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Stock Market & Company

[Dhaka stocks gain slightly, but turnover low](#)

The New Age, March 13, 2023

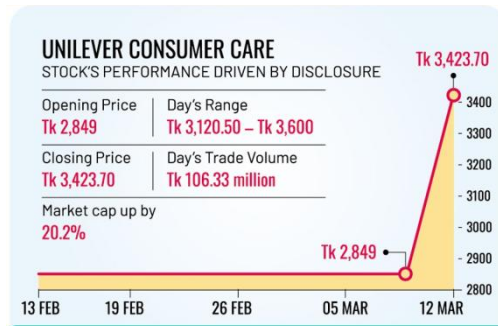
- DSEX, the key index of the Dhaka Stock Exchange, gained 8.58 points, or 0.13 per cent, and settled at 6,243.57 points after losing 27.31 points in the previous two trading sessions.
- The turnover on the bourse increased to Tk 451.71 crore on Monday as against Tk 433.58 crore on Sunday. Rupali Life Insurance, City General Insurance, Union Capital, Popular Life Insurance, BDCOM Online, National Feed Mill, Meghna Life Insurance, Sonali Life Insurance, Pragati Life Insurance and Padma Life Insurance were the top 10 gainers considering their closing prices on the day.
- Unilever Consumer Care, Bangladesh Monospool Paper, Apex Foods, Jute Spinners, Anlimayarn Dyeing, Imam Button, Yeakin Polymer, Bangladesh General Insurance, Eastern Housing and ADN Telecom were the top 10 losers considering their closing prices on the day.
- The DS30 index also increased by 1.94 points to finish at 2,223.49 points and the DSE Shariah index increased by 0.95 points to close at 1,359.86 points on the day. Rupali Life Insurance topped the turnover chart with its shares worth Tk 27.74 crore changing hands.
- BDCOM Online, Genex Infosys, ADN Telecom, Sea Pearl Beach Resort and Spa, Meghna Life Insurance, Eastern Housing, Aamra Networks, Bangladesh Shipping Corporation and Al-Haj Textile were the other turnover leaders on the day.

<https://www.newagebd.net/article/196733/dhaka-stocks-gain-slightly-but-turnover-low>

Unilever Consumer Care flies high on stock dividend

The Financial Express, March 13, 2023

- Unilever Consumer Care's announcement of 60 per cent stock dividend sent its stock flying on the Dhaka Stock Exchange on Sunday to the utter surprise of the company.
- The board of directors on Saturday made the disclosure, with an aim to dilute the stock so the market price came down. Instead, the stock jumped up to 26 per cent, or Tk 751, to Tk 3,600.
- "The company's share is trading at a very high price and the objective of issuing stock dividends is to facilitate a correction," said Masud Khan, chairman of Unilever Consumer Care.
- The company's share trading began on Sunday at an adjusted opening price of Tk 2,849. It peaked at Tk 3,600 on the DSE during the day's session before closing at Tk 3,423.70. There was no price movement restriction on the stock trading for the day following the corporate declaration. The more-than-20-per-cent stock price rise of Unilever Consumer Care resulted in the broad index's appreciation by 28 points.



<https://thefinancialexpress.com.bd/stock/bangladesh/unilever-consumer-care-flies-high-on-stock-dividend>

Linde posts 28% lower profit in 2022

The Daily Star, March 14, 2023

- Linde Bangladesh Limited reported a 28 per cent year-on-year decline in profit to Tk 88.33 crore in the financial year that ended on December 31. The multinational gas manufacturer made a profit of Tk 122.58 crore in 2021.
- Thus, the company reported earnings per share of Tk 58.04 for 2022 against Tk 80.55 a year earlier. The net asset value per share of Linde Bangladesh rose slightly to Tk 397.44 in 2022 from Tk 395.55 in 2021. But the net operating cash flow per share dipped to Tk 37.32 from Tk 80.34 during the period.
- The board of directors has recommended a 420 per cent cash dividend for 2022. Shares of Linde Bangladesh were unchanged at Tk 1,397.70 on the Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/economy/news/linde-posts-28-lower-profit-2022-3270576>

Beximco Pharma directors to buy-sell 1.7 crore shares between themselves

The Business Standard, March 13, 2023

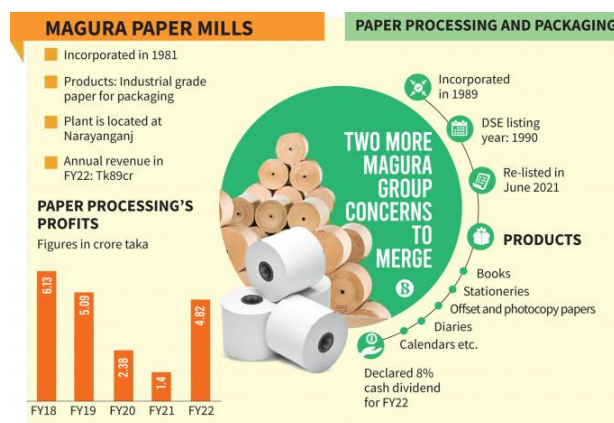
- Two of the corporate directors of Beximco Pharmaceuticals Limited have announced to buy and sell of around 1.7 crore shares, roughly valued at Tk250 crore, of the listed drug maker between themselves in the block market.
- In a disclosure through the Dhaka Stock Exchange (DSE), the company said, its corporate director IFIC Securities Limited will sell the shares and its other corporate director Absolute Construction & Engineering Limited will buy the same shares in the block market within the next 30 working days.
- Block market trades take place beyond the regular trading screen and the prices can be 10% higher or lower than the market price. Beximco Pharma shares have been stuck at the floor price of Tk146.2 apiece on Monday in the DSE.

