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Stock Market & Company

[Stocks dip, turnover 1-month low](#)

The New Age, February 12, 2023



- DSEX, the key index of the Dhaka Stock Exchange, lost 27.15 points, or 0.43 per cent, and settled at 6,256.15 points on Sunday against 6,283.30 points in the previous trading session. Before February 9, the market had gained 14.93 points in two trading sessions.
- The turnover on the Dhaka bourse decreased to Tk 470.84 crore on Sunday against Tk 608.44 crore on Thursday. Sunday's turnover is the lowest since January 10.
- Al-Haj Textile, ICB AMCL Third NRB Mutual Fund, Sonali Paper and Board, Prime Bank, Apex Spinning and Knitting, BD Thai Food and Beverage, Bata Shoe, Orion Infusion, Beach Hatchery and Reckitt Benckiser were the top 10 gainers considering their closing prices on the day.
- Eastern Housing, Shinepukur Ceramics, Intraco Refueling Station, Unique Hotel and Resorts, Genex Infosys, Summit Alliance Port, JMI Hospital Requisite Manufacturing, Bashundhara Paper Mills, Bangladesh Monospool Paper and Aamra Networks were the top 10 losers considering their closing prices on the day.
- Among the sectors, pharmaceutical issues exerted the highest turnover, followed by IT stocks. Out of the 321 issues traded on the day, 11 advanced, 164 declined and 146 remained unchanged. The DS30 index also declined by 10.02 points to finish at 2,225.33 points and the DSE Shariah index declined by 5.93 points to close at 1,365.95 points on the day.

<https://www.newagebd.net/article/194250/stocks-dip-turnover-1-month-low>

Widen tax gap by 15pc to lure more cos to market; DSE, CSE & merchant banks

The Financial Express, February 13, 2023

- Stock exchanges and the merchant bankers association urged the National Board of Revenue (NBR) to widen the tax rate gap between listed and non-listed companies to encourage good companies to join the capital market.
- Currently, listed firms other than banks, insurers, financial institutions, mobile operators, and tobacco companies, which issued shares equivalent to more than 10 percent of their stakes, pay 20 per cent corporate tax while their non-listed peers pay 27.50 per cent tax.
- The rate is 22.5 per cent for the listed firms that floated shares comprising 10 per cent or less of the paid-up capital. The tax rate is 25 per cent instead of 22.5 per cent if companies fail to meet regulatory conditions.
- At a pre-budget meeting on Sunday, the market stakeholders also urged the NBR to create scope for investments of undisclosed money in the capital market, with a 5 per cent tax imposed, to boost the liquidity flow.
- Leaders of the Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Bangladesh Merchant Bankers Association (BMBA) presented their proposals for the fiscal year 2023-24 to NBR Chairman Abu Hena Md. Rahmatul Muneem.

BUDGET PROPOSALS FOR FY24		
 DSE	 MERCHANT BANKERS	 CSE
» Tax exemption on income from all bonds	» Allowing undisclosed money in stocks with 5pc tax	» Letting legally-earned undisclosed money in capital market
» Reduction of tax imposed on SMEs to 10pc	» Withdrawal of double taxation	» Tax waiver for CSE until 2025
» Corporate tax cuts for listed cos to 15pc	» Reducing tax rate for merchant banks to 25pc from 37.5pc	» Tax waiver for SMEs for 3 years after listing

<https://thefinancialexpress.com.bd/stock/widen-tax-gap-by-15pc-to-lure-more-cos-to-market-dse-cse-merchant-banks>

