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Stock Market & Company

[Dhaka stocks bounce back](#)

The New Age, June 07, 2023

- DSEX, the key index of the Dhaka Stock Exchange, increased by 22.79 points, or 0.36 per cent, to settle at 6,338.98 points on Wednesday after losing 49.94 points in the previous two trading sessions.
- The DS30 index increased by 0.47 points to finish at 2,189.21 points and the DSE Shariah index also up by 3.04 points to close at 1,375.33 points on the day.
- The turnover on the DSE, however, decreased to Tk 782.8 crore on Wednesday compared with that of Tk 1,086.88 crore on Tuesday.
- Out of the 348 issues traded, 123 advanced, 47 declined and 178 remained unchanged on Wednesday. On the sectoral front, life insurance issues exerted the highest turnover, followed by food and general insurance stocks.
- Most of the sectors displayed positive returns, out of which general insurance, life insurance and cement exhibited the most positive returns on the bourse on the day. Meghna Life Insurance topped the turnover chart with its shares worth Tk 58 crore changing hands.
- Intraco Refueling Station, Rupali Life Insurance, Rangpur Dairy, Sonali Life Insurance, Bangladesh Shipping Corporation, Pragati Life Insurance, City General Insurance, Gemini Sea Food and Alif Industries were the other turnover leaders on the day.

<https://www.newagebd.net/article/203648/dhaka-stocks-bounce-back>

DSE demands fiscal support

The New Age, June 06, 2023

- Dhaka Stock Exchange chairman Hafiz Md Hasan Babu on Tuesday said that the government could draw attention of investors to the country's capital market by giving more importance on it in the national budget.
- He made the statement at a post-budget press conference held in the capital Dhaka on the day. The country's stock market has recently been suffering from lack of confidence and investors are waiting for a business-friendly environment on the market, Hafiz said.
- He said, 'The capital market has not received anything in the proposed national budget for the financial year 2023-24, but I don't believe that it is an anti-capital market budget.'
- Finance minister AHM Mustafa Kamal placed the proposed national budget for FY24 before Jatiya Sangsad on June 1. The DSE chairman said that the government should encourage foreign companies to be enlisted on the country's stock market.
- He urged the government not to impose any new tax measure on the stock market as it would severely weaken the market and investors would lose their confidence. Hafiz requested the government to exempt tax on interest income accrued from bonds.

<https://www.newagebd.net/article/203558/dse-demands-fiscal-support>

Tips on trading in govt securities on secondary market

The Financial Express, June 07, 2023

- Binding rules are set for trading in secure government securities — coveted as blue chips — on the secondary market as part of measures for developing the capital market.
- All banks and FIs can participate in MI module transactions.
- The guidelines are meant mainly to more popularize the government securities on the secondary platforms. The secondary trading in the securities was debuted sometime in October 2022 on stock exchanges.
- On default pertaining to investment in MI module, the investors will get remedies under the norms, rules and regulations of the BB.
- If a member dealer, here a bank or other financial institution who maintains account with the central bank to deal in such securities, fails to deliver securities and/or makes payment within the settlement day, the defaulting party will try to settle the unsettled transaction by buy-in from the market or managing funds from the market within the transaction period.

» BO account mandatory for govt bond transactions on stock market

» Business partnership account mandatory for transactions on MI module market

» Defaulting banks, FIs cannot participate in MI trading and interbank repo deals for seven days

<https://thefinancialexpress.com.bd/stock/bangladesh/tips-on-trading-in-govt-securities-on-secondary-market>

ADN buying 10pc of Shohoj Ltd

The Daily Star, June 08, 2023

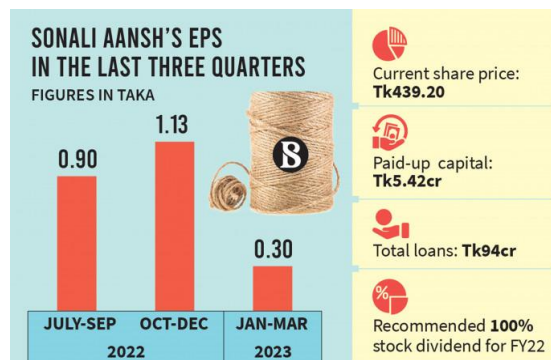
- ADN Telecom Limited is acquiring a 10 per cent share of online ticketing platform Shohoj Limited. The board of directors of ADN Telecom Limited approved the proposal for an investment of Tk 12 crore to acquire 10 per cent shares of Shohoj Limited yesterday, according to an executive of ADN Telecom Limited.
- Shohoj Limited was valued at around \$45 million when Vostok New Ventures invested about \$7 million for a 15.6 per cent stake in the first quarter of 2019, according to Vostok New Ventures' financial report for the first quarter of 2019.

