

Key News

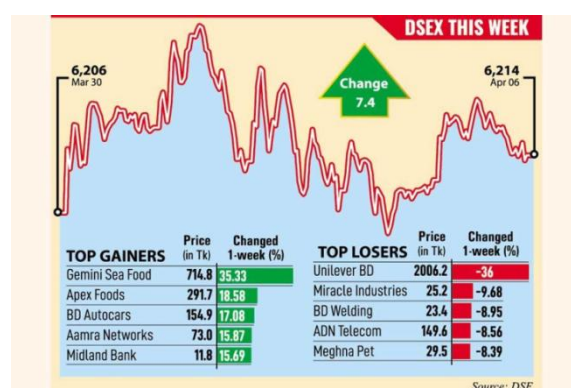
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Stock Market & Company

Weekly market review: Average daily turnover jumps 41pc on prime bourse

The Financial Express, April 08, 2023

- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), settled the week at 6,214.20, with a rise of 7.41 points, after shedding 54 points in the past three weeks straight.
- Eight of the top ten weekly gainers are small-cap stocks such as Gemini Sea Food, Apex Foods, BD Autocars, Aamra Networks, Rahim Textile, Sonali Aansh, Legacy Footwear and BD Lamps.
- The participation in the market also showed upward momentum as total turnover in the week rose to Tk 28.93 billion, up from Tk 16.39 billion in the previous week which saw four trading days.
- The average daily turnover stood at Tk 5.78 billion, a 41 per cent increase from the previous week's average turnover of Tk 4.10 billion.
- The small-cap jute sector soared almost 10 per cent, followed by services & real estate (1.70 per cent), paper (1.30 per cent), banking (0.50 per cent). On the other hand, the food & allied sector suffered a loss of 3.13 per cent followed by pharma (0.26 per cent).
- Genex Infosys became the weekly turnover leader, with shares of Tk 1.78 billion changing hands, closely followed by Eastern Housing (Tk 1.77 billion), Aamra Networks (Tk 1.49 billion), Bangladesh Shipping Corporation (Tk 1.34 billion) and Unique Hotel & Resorts (Tk 1.10 billion).
- The Chittagong Stock Exchange (CSE) ended slightly higher with its All Share Price Index (CASPI) rising 16 points to settle at 18,304 and the Selective Categories Index (CSCX) gaining 11 points to 10,973.



<https://thefinancialexpress.com.bd/stock/bangladesh/weekly-market-review-daily-turnover-jumps-41pc-on-prime-bourse>

General insurers have to keep 40%-100% reserve against risk: Idra

The Business Standard, April 09, 2023

- Non-life insurance companies have to keep a reserve between 40% and 100% as a solvency margin against their bearing risk of insurance coverage as the regulatory body, Insurance Development and Regulatory Authority (Idra), is going to issue Solvency Margin
- Regulations to increase the risk-bearing capacity of the insurance sector, for the first time in the country. The regulatory body has proposed a draft regulation in this regard.
- The solvency margin is a minimum excess on an insurer's assets over its liabilities set by regulators, similar to capital adequacy requirements for banks.
- The financial base of insurance companies in Bangladesh is very weak and no company can pay the insurance claim on time, which creates a crisis of public confidence in the insurance sector. Hence, the insurance regulatory body has made these regulations which will increase the risk-taking financial capacity of insurance companies. The National Insurance Policy also called for the issuance of solvency margin regulations.

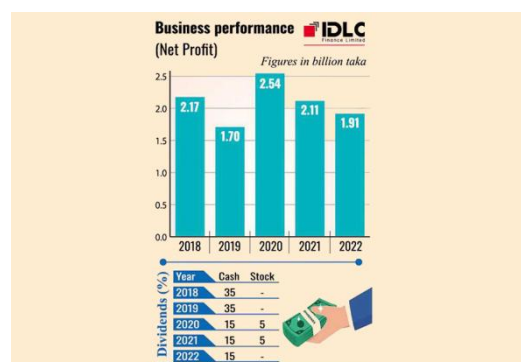


<https://www.tbsnews.net/economy/stocks/general-insurers-have-keep-40-100-reserve-against-risk-idra-613378>

