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Stock Market & Company

Stocks extend losing streak amid macroeconomic worries

The Financial Express, June 14, 2022

- Stocks extended the losing streak on Tuesday as investors continued sell-off shares amid the country's macroeconomic worries. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 30.60 points or 0.47 per cent to settle at 6,361. DSEX eroded nearly 123 points in the past four days.
- Two other indices also ended lower. The DSE 30 Index, comprising blue chips, fell 16.06 points to close at 2,300 and the DSE Shariah Index (DSES) lost 7.15 points to settle at 1,387.
- Turnover, the crucial indicator of the market, however, rose further to Tk 8.75 billion, which was 9.65 per cent higher than the previous day's tally of Tk 7.98 billion.
- Of the 382 issues traded, 236 declined, 89 advanced and 57 issues remained unchanged.
- Shinepukur Ceramics was the most traded stock with shares worth nearly Tk 707 million changing hands, followed by JMI Hospital Requisite Manufacturing (Tk 445 million), Anwar Galvanizing (Tk 257 million), Beximco (Tk 239 million), Monno Fabrics (Tk 232 million).
- The Chittagong Stock Exchange (CSE) extended losses with the CSE All Share Price Index – CASPI – losing 78.83 points to settle at 18,710 and the Selective Categories Index – CSCX, fell 48 points to close at 11,218. The port city's bourse traded 13.20 million shares and mutual fund units with a turnover value of Tk 555 million.



<https://thefinancialexpress.com.bd/stock/stocks-extend-losing-streak-amid-macroeconomic-worries-1655202968>

3 banks asked to explain poor dividend payout

The Newage, June 14, 2022

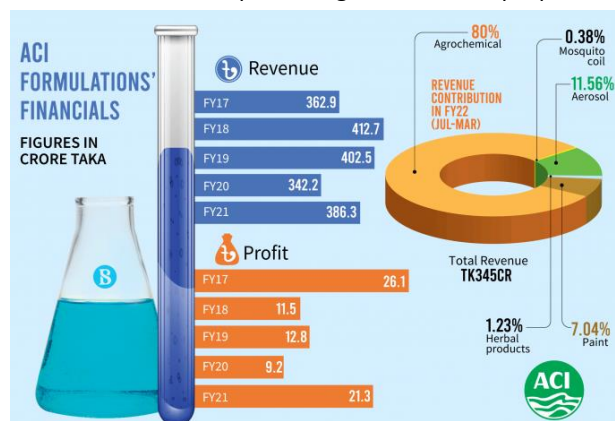
- The Bangladesh Securities and Exchange Commission has sought explanations from National Bank and ICB Islamic Bank for declaring no dividend for the year 2021. The commission has also sought an explanation from Rupali Bank for declaring only stock dividend.
- The BSEC on Monday issued separate letters to the banks and asked them to explain their position. In the letter, the BSEC said that National Bank declared no dividend against earnings per share of Tk 0.12 for the year ended on December 31, 2021.
- ICB Islamic Bank declared no dividend against loss per share of Tk 0.59 while state-run Rupali Bank declared 2 per cent stock dividend against earnings per share of Tk 1.1 for the year ended on December 31, 2021, it said. The banks have been directed under securities rules to explain and justify their position along with relevant papers and documents regarding the issues.

<https://www.newagebd.net/article/173293/3-banks-asked-to-explain-poor-dividend-payout>

ACI Formulations to separate agrochemical business

The Business Standard, June 14, 2022

- ACI Formulations Limited's board has decided to separate the agrochemical – such as pesticide – business from its diversified portfolio to avail of a tax exemption facility and enhance its focus on the crop care segment. For this purpose, the board of the company also decided to form a company named "ACI AgroChem Limited" to run the agrochemical business.
- According to a Dhaka Stock Exchange (DSE) filing, the new company's authorised capital will be Tk100 crore and the paid-up capital of Tk2 crore and it will run as a subsidiary company of ACI Formulations.
- ACI Formulations will hold a 90% stake in its subsidiary. The decision will be implemented after approval from the regulators concerned.
- Currently, ACI Formulations earned over 80% of revenue from the agrochemical business. The rest amount comes from aerosol, mosquito coil, paint, floor cleaner and herbal products.
- In the proposed budget for fiscal 2022-23, it has been proposed to provide advance tax exemption for the import of five materials such as pesticides, fungicides and pesticides used in the production of agriculture. According to an official of ACI Formulations, this will increase the profitability of the companies and farmers will be able to buy pesticides at affordable prices.
- ACI Formulations said in its FY2021 annual report, that the mosquito coil plant has been closed for more than two years.



