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Stock Market & Company

Stocks end slightly lower, snap four-day rally

The Financial Express, March 14, 2022

- Stocks ended slightly lower on Monday, snapping a four-day rally, amid profit booking tendency among investors. After witnessing high volatility, DSEX, the core index of the Dhaka Stock Exchange (DSE), went down by 1.80 points or 0.02 per cent to settle at nearly 6,763, after gaining 309 points in the four straight sessions.
- Two other indices also edged lower with the DSE 30 Index, comprising blue chips, losing 2.70 points to finish at 2,460 and the DSE Shariah Index (DSES) saw a fractional loss of 0.47 points to close at 1,452.
- Turnover, a crucial indicator of the market, also fell slightly and amounted to Tk 9.86 billion, which was 1.20 per cent lower than the previous day's tally of Tk 9.98 billion.
- Losers took a modest lead over the gainers, as out of 378 issues traded, 178 declined, 167 advanced and 33 issues remained unchanged on the DSE trading floor.
- Beximco topped the turnover list with shares worth Tk 537 million changing hands, closely followed by VFS Thread Dyeing (Tk 432 million), BDCOM Online (Tk 312 million), Agni Systems (Tk 184 million) and Orion Pharma (Tk 182 million).
- BDCOM Online was the day's top gainer, posting a 9.81 per cent gain while Alif Manufacturing Company was the worst loser, losing 2.0 per cent.

| Total Trade | Total Volume | Total Value in Taka (mn) |
|-----------------|-----------------|--------------------------|
| 180494 | 295867042 | 9865.12 |
| Issues Advanced | Issues declined | Issues Unchanged |
| 167 | 178 | 33 |



- The Chittagong Stock Exchange (CSE) also edged lower with the CSE All Share Price Index – CASPI –losing 25 points to settle at 19,774 and the Selective Categories Index – CSCX shedding 16 points to close at 11,863. The port city's bourse traded 12.80 million shares and mutual fund units with a turnover value worth Tk 300 million.

<https://thefinancialexpress.com.bd/stock/stocks-end-slightly-lower-snap-four-day-rally-1647253558>

BSEC seeks data on banks' stock market exposure

The Newage, March 14, 2022

- The Bangladesh Securities and Exchange Commission has again asked all scheduled banks to submit to it data on their investment exposure to the stock market. The commission has recently sent separate letters to the scheduled banks in this regard.
- The Banking Companies Act 1991, which was amended in 2013, has limited a bank's stock market exposure to up to 25 per cent of its capital which includes paid-up capital, share premium, statutory reserve and retained earnings. According to BSEC officials, many banks' exposure limit was below 15 per cent.
- The banks committed the BSEC for several times that they would increase investments in the market, but they did not invest, they said. The BSEC held a meeting with the representatives of 33 scheduled banks on March 9 where the banks said that they would increase investments in the stock market by 2 per cent.
- The number of scheduled banks operating in the country is 61. Earlier on February 10, 2020, the BB allowed banks to form a Tk 200-crore special fund each by taking low-interest loans from the central bank to invest in the stock market.

<https://www.newagebd.net/article/165416/bsec-seeks-data-on-banks-stock-market-exposure>

BDCOM shares soar 75% in seven days

The Business Standard, March 14, 2022

- The share price of BDCOM Online Limited – an internet service provider – soared 75% in the last seven trading sessions without any fundamental reasons. According to the Dhaka Stock Exchange (DSE), the share price surged to Tk41.4 each on Monday, from Tk23.6 on 3 March.
- Following such an exponential rise in the stock's price, the country's premier bourse wrote to the company asking it to explain the reasons. In response, BDCOM Online said there was no undisclosed price sensitive information for the recent unusual price hike.
- According to its financials, in the first half of the current fiscal year, the company's revenue increased by 17% to Tk37 crore, and net profit by 91% to Tk4.25 crore from a year earlier. In fiscal 2020-21, BDCOM Online posted a profit of Tk6 crore, and it had paid a 5% cash dividend to its shareholders.

