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Stock Market & Company

Bourses open marginally higher

The Financial Express, June 08, 2022

- The market opened marginally higher on Wednesday as the bargain hunters showed some buying interest in sector-wise lucrative stocks. Following the previous day's modest correction, DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 12.50 points to stand at 6,481, after the first hour of trading at 11:00 am.
- Two other DSE indices also saw a positive trend till then with the DS30 index, comprising blue chips, gaining 4.23 points to reach 2,354 and the Shariah Index (DSES) rose 2.43 points to stand at 1,413. Turnover, another important indicator of the market, stood at Tk 2.01 billion after the first hour of trading at 11:00 am.
- Of the issues traded till the filing of this report, 189 advanced, 125 declined and 48 issues remained unchanged on the DSE trading floor. Provati Insurance was the most traded stock till then with shares worth Tk 110 million changing hands, closely followed by Asia Insurance, Quasem Industries, Bay Leasing and National Bank.
- The Chittagong Stock Exchange also saw a positive trend till then with its All Shares Price Index (CASPI)—gaining 7.0 points to stand at 18,965 the Selective Categories Index – CSCX rose 4.0 points to reach 11,374 at 11:00 am.

<https://thefinancialexpress.com.bd/stock/bourses-open-marginally-higher-1654665955>

Investors must invest at least Tk 50,000 for IPO quota

The Newage, June 08, 2022

- The Bangladesh Securities and Exchange Commission on Wednesday raised the minimum stock market investment requirement to Tk 50,000 from Tk 20,000 for the general investors for enjoying initial public offering quota. The minimum investment for non-resident Bangladeshi was set at Tk 1 lakh.
- The BSEC made the decision at a commission meeting presided over by its chairman Shibli Rubayat-UI-Islam. On May 23, the BSEC raised the minimum stock market investment requirement to Tk 3 crore from Tk 1 crore for eligible investors (EIs) for getting IPO quota.
- The minimum investment for approved pension funds, recognised provident funds and approved gratuity fund was raised to Tk 1.5 crore from Tk 50 lakh. The conditions will be mentioned in the consent letter of each IPO prospectus. The regulator has made the decision in a bid to increase fund flow on the stock market.

<https://www.newagebd.net/article/172703/investors-must-invest-at-least-tk-50000-for-ipo-quota>

BSEC okays draft prospectus of Blue-Wealth Fund

The Business Standard, June 08, 2022

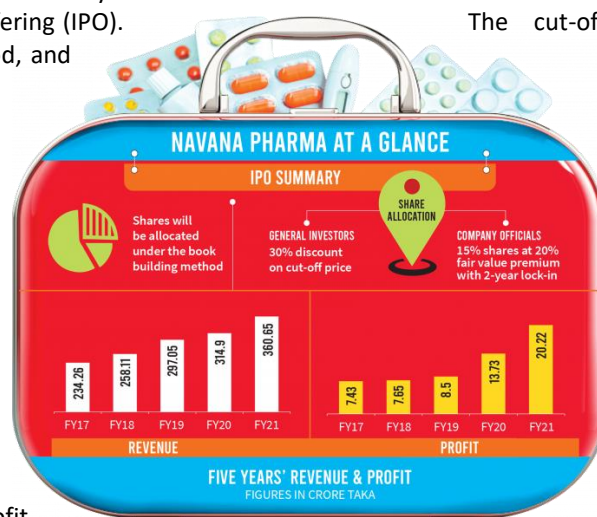
- The Bangladesh Securities and Exchange Commission (BSEC) approved the draft prospectus of Blue-Wealth 1st Balanced Fund, an open-ended mutual fund. On Wednesday, the commission approved the prospectus at its 826th meeting.
- According to the BSEC, the primary target size of the fund is Tk25 crore. The sponsor, Blue-Wealth Assets Limited, will provide Tk2.5 crore of that amount, and the remaining Tk22.5 crore will be raised by selling mutual fund units to investors at a face value of Tk10 each.
- Sandhani Asset Management Limited is the trustee, while Brac Bank Ltd is the custodian of the fund. As the asset manager, Blue-Wealth Assets Limited will focus on mid-and large-cap stocks, with capital protection getting high priority.