<https://www.thedailystar.net/business/economy/news/adn-buying-10pc-shohoj-ltd-3340576>

Lower exports shrink Sonali Aansh's profit by 83% in March quarter

The Business Standard, June 06, 2023

- Sonali Aansh Industries Ltd – a publicly listed exporter of jute products – has reported an 83% year-on-year profit decline in the January to March quarter of the ongoing 2022-23 fiscal year owing to a decrease in the company's exports.
- During the period, the company's net profit stood at Tk16 lakh, which was Tk97 lakh in the same quarter previous fiscal. Its earnings per share (EPS) stood at Tk0.3.
- The company's net operating cash flow per share stood at Tk12.51 and net asset value per share at Tk115.61 at the end of March 2023.
- According to a senior official of the company, Sonali Aansh could not export enough of its products because of a decrease in global demand.
- Because of the global crisis, the number of buyers for its products has fallen. Now, the company is working towards manufacturing more diversified products, said the official.



<https://www.tbsnews.net/economy/stocks/lower-exports-shrink-sonali-aanshs-profit-83-march-quarter-645162>

Economy & Industry

Govt fails to use inflation checking tools: experts

The New Age, June 07, 2023

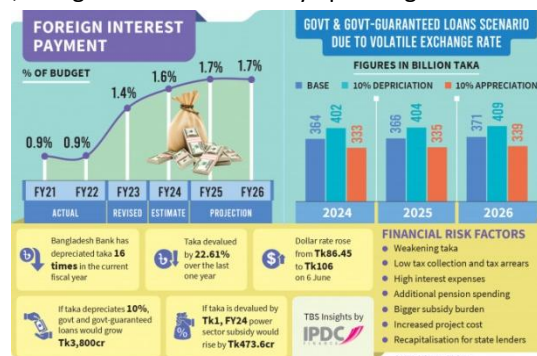
- Economists and experts on Wednesday said that the government failed to use the existing tools in checking inflation that hit a decade high of 9.94 per cent in May.
- Terming the government-set target to bring inflation down to 6 per cent in the financial year 2023-24 apparently unrealistic, they said that without aligning interest rate and dollar price with the market, inflation would not be controlled.
- They made the remarks at a post-budget discussion jointly organised by the Economic Reporters' Forum and the Research and Policy Integration for Development held at the ERF Auditorium in the capital Dhaka.
- In the proposed budget for FY24, the government has rightly identified the current challenges like controlling inflation, improving current account balance situation and stabilising the foreign exchange rate, but there are no clear indications in the budget regarding addressing the issues, RAPID chairman Mohammad Abdur Razzaque said.
- In the proposed budget, the government set 7.5 per cent GDP growth and it would be quite impossible to keep inflation under control with the high growth target, Razzaque said.
- The economist recommended that the government should rationalise the growth target for the macroeconomic stability. To keep inflation rate under 6 per cent, monetary policy and fiscal policy should have been tight, he said.

<https://www.newagebd.net/article/203651/govt-fails-to-use-inflation-checking-tools-experts>

Weak taka number one risk for macro stability: Finance

The Business Standard, June 07, 2023

- If the local currency loses its value against the dollar by one taka more, the government's subsidy spending for electricity alone will go up by Tk473.6 crore in the upcoming financial year. A 10% depreciation will mean an increase of Tk3,800 crore in government loans and guarantees in the fiscal 2023-24, the finance ministry projects.
- In a document it identifies losing value of taka as the number one risk for the macroeconomic stability for the next three years, which is not only fuelling inflation but also causing additional financial cost for the government.
- It analyses how the weakening taka will increase the government's cost burden in overall subsidy expenditures, loan repayment and project implementation.
- The finance ministry has identified several other risks to Bangladesh's financial stability in the budget document titled "Medium-Term Macroeconomic Policy Statement 2023-24 to 2025-26."



<https://www.tbsnews.net/economy/weak-taka-number-one-risk-macro-stability-finance-645810>

International

China's exports tumble in May as global demand falters

The Daily Star, June 08, 2023

- China's exports shrank much faster than expected in May while imports extended declines with a grim outlook for global demand, especially from developed markets, raising doubts about the fragile economic recovery.
- The world's second-largest economy grew faster than expected in the first quarter thanks to robust services consumption and a backlog of orders following years of Covid disruptions, but factory output has slowed as rising interest rates and inflation squeeze demand in the United States and Europe.
- Exports slumped 7.5 per cent year-on-year in May, data from China's Customs Bureau showed on Wednesday, much larger than the forecast 0.4 per cent fall and the biggest decline since January. Imports contracted 4.5 per cent, slower than an expected 8.0 per cent decline and April's 7.9 per cent fall.
- "The weak exports confirm that China needs to rely on domestic demand as the global economy slows," said Zhiwei Zhang, chief economist at Pinpoint Asset Management. "There is more pressure for the government to boost domestic consumption in the rest of the year, as global demand will likely weaken further in the second half."
- Highlighting the extent of the weakness, the data shows trade was worse even than when the port of Shanghai, China's busiest, was shut down due to strict Covid curbs a year earlier. The figures also add to a growing list of indicators that suggest China's post-Covid economic recovery is quickly losing steam, bolstering the case for more policy stimulus.

<https://www.thedailystar.net/business/global-economy/news/chinas-exports-tumble-may-global-demand-falters-3340581>

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