IDLC Finance's consolidated profit declines 9.47pc

The Financial Express, April 09, 2023

- IDLC Finance, a leading non-banking financial institution, posted a decline in its consolidated profit in 2022 due to several factors such as a long bearish trend in the capital market and a new cap on lending rates.
- The company's consolidated net profit fell 9.47 per cent to Tk 1.91 billion in 2022, compared to the previous year.
- The yearly consolidated profit of IDLC Finance was Tk 2.11 billion in 2021, Tk 2.54 billion in 2020, Tk 1.70 billion in 2019 and Tk 2.17 billion in 2018.
- The company's subsidiaries are IDLC Securities, IDLC Investments, and IDLC Asset Management. However, IDLC Finance alone posted a 3.18 per cent growth in its net profit to Tk 1.62 billion for 2022 as against Tk 1.57 billion reported for the previous year.
- The company disbursed 15 per cent cash and 5.0 per cent stock dividends in 2021, 15 per cent cash and 5.0 per cent stock in 2020, 35 per cent cash in 2019 and 35 per cent cash in 2018.



<https://thefinancialexpress.com.bd/stock/bangladesh/idlc-finance-consolidated-profit-declines-947pc>

No seller for Midland Bank shares on Thursday

The Business Standard, April 06, 2023

- On their ninth session in the stock market, Midland Bank shares had no seller as the price gained 9.26% to hit the maximum allowable limit for the day.
- The shares closed at the upper circuit breaker of Tk11.8. Unlike most other new shares, Midland Bank opened its debut trading on 27 March at Tk9 per share and closed above Tk10.2 on that day.
- Trading at the level for six days the stock started to see higher demand on Wednesday and the rally continued till the closing bell on Thursday.

<https://www.tbsnews.net/economy/stocks/no-seller-midland-bank-shares-thursday-612154>

UFS says will refund Tk235cr embezzled from mutual funds

The Business Standard, April 06, 2023

- Universal Financial Solutions (UFS) has promised to refund investors Tk235 crore, which it embezzled from four mutual funds by showing false investments and fixed deposit receipts (FDRs).
- The asset management company sent a letter to the Bangladesh Securities and Exchange Commission (BSEC) on Tuesday, promising to return the money within the next three months.
- Syed Alamgir Farooq and Israt Alamgir, the parents of UFS Managing Director Syed Hamza Alamgir, who have fled the country, met the top officials of the commission recently.
- An investigation by the commission revealed that the asset manager had embezzled Tk235 crore from four mutual funds.
- UFS has promised to refund the money after the authorities decided to revoke its licence after filing a case under the Money Laundering Act against the firm.



<https://www.tbsnews.net/economy/stocks/ufs-says-will-refund-tk235cr-embezzled-mutual-funds-612494>

Kattali Textile in a dire strait, seeks time for audit

The Business Standard, April 06, 2023

- Kattali Textile Ltd is facing an extreme lack of purchase orders for the past few months due to an adverse business environment, the company told the securities regulator.
- The Chattogram-based garment exporter, listed with both the bourses in the country, sought a 120-day extension of the special audit deadline, citing two different problems.
- Its server was damaged earlier and the official responsible for cooperating with the auditors has been receiving treatment at a hospital for weeks, the company told the Bangladesh Securities and Exchange Commission (BSEC) on 3 April.



- In March this year, the regulator appointed Islam Jahid and Company Chartered Accountants as the special auditor to review Kattali Textile's financial statements for the last three years and check how much of the funds it raised through initial public offering (IPO) five years ago was utilised as per its promises.
- The company raised Tk34 crore through IPO to purchase capital machinery, repay bank loans, and install an electric transformer. Even after five years, around half of the fund remains unused.
- The regulator started also receiving investors' complaints that the company did not disburse the announced dividends among its shareholders. The commission appointed the special auditor to find out the reasons behind Kattali Textile's repeated failure to use the IPO funds, disburse dividends for FY21, and publish financial statements for more than a year.