<https://www.tbsnews.net/economy/stocks/aci-formulations-separate-agrochemical-business-439466>

BD Paints to debut on bourses today

The Business Standard, June 14, 2022

- BD Paints Limited will make its stock trading debut on the SME platforms of the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) on Tuesday. The Central Depository Bangladesh Limited (CDBL) has credited the paint manufacturer's primary shares to the beneficiary owner (BO) accounts of the investors.
- The company has completed its qualified investor offer (QIO) subscription from 22 May to 26 May 2022. According to its audited financial statements, as of 30 June 2021, BD Paints' net profit stood at Tk4.83 crore, which was Tk3.13 crore in the previous year.
- The paint manufacturer also saw an increase in revenue to Tk29.38 crore in the fiscal year, from Tk23.36 crore a year earlier. Its earnings per share stood at Tk0.97 and its net asset value per share at Tk15.94 at the end of the fiscal year.

<https://www.tbsnews.net/economy/stocks/bd-paints-debut-bourses-today-439458>

Maslin Capital to launch Tk100cr impact fund

The Business Standard, June 14, 2022

- Maslin Capital, a fund management company belonging to City Group, has initiated a process to launch a Tk100 crore impact fund. Impact funds are alternative investment funds that consider the environmental, social and governance (ESG) impact of their investments in businesses.
- City Bank Capital Resources Ltd, a leading local merchant bank, has been appointed as the mandated lead arranger of the fund. Banks, financial institutions, insurers, corporates and high net worth individuals are expected to be the local investors of the fund, while international funds and development financial institutions are also on the list of potential foreign investors, said Ershad Hossain, managing director of City Bank Capital.
- Bangladesh is yet to get a local impact fund, while some foreign funds are investing in local companies showing ESG impacts through their businesses.

<https://www.tbsnews.net/economy/stocks/maslin-capital-launch-tk100cr-impact-fund-439450>

C&A Textiles reborn

The Business Standard, June 14, 2022

- Alif Group is all set to bring C&A Textiles, which was shut down in 2017 due to loan defaults by its former owners, back into production this month after completing all the necessary work of the factory. Installation of new machines is now underway after removing unusable old machinery.
- After the acquisition in 2021 by Alif Group, the company had said it would return to production in January this year. But its authorities could not keep their word because of some complexities and the lack of necessary machinery.
- Now, the company says all the necessary machinery has arrived, and the funding complications are over. C&A Textiles will return to production once the machines are installed.
- C&A Textiles factory is situated at the BSCIC Industrial Area in Kalurghat of Chattogram. The former owners of the company built the factory on a plot taken from BSCIC on a 90-year lease.
- They raised Tk45 crore by issuing shares to import new machinery and expand the factory on vacant areas of the plot.
- However, due to loan fraud, the company stopped production in 2017. Due to this, its previous owners could not construct the building. Now, after the acquisition, new owner Alif Group is expanding the factory to increase its production capacity.



<https://www.tbsnews.net/economy/rmg/ca-textiles-reborn-439826>

New project to enhance RAK Ceramics profit: co

The Newage, June 14, 2022

- RAK Ceramics Bangladesh Limited, a publicly listed company, on Tuesday announced that the company's average annual net profit was expected to grow by Tk 93 crore in 10 years, once its initiative for enhancement of production capacity was implemented.
- To enhance the production capacity, RAK Ceramics would invest Tk 902.5 crore to build its new factory at Bhutulia in Gazipur, according to the company's board decision published on the Dhaka Stock Exchange web site on Tuesday.
- Once the new project is implemented, the company's production capacity would increase to 15.5 million square metres of tiles per year from its existing capacity of producing 10.32 million square metres of tiles, RAK Ceramics chief operating officer and chief financial officer Sadhan Kumar Dey told reporters at a programme held in the capital Dhaka on Tuesday.