<https://www.tbsnews.net/economy/stocks/beximco-pharma-directors-buy-sell-17-crore-shares-between-themselves-598854>

Why two more Magura Group firms are merging

The Business Standard, March 13, 2023

- Magura Group is merging its listed companies with non-listed firms, as it claims, in an effort to improve the health of its listed firms.
- Paper Processing and Packaging Limited, a firm listed on the country's stock market, is going to merge with non-listed Magura Paper Mills, both owned by the business group.
- It comes days after the group decided to merge its listed entity, Monospool Paper, with Pearl Paper and Board Mills, a non-listed firm.
- According to officials, the mergers are now subject to approval by the High Court and other regulatory authorities.
- After returning to the main board of the Dhaka Stock Exchange (DSE) from the over-the-counter (OTC) market, its share price has experienced an unusual increase.
- The company's share price was Tk17.6 when it returned to the main market on 13 June but the price increased to Tk233 on 9 September 2021. After that, the share price fell below Tk150 and on 17 October 2022, it rocketed to a maximum of Tk318. Since then, the share price has been falling, and on Monday it ended at Tk165 at the DSE.

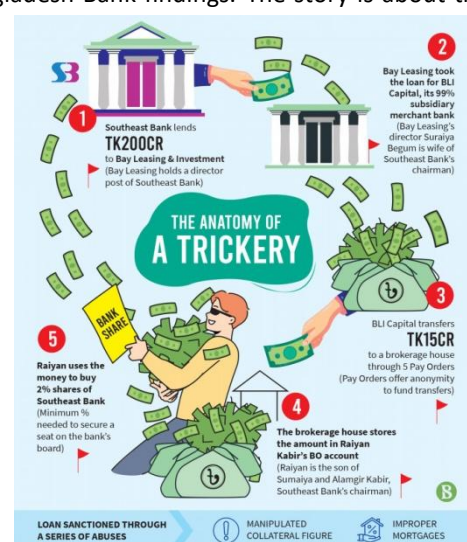


<https://www.tbsnews.net/economy/stocks/why-two-more-magura-group-firms-are-merging-599134>

Take a loan, buy the bank – the Southeast way

The Business Standard, March 13, 2023

- A bank employee turned into an owner of that bank by taking a loan from the same lender through sneaky deals and rule bending. It was possible only because that employee is blessed with an influential father who has been the chairman of that bank for the last 18 years, ignoring the Bank Company Act, according to Bangladesh Bank findings. The story is about the Southeast Bank Chairman Alamgir Kabir and his son Raiyan Kabir.
- With the influence of the chairman of the Southeast Bank, a series of companies including a listed leasing company, a merchant bank and a brokerage house which have ownership connection with the bank directors were abused for taking loan and using a portion of loan money for buying shares to make the chairman's son director of that bank. Raiyan Kabir bought 2% shares of the bank worth Tk25 crore from that BO account and came to the board of the bank in October 2020, according to a Bangladesh Bank report obtained by The Business Standard.
- Raiyan started his banking career with Southeast Bank in 2004 when he worked in the treasury department and the international division, according to bank records.
- Twisted tale: The board of the Southeast Bank approved a loan limit of Tk200 crore in the name of Bay Leasing and Investment Limited. The leasing company took the loan to meet the working capital requirement of its subsidiary merchant bank BLI Capital, according to board minutes of the bank.



- A case of conflict of interest was created because the parent company of the BLI Capital, Bay Leasing, is also on the board of Southeast Bank. In this case, the loan approval needed the consent of the Bangladesh Bank, but it was not taken, according to the Bangladesh Bank findings. Suraiya Begum, wife of Alamgir Kabir and mother of Raiyan Kabir, is a sponsor director of Bay Leasing.
- A portion of the loan money was transferred to Raiyan Kabir's BO (Beneficiary Owners) account with a brokerage house through five pay orders, a move that goes against the Money Laundering Prevention Act for fund diversion, according to the Bangladesh Bank report. The Business Standard obtained copies of all five pay orders and could inspect documents of share transaction history of his BO account.