BMBA seeks 15pc tax rate gap between listed, non-listed cos

The Financial Express, February 12, 2023

- The Bangladesh Merchant Bankers Association (BMBA) urged the National Board of Revenue (NBR) for a scope to invest undisclosed money in the capital market with a 5.0 per cent tax to increase the depth of the market.
- The merchant bankers also urged to widen the tax-rate gap at least 15 per cent between listed and non-listed companies to attract more large companies to the capital market. The BMBA submitted their budget proposals, made for the fiscal year 2023-24, to the chairman of National Board of Revenue (NBR) on Sunday.
- Currently, listed firms other than banks, insurers, financial institutions, mobile operators, and tobacco companies, which issued shares worth more than 10 per cent, pay 20 per cent corporate tax while their non-listed competitors pay 27.50 per cent tax.
- The rate is 22.5 per cent for the listed firms that floated shares equivalent to 10 per cent or less of its paid-up capital. The tax rate would be 25 per cent instead of 22.5 per cent if companies fail to meet conditions.
- “More non-listed companies will be inspired to go public if the amount of corporate tax is reduced. The government’s revenues will be increased at this,” it said. The BMBA noted that out of nearly 0.2 million registered companies, only 354 are now publicly listed. BMBA’s argument in this regard is that many good companies are not coming to the capital market due to the small tax gap, they are doing business with bank loans.

<https://thefinancialexpress.com.bd/stock/bmba-seeks-15pc-tax-rate-gap-between-listed-non-listed-cos-1676202539>

Listed firms must upload additional info to ease investment decision-making

The Business Standard, February 12, 2023

- Alongside publishing all the price sensitive information (PSI) in due procedure, listed firms will also have to publish the material information (MI) in their websites to help investors make informed investment decisions, the Bangladesh Securities and Exchange Commission (BSEC) said in the amended rules for insider trading prohibition.
- For instance, financial statements, financial results, corporate announcements including dividend announcements, corporate structure, capital structure, changes in business, expansion or liquidation – all are PSIs.
- Rational investors in the Bangladesh capital market know it well that PSI alone is not enough for their informed investment decision making, as they have been deprived of most of the details beyond PSI by most of the issuers.
- Within three months of the new rules' enactment, every issuer of listed shares and other securities or asset manager of funds must prepare and publish their own "Principles on Disclosure of Material Information and Price Sensitive Information" so that investors can learn about the types and extents of information they are entitled to avail. Companies will also have to publish their comparative information of profits, cash flow, and asset value.

<https://www.tbsnews.net/economy/stocks/listed-firms-must-upload-additional-info-ease-investment-decision-making-584266>

Shares of Alhaj Textile traded at lower price in block market

The Business Standard, February 12, 2023

- Shares of Alhaj Textile Mills Limited were traded at a lower price in the block market than on the main trading platform of the Dhaka Stock Exchange (DSE) on Sunday (12 February). The company's shares were sold at Tk124 to Tk135 in the block market and Tk132.50 to Tk142.90 on the main trading platform.
- In a block market, buyers and sellers are predetermined. On the main platform, transactions are done through bidding and there is no fixed buyer-seller. However, shares cannot be bought or sold for fewer than Tk5 lakh in the block market.
- The floor price of Alhaj Textile's shares was Tk132.10. On Sunday, 12.66 lakh shares of the company were sold at Tk16.49 crore through the block market, while its turnover value was Tk6.69 crore on the main platform of the DSE. During the session, its shares price jumped by 6.27% to close at Tk140.60 on DSE's main platform.

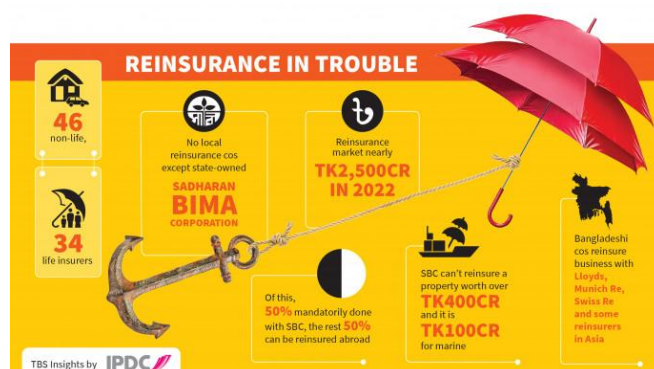
<https://www.tbsnews.net/economy/stocks/shares-alhaj-textile-traded-lower-price-block-market-584142>

