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Stock Market & Company

Stocks drop for 2nd week as sell-off continues

The New Age, February 11, 2023

- Dhaka stocks dropped for the second week in the past week as investors kept selling shares amid economic worries in the country. DSEX, the main index of the Dhaka Stock Exchange, fell by 0.18 per cent, or 11.43 points, to close at 6,283.31 points on February 9, following a drop of 1.52 points in the previous week.
- The weekly average turnover increased to Tk 648.73 crore in the past week from that of Tk 567.91 crore in the previous week.
- Share prices of about two-thirds of the companies remained stuck in their floor prices as investors were reluctant to buy.
- The Bangladesh Securities and Exchange Commission imposed floor prices on all companies on July 28, 2022 to prevent excessive stock price fall.



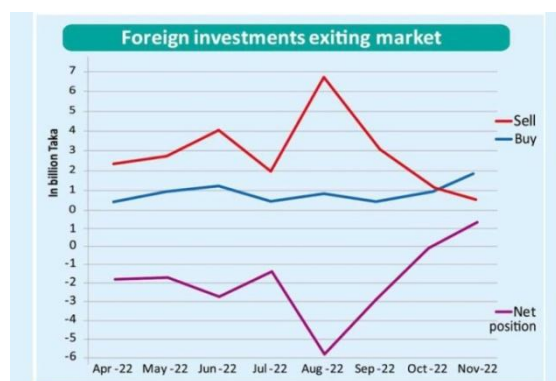
- Out of 380 companies traded, share prices of 138 declined, 42 advanced and 200 remained unchanged. The DS30, comprised of 30 large capitalised companies, added 4.62 points to finish at 2,235.36 points, but the DSE Shariah index, DSES, lost 2 points to close at 1,373.96 points.
- Genex Infosys topped the weekly turnover chart with a value of Tk 327 crore. Bangladesh Shipping Corporation, Shinepukur Ceramics, Orion Pharma, Olympic Industries, Sea Pearl Beach Resort, Eastern Housing, Aamra Networks, Gemini Sea Food and Bashundhara Paper Mills were the other turnover leaders.

<https://www.newagebd.net/article/194181/stocks-drop-for-2nd-week-as-sell-off-continues>

Morgan Stanley's "special treatment" for Bangladesh sends out warning against illiquidity of assets

The Financial Express, February 12, 2023

- Global investment research firm Morgan Stanley Capital International (MSCI) in its latest quarterly review decided to bring no change in measuring Bangladeshi stocks' performance in its frontier markets index due to "the deterioration of liquidity" in the equity market.
- MSCI provides investors with data and analytics in helping them make investment decisions. It is well known for benchmark indexes, such as MSCI emerging markets index and MSCI frontier markets index.
- Foreign trade accounted for about 5 per cent of the daily average turnover a couple of year ago, which plummeted to 2-3 per cent by January this year, according to BRAC EPL Stock Brokerage.
- "MSCI will not implement changes as part of upcoming index reviews for any securities" for the MSCI Bangladesh indexes, said the research firm in an announcement made last week.



<https://bd/stock/morgan-stanleys-special-treatment-for-bangladesh-sends-out-warning-against-illiquidity-of-assets>

Foreign investment in govt bonds falters

The Financial Express, February 12, 2023

- Bangladesh fails to attract foreign investment in treasury bonds as it has stagnated into a zero sum since 2019, according to official count, mainly for two principal financial factors besides the pandemic. A Bangladesh Bank (BB) publication, released Thursday, said there had been no non-resident investment in Bangladesh in the government treasury bonds since 2019. Both non-resident Bangladeshis and foreigners can invest in the government securities.
- Till the end of December 2018, foreign investors had made a net investment of only Tk 230 million, before hitting rock bottom.
- Bangladesh has different five-tenure bonds, starting from two-year to 20-year maturity terms. The government borrows with the tools to make up for its fund deficit from the banking system.
- Resident and non-resident Bangladeshis and other institutions can invest in the instruments to accrue fixed incomes. When the local currency depreciates, it weakens the BDT against the US dollar, which also discourages foreign investors from making investment here. The investors get a lesser amount when the BDT is converted to dollar.



