 1.5 crore ordinary shares at Tk10 each.
- In fiscal 2020-21, the company's earnings per share (EPS) stood at Tk1.88 and net asset value per share was Tk17.07. The company will not be allowed to issue bonus shares for three years after its listing on the SME platform. AAA Finance and Investment Limited is working as the issue manager for the company.

<https://www.tbsnews.net/economy/stocks/achia-sea-foods-gets-bsec-nod-raise-tk15cr-397930>

BSEC cancels SS Steel's stock dividend

The Business Standard, April 05, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has cancelled the bonus shares recommended by SS Steel Limited for fiscal 2020-21, the company said in a stock exchange filing on Tuesday. Meanwhile, the National Feed Mill – another listed firm – has received the regulator's consent for the issuance of a 1% stock dividend. The firm will utilise its retained amount as capital for the project of ongoing new storage facility expansion.
- SS Steel had recommended a 2% cash dividend for general shareholders and an 8% stock dividend for all shareholders for FY21 in November last year. Accordingly, an application was filed with the commission and it cancelled the 8% stock dividend for FY21.
- Earlier, any listed firm could issue bonus shares without any restrictions. But BSEC has recently imposed some restrictions on unusual stock dividends to ensure proper justification for issuing bonus shares. From now on, a company needs to secure BSEC approval before issuing bonus shares.

<https://www.tbsnews.net/economy/stocks/bsec-cancels-ss-steels-stock-dividend-397882>

IFIC Bank to auction off Banco Securities assets to recover loan

The Business Standard, April 05, 2022

- The IFIC Bank has issued an auction notice to sell the assets of Banco Securities – accused of embezzling money from general investors – to recover its loan to the brokerage firm. According to sources, the brokerage firm owes Tk8.35 crore to the IFIC Bank as of 31 March. Banco Securities has become a defaulter as it has not repaid the loan instalments. So, according to the rules, the bank has called an auction to recover the loan.
- The bank will recover the loan by selling two of Banco Securities' flats – one in Paltan, another in Gulshan. Those interested in participating in the auction have to submit an application by 9 May, said the IFIC Bank.

- Following several complaints about anomalies by clients, a Dhaka Stock Exchange (DSE) team on 6 June 2021 found that the consolidated customer account of the brokerage firm had a Tk66.59 crore shortfall, which was a certain outcome of fund diversion and embezzlement of client money in most cases.

<https://www.tbsnews.net/economy/stocks/ific-bank-auction-banco-securities-assets-recover-loan-397886>

EBL fined for breaching banking rules

The Daily Star, April 06, 2022

- The Bangladesh Bank has imposed a fine of Tk 5 lakh on Eastern Bank Ltd (EBL) for disbursing loans to its subsidiary and associate in violation of the single borrower exposure limit. On March 29, the BB issued a letter to EBL, asking it to pay the fine within 14 days, or else it will deduct the amount from the current account of the bank with the central bank.
- Banks in Bangladesh are not allowed to disburse more than 25 per cent of their regulatory capital as a loan to a single client or a group of companies. They have to follow the rule while giving out loans to their subsidiaries and associates as well.
- But the loans extended to EBL Securities Ltd and EBL Finance (HK) Ltd, respectively the subsidiary and the associate of the private commercial bank, stood at around 37 per cent of its regulatory capital amounting to Tk 3,300 crore as of September..
- The central bank has issued several letters to EBL since October, asking it to explain the violation of the single borrower exposure limit. But, the central bank did not find the bank's explanations to be satisfactory.

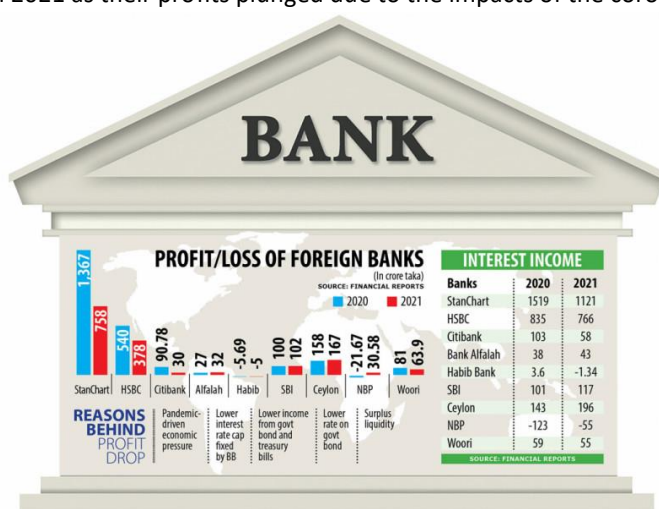
<https://www.thedailystar.net/business/organisation-news/news/ebf-fined-breaching-banking-rules-299>

