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Stock Market & Company

Stocks open week with slump

Newage, December 12, 2021

- Dhaka stocks slumped on Sunday as investors already grappling with a tussle between regulators over market-related issues became alarmed after the detection of new coronavirus variant Omicron in the country. DSEX, the key index of the Dhaka Stock Exchange, dropped by 0.92 per cent, or 64.38 points, to close at 6,920.35 points on Sunday after gaining 32.6 points in the previous session.
- The market started falling from the beginning of Sunday's session and descended more firmly as the time progressed to end the session deep into the negative trajectory as investors went for heavy sales after the detection of coronavirus variant Omicron in the country, market operators said.
- The DSEX lost 96 points on December 5 after the finance ministry meeting with the BB, the BSEC and the National Board of Revenue appeared to be yielded no results.
- Turnover on the DSE increased to Tk 1,148.23 crore on Sunday from Tk 1,043.45 crore in the previous session. Among the prominent companies, share prices of Beximco Pharmaceuticals, BEXIMCO, Square Pharmaceuticals, One Bank and GPH Ispat dropped on Sunday.
- Share prices of a number of small capitalised companies having paid up capital below Tk 30 crore soared on Sunday after the BSEC asked them to raise their paid up to at least Tk 30 crore within six months. DS30, a composition of 30 large capitalised companies, lost 1.06 per cent, or 28.10 points, to close at 2,604.08 points on Sunday.
- Of the 377 scrips traded on the DSE on Sunday, 242 declined, 99 advanced and 35 remained unchanged. Shariah index DSES shed 0.54 per cent, or 8.05 points, to settle at 1,467.4 points. One Bank led the turnover chart with shares worth Tk 88.46 crore changing hands on the day.
- BEXIMCO, SAIF Powertec, Sonali Paper, Fortune Shoes, British American Tobacco, First Security Islami Bank, IFIC Bank, Delta Life Insurance and GSP Finance were the other turnover leaders on the day.

<https://www.newagebd.net/article/157197/stocks-open-week-with-slump>

IMF team assures BSEC of support for developing stock market

The Financial Express, December 13, 2021

- The International Monetary Fund (IMF) has assured the securities regulator of providing its necessary supports for development of the country's stock market. The assurance came when a six-member delegation of the IMF, comprising its residential representative of Asia Pacific Jayendu De and divisional chief Rahul Anand, held a meeting with the representatives of the securities regulator at its office.
- "The meeting discussed development of the stock market. The IMF's delegation seemed happy and spoke about continuation of its supports for the market's development," said Dr. Shaikh Shamsuddin Ahmed, a BSEC commissioner. He noted that the IMF's representatives were not aware of many developments that took place in the stock market over the years.
- The securities regulator also issued a release on Sunday's meeting. According to the release, the meeting discussed importance of capital supply for macro economy, prospects of entrepreneurs, and introduction of new products to enhance liquidity in the stock market.
- The participants also highlighted the importance of fixed-income securities to expand the capital market. Issues like depth of the market and liquidity flow were also discussed in the meeting. The securities regulator spoke about its desire to facilitate the country's development through fixed-income securities, such as municipal and infrastructure bonds, the release added.

<https://thefinancialexpress.com.bd/stock/imf-team-assures-bsec-of-support-for-developing-stock-market-1639363904>

Fire at cotton warehouse injured one on Friday, Malek Spinning tells DSE

The Business Standard, December 12, 2021

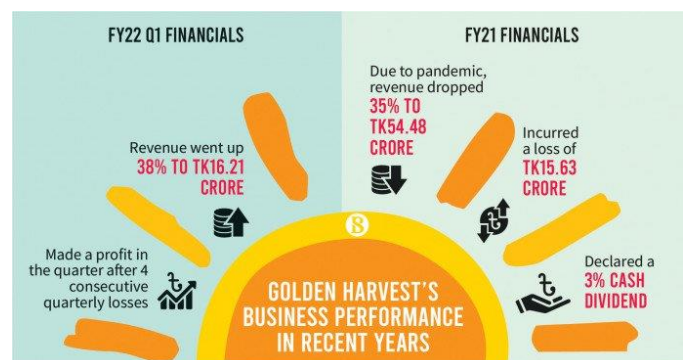
- A fire broke out at a raw cotton warehouse of Malek Spinning Mills in Shafipur of Gazipur on Friday evening, injuring at least one person, the company disclosed to the Dhaka Stock Exchange (DSE) yesterday.
- Three units of the Fire Service and Civil Defense Authority, and the company's firefighting team brought the flame under control, the listed spinner said. The injured person is under treatment at Dhaka Medical College Hospital.
- Earlier in April this year, the fabric unit of Malek Textile's subsidiary company, Salek Textile Ltd, suffered a fire incident and the company informed its shareholders that the facility and goods were under comprehensive insurance coverage.
- According to the latest audited report of Malek Spinning, Salek Spinning made an insurance claim of Tk30 crore against the damages. Malek Spinning stock was 3.6% down on Sunday and closed at Tk29.2 in the DSE.