<https://www.tbsnews.net/economy/stocks/bdcom-shares-soar-75-seven-days-384862>

Envoy Textiles shares soar as Kutubuddin bids for higher stake

The Business Standard, March 14, 2022

- Envoy Textiles Ltd Chairman Kutubuddin Ahmed is increasing holding in the company even though he has left the Envoy Group. Kutubuddin and his family on Monday announced buying shares to increase their share in Envoy Textiles, which is the world's first platinum-certified green factory.
- The family bought 12.34% shares of the company for around Tk88 crore in yesterday's trading session, according to the Dhaka Stock Exchange (DSE). Kutubuddin Ahmed, his son Tanvir Ahmed, and his daughter Sumayyah Ahmed bought 2.61%, 7.12%, and 2.61% shares, respectively, of the company in the block market at a cost of Tk46 each share. They bought the shares from institutional investors' holdings.
- On 9 March this year, Envoy Group's founder Kutubuddin Ahmed left the business group after handing over its ownership to his business partner Abdus Salam Murshedy. They agreed on running the group's flagship company – Envoy Textiles – independently. Meanwhile, Kutubuddin's announcement to increase holding helped the company log a 9.6% rise in its share price and have second place in the top10 gainers' list at the DSE on Monday.

<https://www.tbsnews.net/economy/stocks/envoy-textiles-shares-soar-kutubuddin-bids-higher-stake-384950>

Three companies replaced in the CSE50 index

The Business Standard, March 14, 2022

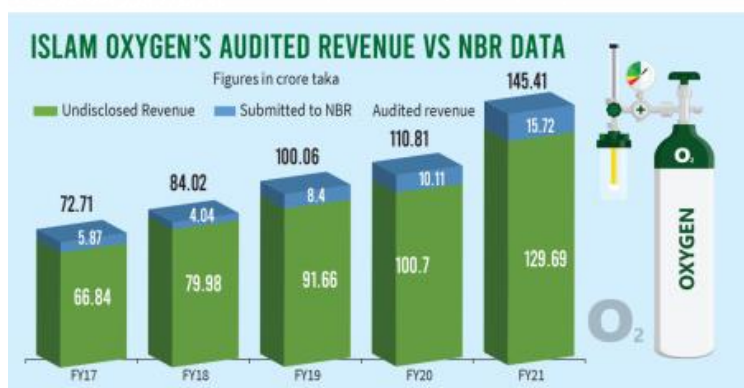
- Delta Life Insurance Company, Prime Bank, and Shahjalal Islami Bank have replaced Jamuna Oil Company, Khulna Power Company, and Pubali Bank in the CSE50 index of the Chittagong Stock Exchange (CSE). The biannual revision of the index will be effective from 3 April, stated the port-city bourse.
- The CSE selects the constituents of the index based mainly on the capitalisation and turnover of all its listed companies. At the end of 2021, CSE50 companies together made 58.83% of the total CSE market capitalisation, which was 62.26% in terms of free-float market capitalisation. Over the second half of 2021, more than 42% of the total CSE turnover was concentrated among CSE50 companies.

<https://www.tbsnews.net/economy/stocks/three-companies-replaced-cse50-index-384826>

Firms manipulate data to trick IPO investors

The Business Standard, March 14, 2022

- Islam Oxygen Limited has recently filed papers with manipulated revenue data to get a better price of its primary shares, in the latest attempt by any company to trick initial public offering (IPO) investors.
- As per the capital issue rules, when a company seeks a premium – or extra price – on top of the face value of a Tk10 per share, it has to apply for an IPO under the book building method, where investors determine the share price through bidding.
- In that case, bidders evaluate the company's earnings and assets and determine the share price.
- There are allegations that companies present inflated figures of their earnings and assets to get a better price for their primary shares issued under the book building method.
- The Bangladesh Securities and Exchange Commission (BSEC) has recently received an allegation that Islam Oxygen has shown an inflated income in its IPO prospectus under the book-building method.
- The market regulator had sent a letter to the National Board of Revenue (NBR) for verifying the company's revenue. Later, the revenue authorities found a huge discrepancy between the revenue calculation given in the IPO prospectus of the company and the value-added tax (VAT) invoice.