<https://www.tbsnews.net/economy/stocks/kattali-textile-dire-strait-seeks-time-audit-612498>

Corporate earnings to recover in this Jan-June: EBL Securities analyst

The Business Standard, April 08, 2023

- Having suffered the bites of soaring prices of raw materials, energy, and dollar over the first half of the 2022-23 fiscal year, corporate earnings in Bangladesh are expected to recover in the January-June period of this year as the macroeconomic situation has improved, feels equity analyst Mohammad Rehan Kabir.
- "If the energy crisis does not make a comeback, or any new crisis does not resurface in the global arena, listed companies will tremendously recover their earnings in Jan-June," expects the analyst heading the research wing of a top-tier brokerage firm EBL Securities Ltd.
- The quarterly and half-yearly recovery would help firms avert an annual slide in earnings, expected Kabir in an interview with TBS. In the 2021-22 fiscal year, businesses suffered sales and production declines in the 42 days of lockdown in July-August of 2021. Also, the April-June quarter of 2022 was a bad one due to the rapidly soaring dollar then.
- Profits of most firms declined and many big names even counted losses till December. But they are in a better position now as most have transferred soaring costs on to the customers while the dollar is already fairly stable after a 25% appreciation in less than a year.

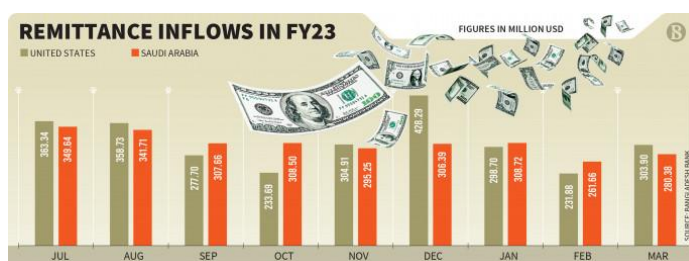
<https://www.tbsnews.net/economy/stocks/corporate-earnings-recover-jan-june-eb1-securities-analyst-613394>

Economy & Industry

Remittance inflow from US falls 14% in Q3 FY23

The Business Standard, April 09, 2023

- Remittance receipts from the United States dropped 13.69% in the January-March period of the current fiscal year 2022-23 compared to the previous quarter, causing the North American country to lose the top position among Bangladesh's remittance source countries to Saudi Arabia again after two quarters.
- Data from the Bangladesh Bank show that expatriate Bangladeshis living in the US sent home \$834 million in January-March this year, down from \$966.89 million in the previous quarter.
- Remittance inflow from Saudi Arabia also dropped 6.52% to \$850.76 million in January-March this year from \$910.14 million in the previous quarter.
- Despite the recent decline, the US remains the top remittance-earning source for Bangladesh if the total earnings of the first nine months of the current fiscal year are considered. In the first two quarters of the current fiscal year, the US became the largest source country of remittance for Bangladesh beating Saudi Arabia.



- The total remittance earnings from the US was \$2.8 billion from July to March of the current fiscal year, which is slightly higher than the \$2.7 billion received from Saudi Arabia during the same period, according to the Bangladesh Bank.

<https://www.tbsnews.net/economy/remittance-inflow-us-falls-14-q3-fy23-613450>

International

Asian markets edge up in thin trade ahead of US jobs data

The New Age, April 07, 2023

- Asian markets ticked higher in holiday-thinned trade Friday with all eyes on the release of US jobs data later in the day. The closely watched report comes after a series of releases this week pointed to a softening of the labour market, suggesting Federal Reserve rate hikes over the past year are kicking in.
- Analysts said a strong reading could deal a blow to markets as it would put further pressure on the US central bank to lift borrowing costs more. However, a lower-than-expected figure would allow officials to take their foot off the pedal, though it could also add to worries that the world's top economy was heading for a recession.
- After a positive lead from Wall Street in muted trade, Asia's few open markets advanced. Seoul led gains, piling on more than one per cent as heavyweight Samsung rallied after it said it would cut chip production owing to weak demand, lifting hopes for a spike in prices.
- Tokyo, Shanghai, Bangkok and Taipei were also up. European and US markets are also closed, while there was no oil trading.
- Fresh US government unemployment data on Thursday showed there were 228,000 new applications for unemployment aid last week, above analyst expectations.
- That followed Wednesday's news that services sector activity grew less than forecast last month, while a separate report pointed to private employers slowing their hiring pace in March.

<https://www.newagebd.net/article/198873/asian-markets-edge-up-in-thin-trade-ahead-of-us-jobs-data>

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