<https://thefinancialexpress.com.bd/stock/foreign-investment-in-govt-bonds-falters-1676168303>

Runner lunches country's maiden three-wheeler plant

The Financial Express, February 11, 2023

- Runner Automobile PLC, a publicly traded company, launched the country's first-ever "Made in Bangladesh" three-wheeler plant on Saturday with a technical collaboration with Indian Bajaj Auto, the global leader in three-wheelers.
- Established about 10 acres of land at Bhaluka in Mymensingh with an investment of Tk 3 billion, the Runner three-wheeler manufacturing plant has capacity of 30,000 units per year. According to Runner, the local plant will add around 70 per cent value locally through chassis, body welding, painting, testing, engine and vehicle assembling.
- Experts of Bajaj have supervised the manufacturing process at Runner's factory which can run on liquefied petroleum gas (LPG) and compressed natural gas (CNG). The runner plant is expected to operate as an import substitution for Bajaj in the country.
- Runner will manufacture and distribute Bajaj's RE 4S 3-wheeler in Bangladesh and will take necessary technical support for localisation of parts and components, assembling and manufacturing of vehicles from Bajaj Auto.

<https://thefinancialexpress.com.bd/stock/runner-lunches-countrys-maiden-three-wheeler-plant-1676131249>

ACI ships first batch of pharma to US subsidiary

The Daily Star, February 12, 2023

- Bangladeshi conglomerate ACI has completed exporting its first ever shipment of pharmaceutical products to its subsidiary, ACI Healthcare USA, located in the USA.
- The products were sent from ACI Healthcare Ltd's facility situated in Narayanganj's Sonargaon, the company said in a statement today. ACI organised a programme on the occasion at InterContinental Dhaka on February 9.

<https://www.thedailystar.net/business/economy/news/aci-ships-first-batch-pharma-us-subsidiary-3245316>

Midland Bank to offer 50 lakh shares to employees

The Daily Star, February 12, 2023

- Midland Bank Ltd is going to offer 50 lakh ordinary shares to its employees under its initial public offering (IPO). In September, the fourth-generation bank got the nod from the Bangladesh Securities and Regulatory Commission to raise Tk 70 crore from the stock market by issuing 7 crore shares through an IPO.
- The bank will issue 50 lakh shares, or 7.14 per cent of the total issues to be floated, to its employees under an employee share purchase plan, said Midland Bank in a press release. The rest of the shares will be distributed among eligible investors and general public investors in line with the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
- As per the IPO prospectus, the total loans and advances of the bank were Tk 4,586 crore as on 31 December 2021 whereas the total deposit was Tk 5,073 crore. The pre-IPO paid-up capital of Midland Bank is Tk 569 crore and it will go up to Tk 639 crore after the share issuance.
- The sponsors and directors of the issuer will hold 78.63 per cent of the company after the bank makes its debut on the stock market. The ratio of non-performing loans and the capital adequacy ratio were 3.17 per cent and 15.87 per cent respectively for the year that ended on December 31, 2021. The weighted average earnings per share for the last five years was Tk 1.07.

<https://www.thedailystar.net/business/economy/news/midland-bank-offer-50-lakh-shares-employees-3245301>

Pvt ship owners irked over BSC privilege

The Daily Star, February 12, 2023

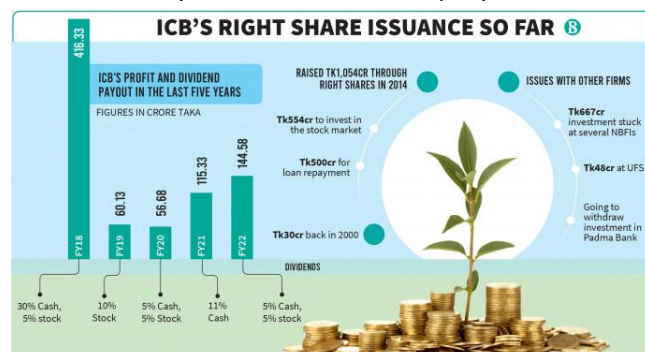
- A shipping ministry rule issued last week stipulating that only Bangladesh Shipping Corporation (BSC) will be able to carry goods imported by the government has created frustration among private oceangoing ship operators.
- Bangladesh Flag Vessels (Protection) Rules refers to the public procurement rules 2006. "We are very upset. We are completely frustrated with the rule," said Bangladesh Ocean Going Ship Owners' Association Chairman Azam J Chowdhury.
- The rule will allow the state shipping agency to transport goods such as essential commodities and fertiliser imported by public enterprises, he said. The entities are namely the Trading Corporation of Bangladesh, Bangladesh Chemical Industries Corporation and Bangladesh Agricultural Development Corporation, said Chowdhury.