<https://www.tbsnews.net/economy/stocks/firms-manipulate-data-trick-ipo-investors-384850>

Mir Akhter gets BSEC nod to issue Tk250cr bond

The Business Standard, March 14, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) on Monday approved Mir Akhter Hossain Ltd, a construction company, to issue a zero-coupon bond worth Tk249.9 crore. The bond will be issued at a 7%-9% discount price considering the current bond market situation. Its issue price will be Tk5 lakh per unit.
- Unitholders will be paid fully every six months of the bond's maturity, starting after the first 18 months. Local investment banks UCB Investment and IDLC investment will act as the trustee and the lead arranger of the bond, respectively.
- The bond will be listed on the alternative trading boards of both Dhaka and Chittagong stock exchanges. The company was listed on the stock market last year. The current paid-up capital of the company is Tk120.77 crore.
- Its shares closed at Tk62.2 each on Monday on the Dhaka Stock Exchange. As of 31 January, sponsors and directors jointly held 48.58%, institutions 4.19%, and general investors 47.23% of the company shares.

<https://www.tbsnews.net/economy/mir-akhter-gets-bsec-nod-issue-tk250cr-bond-384874>

Economy & Industry

Representation of women poor: study

The Newage, March 14, 2022

- Woman representation in the boards of listed companies remained stagnant at 18 per cent of the total board members for the last five years, according to a report. Celebrating International Women's Day, the International Finance Corporation in association with the Dhaka Stock Exchange published the report on gender diversity on DSE listed companies' boards.
- Complete data was available for 298 out of 348 companies that are listed on the DSE. In 2021, the 18 per cent female representation in the listed companies was higher than the global average of 17 per cent. But, the global average advanced to 19.7 per cent while Bangladeshi women participation remained same at 18 per cent in 2022.
- In terms of women on boards of listed companies, Bangladesh still tops the South Asia region, it said. Insurance and textiles sector have better representation from women on boards compared to banks. However, the percentage of women among independent directors increased to 6 per cent in 2022 from 5 per cent in the previous year.

<https://www.newagebd.net/article/165420/representation-of-women-poor-study>

Banks allowed retention of advance export proceeds for 30 days

The Business Standard, March 14, 2022

- The Bangladesh Bank has allowed the authorised dealer banks to retain export proceeds received in advance in dollar for 30 days for settling payment for the materials imported by the exporters under back to back LCs. After that period, the banks will convert the foreign currency into taka and transfer it to the exporters' accounts, said the Bangladesh Bank in a circular issued yesterday.
- Earlier, the banks converted the foreign buyers' advance payments into taka and transferred it to the exporters' accounts. Then the exporters had to convert the money again into dollars for importing materials needed for production.
- "The new system will reduce the exporters' cost as they will not have to spend any money converting taka into dollars. They will be able to use the dollar received as advance payment from the buyers for importing materials needed for production," Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, told The Business Standard.

<https://www.tbsnews.net/economy/banking/banks-allowed-retention-advance-export-proceeds-30-days-384814>

International

Most Asian markets hit by Ukraine fears, tech selloff

The Daily Star, March 15, 2022

- Asian markets mostly fell Monday as traders track developments in the Ukraine war and diplomatic efforts to bring the crisis to an end while Hong Kong took a pounding after China placed Shenzhen into lockdown, fuelling a rout in the tech sector. Oil prices dropped, providing some respite after they soared to a near 14-year high last week, though the commodity remains elevated around \$110 and keeping upward pressure on inflation.
- Trading floors continue to be awash with uncertainty as Russia's war in Ukraine rages, with comments from Vladimir Putin that there were "positive developments" in talks with Kyiv unable to provide much support.
- US National Security Adviser Jake Sullivan is due to meet senior Chinese diplomat Yang Jiechi in Rome later Monday, with Ukraine top of the agenda as the White House seeks help in bringing the crisis to a swift conclusion. Beijing has declined to directly condemn Moscow for launching its invasion, and has repeatedly blamed NATO's "eastward expansion" for worsening tensions between Russia and Ukraine, echoing the Kremlin's prime security grievance.
- Investors are also nervously awaiting the Fed's latest monetary policy gathering, which is expected to end Wednesday with the bank announcing a quarter-point interest rate hike.

<https://www.thedailystar.net/business/global-economy/news/most-asian-markets-hit-ukraine-fears-tech-selloff-2983021>

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