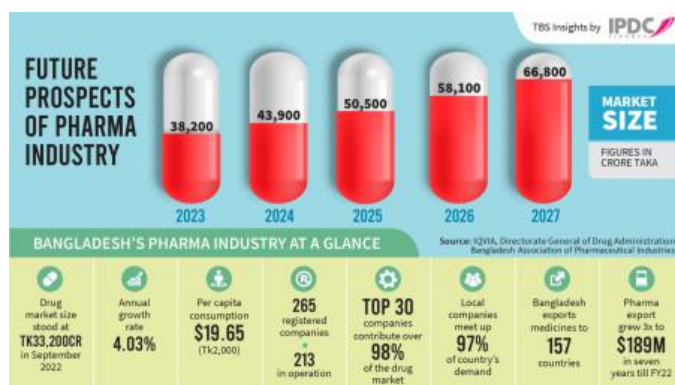
<https://www.tbsnews.net/economy/banking/take-loan-buy-bank-southeast-way-599170>

Economy & Industry

Pharma sector needs foreign investment to cope with post-LDC challenges

The Business Standard, March 13, 2023

- Bangladesh's pharmaceutical sector needs investments by global pharma powerhouses and joint collaboration between them and local drug makers to cope with post-LDC challenges, according to industry experts and stakeholders.
- "Post-LDC graduation was never smooth sailing for any country. We also must win over the challenges as other countries have done," Nazmul Hasan, President of Bangladesh Association of Pharmaceutical Industries (BAPI), said in his remarks as chief guest on the occasion.
- "There are two ways to navigate through this challenge. First, bring in direct investment from global drug makers and, second, go for collaboration between foreign and local drug makers to manufacture medicines under licences from global pharmaceutical companies," added Nazmul Hasan, who also serves as managing director of Beximco Pharmaceuticals Ltd.
- Highlighting the remarkable progress made in the country's pharma sector, he said, "More than 30 local companies are manufacturing medicines by using the latest technologies and maintaining international standards. Our companies are meeting 97% of local demand."



<https://www.tbsnews.net/economy/pharma-sector-needs-foreign-investment-cope-post-ldc-challenges-599130>

Lessons for Bangladesh from US bank collapse

The Daily Star, March 14, 2023

- Silicon Valley Bank (SVB), the 16th largest lender in the United States, has not reportedly faced any scam or lack of corporate governance. Still, it could not avoid the collapse. The ongoing macroeconomic stress in the US economy seems to be responsible for the failure of the lender, worth more than \$200 billion.
- And the authorities have allowed the closure of the bank, which backed startups and technology companies that usually face difficulties in securing loans from conventional financial institutions.
- **WHAT BANGLADESH CAN LEARN:** Mansur says that the problems in Bangladesh's banking sector are quite different as many banks have been facing malpractices and scams for a long.

- In an ideal scenario, any company facing continuous losses can't survive, he said. "But the government and the Bangladesh Bank do not allow banks to get liquidated despite their vulnerable health. But this is not good for the economy."
- Shareholders of weak banks usually claim that if a bank faces liquidation, it will create severe risk in the entire banking sector, he said. "But if a weak bank is allowed to continue operation, it creates a systemic risk," said the former official of the International Monetary Fund.
- "We should allow weak banks to face liquidation. During liquidation, the interests of the depositors should be protected fully, not the shareholders."

<https://www.thedailystar.net/business/global-economy/news/lessons-bangladesh-us-bank-collapse-3270606>

International

European equities dive on fears of US banking crisis

The New Age, March 13, 2023

- European stocks tanked Monday while US stocks fell as investors shrugged off global efforts to stem a fast-moving crisis emanating from the US banking sector. The dollar fell as the turmoil sparked uncertainty over the US Federal Reserve's plans to hike interest rates, while oil prices slumped.
- Fears that the collapse of Silicon Valley Bank (SVB) on Friday could spark contagion throughout the banking system forced the Fed, the Treasury Department and Federal Deposit Insurance Corp over the weekend to promise to fully protect all depositors and give backup to any lenders struggling to find cash, providing easier terms on short-term loans.
- US president Joe Biden said Monday that 'Americans can have confidence that the banking system is safe' as he vowed to push for tougher regulations on banks. Wall Street opened lower, with the Dow and Nasdaq dropping 0.7 per cent, while the S&P 500 fell 1.0 per cent.
- But Briefing.com analyst Patrick O'Hare said: 'Looking at the bank stocks doesn't engender a lot of confidence either that the problem has been solved.' Shares in First Republic Bank tumbled 65 per cent, PacWest Bancorp 35 per cent, Comerica 33 per cent and KeyCorp 23 per cent as trading got underway.
- Germany's finance watchdog insisted the collapse of Silicon Valley Bank (SVB) posed no threat to financial stability, and France's economy minister declared US bank failures had no contagion risk. However, European equities tipped deep into the red, with bank shares falling particularly hard in Italy and Switzerland.
- Frankfurt and Paris stock markets dropped by about three per cent as trading in NY got underway, while Milan dived almost five per cent at one stage. London fell 2.5 per cent with losses capped after HSBC agreed to buy SVB's UK division for a nominal £1 (\$1.2).

<https://www.newagebd.net/article/196751/european-equities-dive-on-fears-of-us-banking-crisis>

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