<https://www.thedailystar.net/business/economy/news/pvt-ship-owners-irked-over-bsc-privilege-3245361>

ICB plans to issue rights shares to raise fund

The Business Standard, February 11, 2023

- The Investment Corporation of Bangladesh (ICB), which has been facing a shortage of funds, intends to raise money by issuing rights shares to inject fresh funds into the capital market. On 23 January, the state-owned company formed a five-member committee in this regard.
- Officials stated that prior to making any decisions regarding the issuance of rights shares at the ICB board meeting, the approval of the shareholders is mandatory. Once secured, the corporation will then submit an application to the Bangladesh Securities and Exchange Commission (BSEC) in connection to this matter.
- They said that ICB will utilise the funds collected from the rights shares by investing them in the capital market. At present, it is unable to sell its shares due to the floor price restriction imposed by the regulators.



<https://www.tbsnews.net/economy/stocks/icb-plans-issue-rights-shares-raise-fund-583710>

Apex Footwear stock shines on stellar business growth

The Business Standard, February 11, 2023

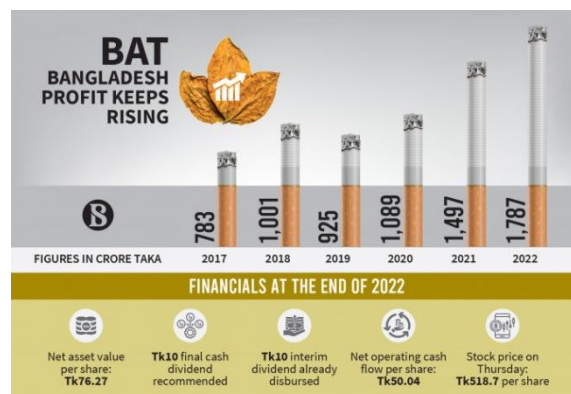
- Apex Footwear's stock was the most appreciated one last week, as it soared nearly 17% over the week, thanks to its stellar business performance in the July to December period of the ongoing 2022-23 fiscal year.
- The stock's price crossed Tk300 per share after five months. Last Thursday, it stood at Tk306. And owing to this increase in share price, Apex Footwear's market capitalisation surged by 9.44% to Tk394 crore in just five days.
- Earlier this month, the company published its financials, according to which, both its revenue and profit increased 42% in the first half of the ongoing fiscal, compared to the same period of the previous year. In the July to December period of 2022, the company's revenue stood at Tk801 crore, and net profit at Tk6.77 crore.
- Despite the inflationary pressure, Apex Footwear performed well in both local and foreign markets.

<https://www.tbsnews.net/economy/stocks/half-yearly-performance-boosts-apex-footwears-market-cap-944-583414>

BAT Bangladesh profit keeps soaring, 2022 no exception

The Business Standard, February 11, 2023

- British American Tobacco (BAT) Bangladesh has been posting business growth for the past few years, and the last year that ended on 31 December 2022 was no exception, even amid several economic adversities. In 2022, the after-tax net profit of the market leader of tobacco surged 19.4% to Tk1,787 crore, from Tk1,497 crore in the previous year. In 2021, the profit growth was 37% year-on-year.
- As per analysts, the nature of tobacco products is what mainly helped the company's business soar, as factors like high inflation, higher business costs, and a depreciating currency could not change the buying habits of the inelastic product's consumers.
- According to its latest quarterly financials, the company's gross revenue increased by 8.7% year-on-year in the January to September period of 2022, and stood at Tk26,572 crore.
- Since the company is yet to publish its annual report for the year 2022, its annual revenue could not be known. In the January to June period of 2022, its net revenue stood at Tk6,161 crore after deducting all the high taxes and duties on the discouraged tobacco products.