<https://www.tbsnews.net/economy/stocks/fire-cotton-warehouse-injured-one-friday-malek-spinning-tells-dse-342598>

Golden Harvest bounces back to profit in Q1

The Business Standard, December 12, 2021

- Golden Harvest Agro Industries Limited, which is engaged in the frozen food and ice cream business, bounced back to profit in the July-September quarter of fiscal 2021-22 after incurring losses in four consecutive quarters. In the first quarter, it reported a net profit of Tk0.29 crore compared to a loss of Tk7.41 crore in the same period of the previous fiscal year.
- But its sales were yet to catch up to the pre-pandemic level, and due to the low sales, it has been difficult for the company to repay bank loans. Its sales jumped 38% to Tk16.21 crore in the first quarter of this fiscal year, but the sales value was around Tk30 crore in the pre-pandemic quarter.
- At the end of September, its total long-term loan stood at Tk97.75 crore and the current portion of the loan is Tk29 crore, which is payable this year.



- Meanwhile, MABS and J Partners, the auditor of Golden Harvest, said in its qualified opinion in the annual report of fiscal 2020-21, the company has provided Tk4.83 crore as share money deposit to its subsidiary Golden Harvest QSR Limited but the company did not convert the deposit into shares within the six months as per the circular of the Financial Reporting Council.
- In fiscal 2020-21, it incurred a loss of Tk15.63 crore as the sales dropped 35% to Tk54.48 crore. Despite the loss, it finalised a 3% cash dividend only for general shareholders. It had earlier paid a 2% cash dividend as interim. The total dividend was 5% for the FY2021 and the company will pay it from its retained earnings.

<https://www.tbsnews.net/economy/stocks/golden-harvest-bounces-back-profit-q1-342574>

Economy & Industry

Bangladesh steps up yarn, fabrics export

The Daily Star, December 13, 2021

- Bangladesh has already conquered the international apparel market and is currently the second-largest exporter of garment items worldwide after China with a 6.8 per cent global market share. Although Bangladesh depends on imports for cotton, a key raw material for textile, the country is fast becoming a major source for yarn and fabrics for textile and garment producers.
- The shipment of the raw materials and intermediate goods is rising fast thanks to a government incentive.
- Yarn, fabrics and waste yarn worth \$80.48 million were exported from Bangladesh in the July to November period, registering a 38.73 per cent year-on-year growth, according to data from the Export Promotion Bureau.
- Bangladesh shipped yarn and fabrics worth \$154.29 million in the last financial year of 2020-21, up 15.52 per cent year-on-year.
- Well Group, one of the yarn exporters, ships \$7 million to \$8 million worth of spun polyester yarn, synthetic, sewing thread and embroidery thread mainly to Turkey.
- Vietnam has recently agreed to buy yarn from Bangladesh. The garment producing country purchases one lakh tonne of yarn from India every year. Local spinners and weavers are expanding their capacity to produce man-made fibres because of its growing demand.
- In the next two years, Bangladesh's yarn production capacity will see an addition of 2.5 million spindles. Currently, 13.5 million spindles are used to manufacture textile raw materials, according to Khokon.



<https://www.thedailystar.net/business/export/news/bangladesh-steps-yarn-fabrics-export-2916236>

5 more services added to BIDA's One Stop Service

The Business Standard, December 12, 2021

- Bangladesh Investment Development Authority's (BIDA) online One Stop Service (OSS) has added five more services to its operation for different offices and departments. BIDA Executive Chairman Md Sirazul Islam inaugurated the new services at the conference room of BIDA Bhaban in Agargaon on Sunday.
- A total of five new services - one each from BIDA, NBR, Office of the Chief Controller of Imports and Exports, Chattogram City Corporation and Dhaka Chamber of Commerce and Industries - were added to the OSS.

- The services are: Third Adhoc Import Registration Certificate Recommendation (BIDA), Issuance of Income Tax Certificate to Foreign Citizens (NBR), Issuance of Export Registration Certificate (Office of the Chief Controller of Imports and Exports), Trade License (Chattogram City Corporation) and Issuance of Country of Origin Certificate (Dhaka Chamber of Commerce and Industries).
- With the launch of the new services, a total of 56 services including 18 services of BIDA and 38 services of 17 other organisations will be provided through OSS.

<https://www.tbsnews.net/economy/5-more-services-added-bidas-one-stop-service-342436>

International

Biden orders US to stop financing new carbon-intensive projects abroad

The Daily Star, December 13, 2021

- The Biden administration has ordered US government agencies to immediately stop financing new carbon-intensive fossil fuel projects overseas and prioritize global collaborations to deploy clean energy technology, according to US diplomatic cables.
- The cables, seen by Reuters, say US government engagements should reflect the goals set in an executive order issued at the start of the year aimed at ending American financial support of coal and carbon-intensive energy projects overseas.
- The policy defines "carbon-intensive" international energy engagements as projects whose greenhouse gas intensity is above a threshold lifecycle value of 250 grams of carbon dioxide per kilowatt hour and includes coal, gas or oil.
- The policy bans any US government financing of overseas coal projects that do not capture or only partially capture carbon emissions, allowing federal agencies to engage on coal generation only if the project demonstrates full emissions capture or is part of an accelerated phaseout.
- It exempts carbon-intensive projects for two reasons: they are deemed to be needed for national security or geostrategic reasons or they are crucial to deliver energy access to vulnerable areas.
- The policy formalizes the goals set by the administration in earlier executive orders and policy guidances and reiterated in multilateral forums such as the G7 meeting in France in August and UN climate summit in the fall.
- At the UN climate talks in Scotland, the Biden administration pledged with 40 countries and five financial institutions to end new international finance for unabated fossil fuel energy by the end of 2022, except in limited cases.

<https://www.thedailystar.net/business/global-economy/news/biden-orders-stop-financing-new-carbon-intensive-projects-abroad>

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