<https://www.tbsnews.net/economy/bsec-okays-draft-prospectus-blue-wealth-fund-435718>

Navana Pharma gets BSEC approval for IPO to raise Tk75cr

The Business Standard, June 08, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday allowed Navana Pharmaceuticals Limited to raise Tk75 crore from the stock market through an initial public offering (IPO). The cut-off price of the shares will be determined by the book building method, and general investors will get a 30% discount on the cut-off price.
- Of the funds, the drugmaker plans to use Tk23.24 crore for a new general production building, Tk9.73 crore for a new utility and engineering building, Tk17.85 crore for refurbishing the cephalosporin unit, Tk21.18 crore for loan repayment, and the rest for meeting IPO expenses.
- UCB Investment Ltd, Asian Tiger Capital Partners Investment Ltd, and EBL Investments Ltd are the issue managers, while AFC Capital Limited is the registrar of Navana Pharma's IPO.
- Financials: At the end of the first nine months of fiscal 2021-22, Navana Pharma's revenue increased by 38% to Tk366.64 crore, and net profits by 45% to Tk19.18 crore, compared to the same period in the previous fiscal.
- According to its audited annual report for fiscal 2020-21, its net profit stood at Tk20.23 crore, up from Tk13.74 crore in the previous fiscal year. Revenues stood at Tk360.66 crore, which was Tk314.90 crore a year ago.



<https://www.tbsnews.net/economy/stocks/navana-pharma-gets-bsec-approval-ipo-raise-tk75cr-435814>

Economy & Industry

Exporters to pay higher source tax

The Daily Star, June 09, 2022

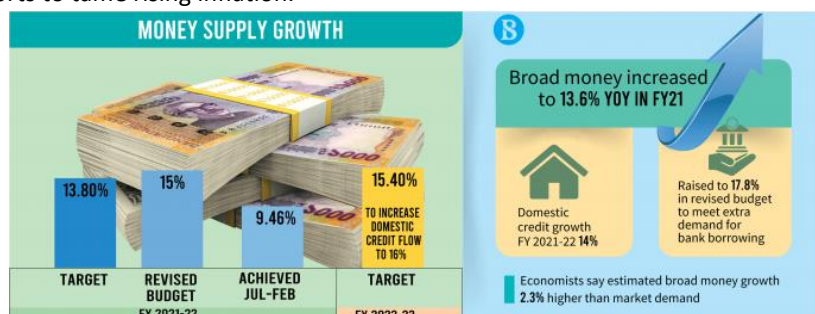
- Although exporters of all sectors are going to enjoy 10 per cent (green businesses) and 12 per cent (non-green businesses) corporate tax in line with garment makers, source tax on export proceeds is likely to double to 1 per cent from the next fiscal year.
- The existing 0.5 per cent source tax has been in place for the last couple of years, according to the National Board of Revenue.
- The move comes against the backdrop of businesses showing interest in importing gold after the government framed a gold policy in 2018 to bring the gold trade under a regulatory framework. Officials expect that the tax waiver would help the jewellery market to flourish and increase the state's revenue collection.

<https://www.thedailystar.net/business/economy/news/exporters-pay-higher-source-tax-3042911>

Govt wants to raise money supply by over 15% even amid soaring inflation

The Business Standard, June 08, 2022

- The government is going to increase the money supply in the next fiscal year to 15.4% – highest in the last seven years, which appears to throw a spanner in its own efforts to tame rising inflation.
- Economists say such an uncalculated target of broad money growth will further stoke inflation in Bangladesh. They suggest reducing money supply by keeping aggregate demand in check.
- M2 is a broader measure of money supply and is being closely watched as an indicator of money supply and future inflation, and as a target of central bank monetary policy.
- If broad money exceeds nominal GDP growth, commodity prices will take another steep jump, leaving limited-income consumers and the poor to bear the brunt of the increasing squeeze on the cost of living, they fear.
- At its coordination council meeting, the finance ministry said the country's economic growth target has been projected at 7.5% and inflation at 5.6%. Nominal GDP will stand at 13.1%.



<https://www.tbsnews.net/economy/budget/govt-wants-raise-money-supply-over-15-even-amid-soaring-inflation-435306>

International

India hikes interest rates by 50 basis points

The Daily Star, June 08, 2022

- India's central bank on Wednesday hiked rates for a second time in as many months, as Asia's third-largest economy reels from galloping inflation in the wake of the Ukraine war.
- The Reserve Bank of India raised its key repo rate by 50 basis points to 4.90 per cent, a month after kicking off an aggressive monetary tightening cycle with a surprise 0.4 percentage point lift in May.
- "The war in Europe is lingering and we are facing newer challenges each passing day," Bank governor Shaktikanta Das said in a televised address, pointing to higher food and fuel prices.
- He added that inflation was a global problem but emerging economies were facing "bigger challenges", with market turbulence following monetary policy shifts in advanced economies.

<https://www.thedailystar.net/business/global-economy/indian/news/india-hikes-interest-rates-50-basis-points-3042866>

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