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Stock Market & Company

Dhaka stocks keep surging on BSEC's moves

The Newage, March 13, 2022

- Dhaka stocks soared on Sunday, extending the gaining streak to the fourth session as investors kept on buying shares amid some Bangladesh Securities and Exchange Commission moves to contain plunge in the market over the Russia-Ukraine war. DSEX, the key index of the Dhaka Stock Exchange, gained 1.46 per cent, or 97.58 points, to close at 6,765.73 points on Sunday.
- The DSEX gained 308.96 points in the last four sessions. Before the four-day rise, the DSEX had lost 297 points in four sessions.
- 'Among the large capitalised companies, share prices of Square Pharmaceuticals, LafargeHolcim Bangladesh, BEXIMCO, British American Tobacco and Beximco Pharmaceuticals gained Sunday.
- Average share prices non-bank financial institution, textile, telecommunication and energy sectors advanced by 2.3 per cent, 2.2 per cent, 1.8 per cent and 1.2 per cent respectively.
- The turnover on the DSE dipped to Tk 998.73 crore on Sunday compared with that of Tk 1,061.2 crore in the previous session. DS30 index comprising of 30 large capitalised companies increased by 38.08 points to finish at 2,463.19 points and the DSE Shariah index increased by 17.77 points to close at 1,453.18 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 72.55 crore changing hands. Bangladesh Building Systems, BDCOM Online, Dragon Sweater, Orion Pharma, Agni Systems, Bangladesh Shipping Corporation, ACME Pesticides, Yeakin Polymer and Fortune Shoes were the other turnover leaders.



<https://www.newagebd.net/article/165282/dhaka-stocks-keep-surging-on-bsecs-moves>

16 firms face show-cause for not submitting financial reports

The Daily Star, March 14, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has asked the management of 16 listed companies to show valid reasons for not submitting their financial reports within a certain period. The 16 companies are: Aman Feed, Shurwid Industries, Appollo Ispat, Emerald Oil, Bangas, Active Fine Chemicals, Aman Cotton Fibrous, Sunlife Insurance, Libra Infusion, Ambee Pharmaceuticals, Progressive Life Insurance, Imam Button, Delta Spinners, Delta Life Insurance, Fareast Islami Life Insurance, and Intech.
- As per regulations, listed companies are bound to submit the audited financial report of each financial year and unaudited financial reports of every quarter within a certain period. However, the aforementioned companies did not submit their financial reports regularly in a timely manner.
- Most listed companies in Bangladesh do not post their quarterly financial reports within 48 hours of securing approval from their boards as they take advantage of the lack of specific regulations in this regard, experts say.

<https://www.thedailystar.net/business/organisation-news/news/16-firms-face-show-cause-not-submitting-financial-reports>

Reckitt's sales decline as no more panic buying of hygiene products

The Business Standard, March 13, 2022

- The 2020 sales bonanza of hygiene products did not last for Reckitt Benckiser Bangladesh as consumers put a hold on their panic buying of Dettol, Lysol or Harpic in 2021. Reckitt has not yet disclosed its annual sales for 2021 but sources in the company told The Business Standard that they were roughly 7% down from the previous year.
- The multinational company posted a 9.4% growth in its annual profits for the second year of the Covid-19 pandemic and recommended its highest ever Tk165 cash dividend against each share of Tk10 on face value. Thanks to the cut in its marketing expenses and the corporate tax rates.
- Reckitt Benckiser Bangladesh Ltd on Thursday disclosed its annual earnings per share (EPS) of Tk171.03, which was Tk156.38 in 2020. In 2020, Reckitt's sales increased 29.27% to over Tk533 crore as it saw a much-widened base of customers buying Dettol, Lysol and Harpic, while the existing customers also were using those in larger quantities.

<https://www.tbsnews.net/economy/stocks/reckitts-sales-decline-no-more-panic-buying-hygiene-products-384388>

Linde proposes a 550% cash dividend – the highest in seven years

The Business Standard, March 13, 2022

- Linde Bangladesh Limited, the leading industrial and medical gas producer in the country has recommended a 550% cash dividend for its shareholders for 2021 – the highest in the last seven years. The multinational company will hold an annual general meeting (AGM) via a virtual platform on 12 May to secure approval from shareholders regarding the proposed dividend. The record date to determine investors for the AGM will be 31 March.
- Despite the higher dividend declaration, its share price fell 1.98% to close at Tk1,551.70 each on the Dhaka Stock Exchange on Sunday. Last year, its earnings per share jumped to Tk80.34, which was Tk77.70 in 2020, due to an increase in consumption of industrial gas and medical oxygen.
- Its net asset value per share increased to Tk395.55 at the end of December, from Tk355.75 a year ago. In the first nine months of 2021, its revenue increased by 12% to Tk375.32 crore compared to the same period of the previous year.

