

Key News

- ✓ [Dhaka stocks drop for 2nd day after rise](#)
- ✓ [Bangladesh Services defaults on BICC rental deal with Public Works Department](#)
- ✓ [Achia Sea Foods QIO subscription opens on 19 June](#)
- ✓ [AFC Health seeks conditional consent to revive IPO](#)
- ✓ [Banks' excess liquidity drops amid currency market woes](#)
- ✓ [NBFIs asked not to write off loans of scamsters](#)
- ✓ [Accusation of material breach: Musk threatens to tear up \\$44b Twitter deal](#)

Stock Market & Company

Dhaka stocks drop for 2nd day after rise

The Newage, June 07, 2022

- Dhaka stocks declined for the second day on Tuesday as a section of investors kept selling shares to book profits after a seven-day rise. DSEX, the key index of the Dhaka Stock Exchange, shed 0.31 per cent, or 20.56 points, to close at 6,468.6 points on Tuesday after losing 8.22 points in the previous session.
- Before the two-day loss, the DSEX had gained 309 points in seven sessions. Out of the 52 traded insurance companies, share prices of 45 advanced, five declined and two remained unchanged. Out of the 376 issues traded on Tuesday, 114 advanced, 228 declined and 38 remained unchanged on the DSE.
- The turnover on the DSE dropped to Tk 739.8 crore on Tuesday compared with that of Tk 974.07 crore in the previous session. The DS30 index dropped by 10.57 points to finish at 2,350.76 points and the DSE Shariah index declined by 6.06 points to close at 1,410.89 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 25.22 crore changing hands. Salvo Chemical, Provati Insurance, Orion Pharma, Bangladesh Shipping Corporation, Anwar Galvanising, CVO Petro Chemical, Fareast Life Insurance, BRAC Bank and National Bank were the other turnover leaders.
- Pioneer Insurance Company Limited was the day's best performer, posting a gain of 9.9 per cent, while Gemini Sea Food was the worst loser, shedding 2 per cent.

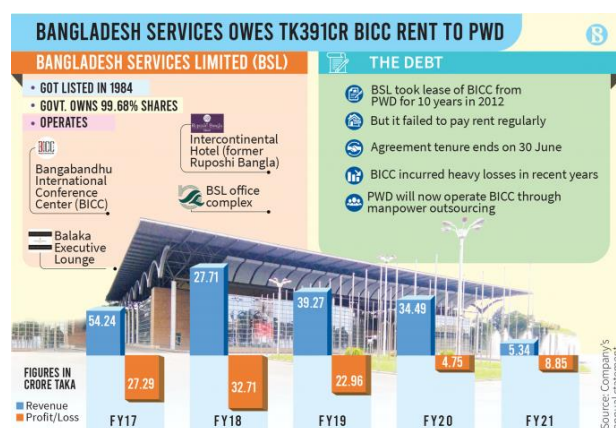
<https://www.newagebd.net/article/172623/dhaka-stocks-drop-for-2nd-day-after-rise>

Bangladesh Services defaults on BICC rental deal with Public Works Department

The Business Standard, June 07, 2022

- The Bangladesh Services Limited (BSL) – a state-owned hotel management company – has violated a rental deal for the Bangabandhu International Conference Center (BICC) by not paying the rent of Tk391 crore including interest.
- BSL, listed on local stock exchanges, took the lease of BICC for ten years from the Public Works Department (PWD) at Tk460 crore. The company did not pay the rent on the pretext of incurring losses.
- According to PWD sources, the company has paid full rent for the first three years and partial rent for the fourth year but has not paid a single penny since then, all of which are in arrears. Since the agreement, BSL paid only Tk117.50 crore to PWD, the owning authorities of BICC, PWD said in a letter to authorities concerned.

- In this situation, the rental deal with the BSL and PWD will end on 30 June this year, and the PWD has decided not to renew the deal. BSL had no income after the renovation of the InterContinental Hotel, which is a major source of income for the state-owned company, started in 2016.
- The hotel resumed operation in 2018 but again suffered a setback after the coronavirus outbreak in 2020. The company has not been able to pay any dividends to the shareholders due to losses for years.
- The Public Works Department has sent a letter to the company on 16 May to pay the arrears before the expiry of the contract.
- The letter said the Ministry of Housing and Public Works has asked the company to pay the rent but the arrears have not been paid.



<https://www.tbsnews.net/economy/stocks/bangladesh-services-defaults-bicc-rental-deal-public-works-department-435162>

Achia Sea Foods QIO subscription opens on 19 June

The Business Standard, June 07, 2022

- The qualified investor offer (QIO) subscription of Achia Sea Foods Ltd, a 100% export-oriented seafood producer, will begin on 19 June and continue till 23 June. Earlier, the Bangladesh Securities and Exchange Commission (BSEC) approved the company to raise Tk15 crore from the SME platform of the Dhaka bourse through a QIO.
- The company will issue 1.5 crore ordinary shares at Tk10 each and use the fund for machinery installation, loan repayment, and issue management. 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 the issue manager for the company. In fiscal 2020-21, the company's earnings per share (EPS) stood at Tk1.88 and the net asset value per share at Tk17.07. During the year, its revenue stood at Tk137.73 crore, which was Tk44.02 crore in the previous year. In FY21, the company's net profit was Tk4.20 crore, which was Tk1.48 crore in the previous year.