Economy & Industry

Large foreign banks see profits plunge

The Daily Star, April 06, 2022

- Large foreign banks operating in Bangladesh took a hit in 2021 as their profits plunged due to the impacts of the coronavirus pandemic and the lower interest rate regime. Collective profits for the nine banks fell more than 33 per cent year-on-year to Tk 1,556 crore in 2021. It was Tk 2,336 crore in 2020, showed financial statements of the multinational lenders.
- The local operations of Standard Chartered, which is headquartered in London, logged profits of Tk 758 crore last year, down 44.5 per cent compared to 2020, when it raked in Tk 1,367 crore, according to its financial statements.
- HSBC Bangladesh, another British bank, was also almost in the same situation. Its profits declined 30 per cent to Tk 378.36 crore in the recently concluded year.
- Profits of Citibank NA, a US lender, plummeted 66.95 per cent to Tk 30 crore compared to the previous year's Tk 90.78 crore. Sri Lanka's Commercial Bank of Ceylon, State Bank of India, Bank Alfalah of Pakistan, and the National Bank of Pakistan made higher profits in 2021.
- Habib Bank, a Pakistani multinational bank, remained in the red. Woori Bank witnessed 21 per cent lower profits of Tk 63.9 crore last year, against Tk 81 crore a year ago, according to the financial report of the Korean multinational lender. The net interest income dropped 6 per cent to Tk 55.9 crore.

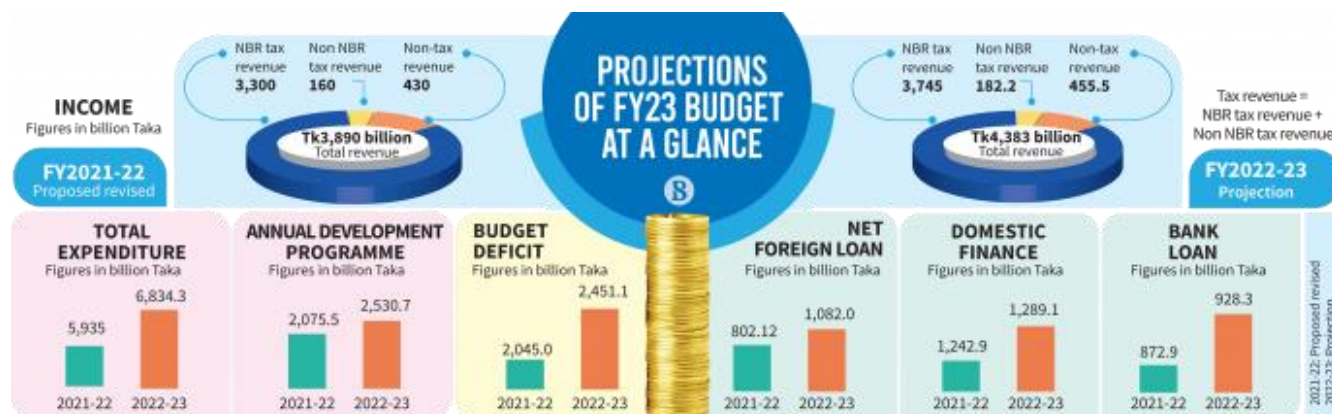


<https://www.thedailystar.net/business/economy/news/large-foreign-banks-see-profits-plunge-2998946>

FY23 budget: Need for expansion, but govt opts for contraction

The Business Standard, April 05, 2022

- At a time when there is a need for expansionary fiscal policy to increase government spending for rejuvenating the Covid-hit economy now running on the recovery lane and also protecting the people from commodity price shocks, the overall expenditure for the next fiscal year, as outlined by the Finance Division, is not going to increase much in proportion to GDP.



- Besides, the government is also going to trim its total budget outlay alongside cutting allocation for Annual Development Programme (ADP) by 8% in the ongoing fiscal year. For FY23, the finance ministry will formulate a budget to the tune of a little over Tk683,432 crore, which is 13% higher than this fiscal year's main budget and 15% higher than the revised outlay, according to the finance ministry's official document.
- Nevertheless, this fiscal year's revised budget is going to be slashed by about Tk10,000 crore and the ADP allocation already saw a cut of around Tk18,000 crore, meaning that the government's non-development expenditure has increased more than the target, while its development spending has dropped.

<https://www.tbsnews.net/economy/fy23-budget-need-expansion-govt-opts-contraction-398030>

International

War won't cause recession: EU

The Daily Star, April 06, 2022

- The European economy is set to suffer a sharp slowdown due to the war in Ukraine, but should avoid stumbling into recession, top EU officials said on Monday. "Our current assessment is that the implications of the war in Ukraine will (bring)... a substantial slowdown of economic growth in the EU but not a recession," EU executive vice president Valdis Dombrovskis told reporters as he arrived for talks with eurozone ministers.
- In February, just before Russia's invasion of Ukraine, the EU executive had forecast that the 19-nation eurozone would grow by a strong four percent as a dynamic recovery from the coronavirus pandemic took hold.
- The war in Ukraine has already caused inflation in the eurozone to soar to a record 7.5 per cent year-on-year in March and consumer confidence to plummet. Talk of a gas supply cut from Russia, which provided the EU with about 40 per cent of its gas needs in 2021, has also jarred analysts and rocked the markets.

<https://www.thedailystar.net/business/global-economy/news/what-impact-would-russian-debt-default-have-2998901>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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