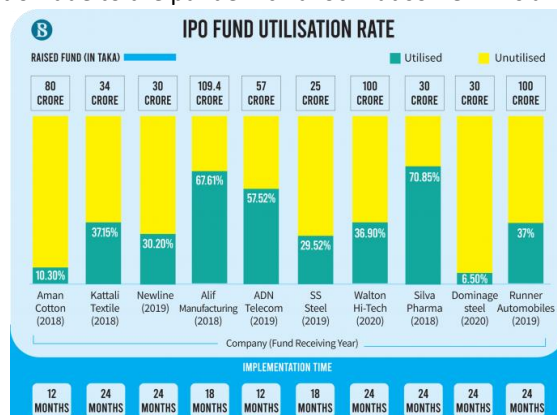
<https://www.tbsnews.net/economy/stocks/linde-proposes-550-cash-dividend-highest-seven-years-384319>

Regulator urges firms for fast utilisation of IPO funds

The Business Standard, March 13, 2022

- Now that the pandemic situation has eased, the securities regulator is urging for fast utilisation of the initial public offering (IPO) funds of the newly listed companies that extended their utilisation deadlines because of the pandemic. The Bangladesh Securities and Exchange Commission (BSEC) is looking into the IPO proceeds utilisation reports of those companies and issued letters to two of them in this regard last week.

- In April last year, the BSEC relaxed all kinds of submission and IPO utilisation due to the pandemic havoc. But some firms are still procrastinating their IPO fund utilisation even after the reopening of the economies.
- In August 2018, Aman Cotton Fibrous collected Tk80 crore from the share market to buy new machinery and repay loans. But the company has only repaid its loans so far and is yet to set up new machinery for business expansion.
- Alif Manufacturing raised Tk109.4 crore by issuing right shares in 2018, but it is yet to use the fund. SS Steel Limited was supposed to buy machinery within 18 months after receiving its IPO fund, but is yet to do so.
- ADN Telecom, New Line Clothings, Kattali Textile, Silva Pharmaceuticals, and Runner Automobiles are also lagging behind in IPO fund utilisation despite securing approval from their shareholders and the regulators.



<https://www.tbsnews.net/economy/stocks/regulator-urges-firms-fast-utilisation-ipo-funds-384334>

Economy & Industry

NBFIs asked to stop spending on deposit collection

The Daily Star, March 14, 2022

- Bangladesh Bank yesterday asked non-bank financial institutions (NBFIs) in the country to refrain from spending to collect deposits from people and organisations. The central bank's directive came after it found that some NBFIs were spending money to mobilise deposits by showing the expenses on various names such as commission, development and business development expenses.
- "This is unethical and unacceptable," Bangladesh Bank said in a circular issued to NBFIs. Such activities are causing unreasonable increases to the cost of funds of organisations, which fuels the interest rate for lending, the central bank said.
- As such, Bangladesh Bank directed NBFIs not to bear any implicit expense under any name except for declared interest rate on deposits or profit rate. The NBFIs will regularly publish their interest rate for deposits on their websites, it added.
- Bangladesh has 35 NBFIs. Total deposits of the NBFIs rose 0.42 per cent to Tk 44,121 crore during the July-September period compared to the April-June quarter of the same year, according to central bank data.

<https://www.thedailystar.net/business/economy/banks/news/nbfis-asked-stop-spending-deposit-collection-2982396>

BB asks banks to stop SWIFT payments with Russian entities, urges caution on LCs

The Business Standard, March 13, 2022

- The Bangladesh Bank asked all the scheduled banks to be cautious about opening letters of credit (LC) and to stop transactions through the SWIFT system with the Russian banks that have been sanctioned over the Ukraine invasion.
- On Saturday, the western countries suspended a number of Russian and Belarussian banks from the Society for Worldwide Interbank Financial Telecommunication or SWIFT system. In this context, the BB asked all banks to become cautious about opening letters of credit (LC) with them as well, to avoid any risk of facing secondary sanctions.
- Md Serajul Islam, executive director and spokesperson of BB, said last night that the central bank has already asked commercial banks to stop all type transactions through SWIFT with sanctioned Russian banks. Russia requested BB to stop all kinds of transactions with Russia related to the Roopur Nuclear Power Plant Project, as well as other projects, till they have worked out and settled on an alternative arrangement. The BB also asked banks to make payments to Russian banks that are not facing sanctions through Singapore and Hong Kong.

<https://www.tbsnews.net/economy/banking/bb-asks-banks-stop-swift-payments-russian-entities-urges-caution-lcs-384040>

International

Russian default no longer 'improbable,' but no trigger for global financial crisis: IMF

The Business Standard, March 14, 2022

- Russia may default on its debts in the wake of unprecedented sanctions over its invasion of Ukraine, but that would not trigger a global financial crisis, International Monetary Fund Managing Director Kristalina Georgieva said on Sunday. Georgieva told CBS's "Face the Nation" program that sanctions imposed by the United States and other democracies were already having a "severe" impact on the Russian economy and would trigger a deep recession there this year.
- The war and the sanctions would also have significant spillover effects on neighboring countries that depended on Russian energy supplies, and had already resulted in a wave of refugees compared to that seen during World War Two, she said. Russia calls its actions in Ukraine a "special operation."
- The sanctions were also limiting Russia's ability to access its resources and service its debts, which meant a default was no longer viewed as "improbable," Georgieva said. Asked if such a default could trigger a financial crisis around the world, she said, "For now, no."

<https://www.tbsnews.net/world/russian-default-no-longer-improbable-no-trigger-global-financial-crisis-imf-384463>

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