Economy & Industry

Insurers worried as dollar crisis halts reinsurance premiums

The Business Standard, February 12, 2023

- The insurance industry in Bangladesh is grappling with a major crisis as a shortage of US dollars has made it difficult for local insurers to make premium payments to foreign reinsurers.
- Unpaid premiums worth over \$50 million have been stuck for the past five months, raising deep concern among local insurance companies about the future of their businesses.
- Fearing a worst-case scenario, insurers are warning that if they are unable to remit the premium eventually, the overseas reinsurers – who share and handle risks that are too large for local insurance firms – may decline to continue risk coverage, potentially cancelling existing contracts.
- This would have far-reaching consequences, leaving the country's Key Point Installations (KPI), mega-projects, and numerous properties uninsured, resulting in losses for both insurers and policyholders alike.



- Sadharan Bima Corporation (SBC), the lone state-owned non-life insurer and also a reinsurer, is limited in its capacity to reinsure properties worth only Tk400 crore. As a result, local insurance companies are forced to seek reinsurance for KPIs, mega-projects, and factories worth more than Tk400 crore, from foreign companies. To keep the reinsurance in place, they must send premiums to overseas reinsurers on a regular basis.
- According to laws in Bangladesh, all private insurers must reinsure 50% of their business through the state-owned SBC and the remaining half can be placed in or outside Bangladesh. But not all companies have business with foreign reinsurers.

<https://www.tbsnews.net/economy/insurers-worried-dollar-crisis-halts-reinsurance-premiums-584278>

Private sector's foreign debt down by over \$1b

The Daily Star, February 13, 2023

- The private sector's foreign debt decreased by 4.3 per cent, or more than \$1 billion, in the second quarter of the current fiscal year following Bangladesh Bank's strict measures to control imports.
- By the end of December 2022, the country's total private sector foreign debt amounted to \$24.1 billion while it was \$25.4 billion earlier in September. private sector foreign debt saw a gradual increase in each quarter since December 2020 and stood at \$25.95 billion in June 2022.
- Following the start of the Russia-Ukraine war in February last year, prices of various products increased. As a result, Bangladesh's import costs rose, which put pressure on the country's foreign currency reserve. Amid this, the central bank imposed various restrictions on the import of non-essential products in May last year.
- Of the total private sector foreign debt, short term buyers' credit decreased by \$626 million and stood at \$9.56 billion in December last year while it was \$10.19 billion in September. By the end of December 2022, the country's total private sector foreign debt amounted to \$24.1 billion while it was \$25.4 billion earlier in September. Also, deferred payments reduced to \$698 million in December from \$815 million in September.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-debt-down-over-1b-3246241>

International

Moody's cuts Ukraine debt rating

The New Age, February 13, 2023

- Moody's said Friday it has downgraded Ukraine's debt rating over a protracted war with Russia, but shifted its outlook from negative to stable. The ratings agency cut the grade a notch to Ca from Caa3, a rating that suggests a near-default state -- close to a year since Russia's invasion.
- The downgrade is "driven by the effects of the war with Russia that are likely to pose long-lasting challenges to Ukraine's economy and public finances," said Moody's Investors Service in a statement.
- "These challenges increase risks to government debt sustainability, making a debt restructuring with significant losses for private-sector creditors very likely," it added. According to Moody's estimates, the country's GDP contracted by around 30 percent last year following Moscow's invasion.
- Despite financial support from donors for repairs and reconstruction, the war will likely cause lasting damage to the productive capacity of key economic sectors, Moody's added. But it also said that although there is uncertainty around timing and form, "a debt restructuring has become highly likely in light of the sustained economic disruption and the large fiscal costs of the war," in providing justification for the stable outlook.

<https://www.thedailystar.net/business/global-economy/news/moodys-cuts-ukraine-debt-rating-3246181>

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