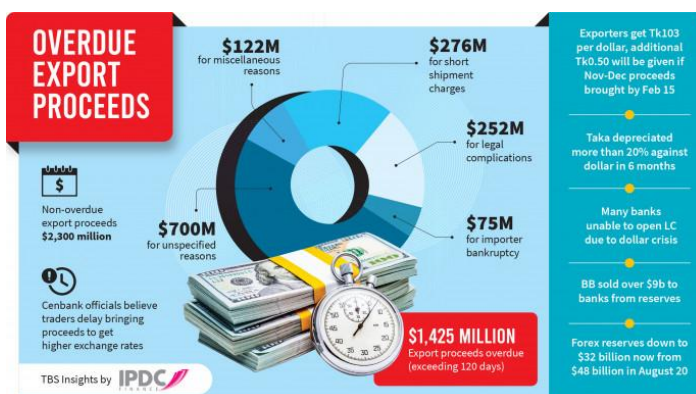
<https://www.tbsnews.net/economy/stocks/bat-bangladesh-profit-keeps-soaring-2022-no-exception-582426>

Economy & Industry

\$1.42b export proceeds overdue amid cry for dollar

The Business Standard, February 11, 2023

- While importers, businesses, industries, and workers look at a bleak future as raw materials imports and industrial production get cut due to the current dollar crisis, more than \$1.42 billion remains unrepatriated as of December last year despite the expiration of the stipulated 120-day time frame.
- There is an obligation to repatriate the money within a maximum of 120 days from the day after sending the export documents to the importer's bank concerned following shipments of goods.
- The Bangladesh Bank on 29 January issued a directive to the banks for repatriating the overdue proceeds as soon as possible, revealing the urgency of the situation and the importance of recovering the much-needed foreign currency to shore up the country's economy.
- In addition, the banks were also instructed to take immediate steps for quick repatriation of any non-overdue export proceeds, which stood at around \$2.3 billion till December last.
- The central bank also asked banks to provide detailed information about the overdue amount by 12 February. When export proceeds remain overdue, it means that the payment for goods or services that have been exported to another country has not been received within the agreed-upon time frame.



<https://www.tbsnews.net/economy/142b-export-proceeds-overdue-amid-cry-dollar-583722>

Green factories brighten image of apparel sector

The Daily Star, February 12, 2023

- Bangladesh's apparel industry has witnessed numerous ups and downs ever since the deadly fire at the Tazreen Fashions factory in Ashulia and collapse of Rana Plaza in Savar about a decade ago. Following these two disasters, the industry underwent massive reforms while also being made to withstand the severe implications of Covid-19 and now the ongoing Russia-Ukraine war.
- Still, it has defied the prolonged global economic downturn as export earnings from the sector remain in the positive territory. The apparel industry's strong showing over the years mainly comes down to two reasons. First, Bangladesh has implemented remediation measures to strengthen workplace safety as suggested by the Accord on Building and Fire Safety in Bangladesh and Alliance for Bangladesh Worker Safety.
- Second, Bangladesh continued supplying apparel products even during the Covid-19 pandemic, when most factories across the globe had shut down. These two factors boosted the confidence of international retailers and brands in regard to the domestic apparel industry. As such, the country has performed well at a time when most garment producing nations are struggling to keep the business afloat.

<https://www.thedailystar.net/business/economy/news/green-factories-brighten-image-apparel-sector-3245371>

International

Norway's sovereign wealth fund pulls out of Adani

The New Age, February 09, 2023

- Norway's \$1.2 trillion sovereign wealth fund, the world's largest, said Thursday it has completely divested its assets in the troubled Indian conglomerate Adani. The fund, which is set up to put the country's oil and gas revenues to work, held some \$200 million worth of shares in the group at the end of 2022.
- It had a stake of 0.14 per cent in Adani Green Energy, 0.17 per cent in Adani Total Gas and 0.3 per cent in Adani Ports & Special Economic Zone. 'Since year-end, so the five weeks since year-end, we have further reduced our exposure in Adani companies significantly,' said Christopher Wright, the head of environmental, social and governance (ESG) risk monitoring at the fund.
- 'So today for all intents and purposes, we have no exposure left,' Wright added. Between 2014 and 2023, the fund had already divested from six subsidiaries of the Adani conglomerate, mainly for environmental reasons, namely their role in deforestation and their high greenhouse gas emissions.

<https://www.newagebd.net/article/194001/norways-sovereign-wealth-fund-pulls-out-of-adani>

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