<https://www.tbsnews.net/economy/stocks/achia-sea-foods-qio-subscription-opens-19-june-435014>

AFC Health seeks conditional consent to revive IPO

The Business Standard, June 07, 2022

- AFC Health Limited has requested the securities regulator to issue conditional consent for an initial public offering (IPO), which was suspended due to the company's dispute with India-based Fortis Healthcare Limited. The healthcare facility provider sent a letter regarding this issue to the Bangladesh Securities and Exchange Commission (BSEC) on 1 May.
- Fortis Healthcare Limited provides various surgery and management services to AFC Health. About the dispute, the AFC letter said through various correspondence between AFC Health and Fortis Healthcare has corrected their stance on the total outstanding payable by AFC Health. The two parties also agreed to sign a no-claim agreement after completion of the payment. The final dues stand at Rs2.81 crore. AFC Health has agreed to pay the dues after getting regulatory approval.
- In the letter, the company said AFC Health moved into the healthcare frontline sector by introducing three hospitals in Khulna, Chattogram and Cumilla. It was the first initiative by a local corporation to support healthcare outside Dhaka city.

<https://www.tbsnews.net/economy/stocks/afc-health-seeks-conditional-consent-revive-ipo-435022>

Economy & Industry

Banks' excess liquidity drops amid currency market woes

The Newage, June 07, 2022

- Excess liquidity in the country's banking sector dropped by Tk 11,520 crore in April amid a gradual recovery in the private sector credit growth and heavy purchasing of dollars by banks for imports. The latest Bangladesh Bank data showed that the amount of excess liquidity in the country's banking sector decreased to Tk 1,86,596.04 crore in April from Tk 1,98,115.64 crore a month ago.
- The amount of excess liquidity in the country's banking sector reached a record high of Tk 2,31,463 crore in June 2021 from Tk 1,03,358.12 crore in January 2020. The supply of excess liquidity had remained above Tk 2 lakh crore since April 2021 before it dropped below the mark in March 2022.
- The excess money in the banking sector reached Tk 2,01,677.9 crore in April 2021 due to an injection of a huge amount of liquidity by the central bank for speedy revival of the Covid-hampered economy. A number of stimulus packages and purchase of the dollars from banks were the reason for the sudden surge in excess liquidity in the banking system.

<https://www.newagebd.net/article/172641/banks-excess-liquidity-drops-amid-currency-market-woes>

NBFIs asked not to write off loans of scammers

The Daily Star, June 08, 2022

- The Bangladesh Bank yesterday asked non-bank financial institutions (NBFIs) not to write off default loans swindled by scammers. Lawsuit has to be filed against the scammers, who siphoned off the funds from the NBFIs in the name of taking loans, according to a Bangladesh Bank notice.
- Some scammers have recently taken loans from NBFIs by showing non-existing businesses and the practice has already dealt a blow to the corporate governance in the NBFI sector, a BB official said. The central bank has recently found that a group of NBFIs wrote off non-performing loans (NPL) taken by the scammers, he said.
- As per the rules, NBFIs can write off the default loans, which have remained in the bad category of NPLs for at least three years. NBFIs must keep at least 100 per cent provisions against bad loans. Non-performing loans at 34 non-banks stood at Tk 13,016 crore last year, which is 19.33 per cent of the outstanding loan of Tk 67,354 crore.

<https://www.thedailystar.net/business/economy/news/nbfis-asked-not-write-loans-scammers-3041976>

International

Accusation of material breach: Musk threatens to tear up \$44b Twitter deal

The Daily Star, June 08, 2022

- Elon Musk warned Twitter Inc on Monday that he might walk away from his \$44 billion deal to acquire the social media company if it fails to provide the data on spam and fake accounts that he seeks.
- This was not the first time Musk had suggested publicly his acquisition of Twitter may not happen. But the warning, delivered in a letter from Musk's lawyers to Twitter's chief legal officer, Vijaya Gadde, marked an escalation. It accused Twitter of being in material breach of its deal obligations.
- Musk's threats to tear up the deal have coincided with a plunge in many technology stocks - including the electric car maker that he leads, Tesla Inc- amid concerns over an economic slowdown and higher interest rates in the face of raging inflation. Twitter shares ended down 1.5 per cent at \$39.57 on Monday, a large discount to the agreed \$52.20 deal price, as investors bet Musk will either convince Twitter to agree to a lower deal price or walk away.
- In the letter to Twitter, Musk's lawyers reiterated his request for details on bot accounts and said he reserved all rights to terminate the acquisition as the company was in a "clear material breach" of its obligations by not providing him with the information.

<https://www.thedailystar.net/business/economy/news/musk-threatens-tear-44b-twitter-deal-3041931>

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