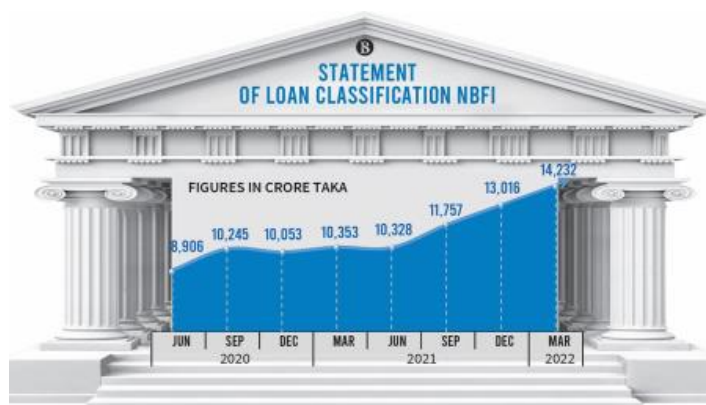
<https://www.newagebd.net/article/173295/new-project-to-enhance-rak-ceramics-profit-co>

Economy & Industry

Default loans of NBFIs up Tk1,216cr in Q1

The Business Standard, June 14, 2022

- The default loans of non-bank financial institutions (NBFIs) surged by Tk1,216 crore or 9.34% to Tk14,232 crore in the first quarter (January–March) of the calendar year of 2022 from Tk13,016 crore in the last quarter of 2021, according to the Bangladesh Bank. It is also 37.45% higher year on year.
- At the end of March, the defaulted loans stood at 20.63% of the total loans disbursed by institutions, the central bank's latest Quarterly Financial Stability Assessment Report shows.
- The total default loans of the sector were Tk10,354 crore at the end of March 2021, which was reduced by only Tk25 crore in the next quarter (April-June). With the withdrawal of the loan repayment facility – which is known as a moratorium – the number of new defaulting customers increased again.
- In the July-September quarter, the defaulted loan jumped by Tk1,429 crore to Tk11,757 crore and by Tk1,259 crore to Tk13,016 crore in the October-December quarter.



<https://www.tbsnews.net/economy/default-loans-nbfis-tk1216cr-q1-439210>

Tax rebate on investment: Added burden for small taxpayers

The Business Standard, June 14, 2022

- The proposed changes in tax rebate on investments through share market, savings certificates and other instruments are going to reduce rebates for small taxpayers while large taxpayers will enjoy more tax benefits. In other words, small taxpayers will have to pay more taxes on the reduced investment limit. Besides, failure to file the tax return within the deadline will slash the rebate to half.
- Currently, taxpayers with an annual earning of Tk15 lakh, the minimum taxable income, are enjoying 15% rebate on their allowable investment limit, which is 25% of their annual taxable income, while the rebate for taxable income above Tk15 lakh is 10%.
- In the finance bill, the finance minister has proposed making the rebate 15% for all and reducing the allowable investment limit from 25% to 20%.
- Say a taxpayer has an annual taxable income of Tk6 lakh. Under the current provisions, they are allowed to invest 25% or Tk1,50,000 on which they will get a rebate of 15%. As such, the amount of their rebate or tax credit will be Tk22,500. On the other hand, the amount of gross tax on their taxable income will be Tk25,000. Excluding the tax credit, their payable tax would be Tk2,500.
- But now, under the proposed changes, a taxpayer with the same annual income will be allowed to invest 20% or Tk1,20,000, on which the tax credit is Tk18,000 with the same gross tax liability of Tk25,000. Excluding the tax rebate of Tk18,000, the taxpayer's payable tax amount will be Tk7,000.

<https://www.tbsnews.net/economy/budget/tax-rebate-investment-added-burden-small-taxpayers-439478>

International

Global stocks mostly extend losses as recession fears linger

The Newage, June 14, 2022

- Stock markets across Europe and Asia on Tuesday mostly extended recent sharp losses on lingering worries about possible recession for major economies. Panic has swept through trading floors since data on Friday showed US consumer prices rising at their fastest pace in decades on surging energy and food costs caused by the Ukraine war and supply chain snarls.
- The pain has been felt across all assets, with bitcoin threatening to fall below \$20,000 for the first time since December 2020, currencies retreating against the dollar, and safe havens including the yen and gold feeling the squeeze. Investors are bracing for the Federal Reserve's interest rate decision Wednesday as it struggles to walk a fine line between reining in inflation and trying to keep the economy on track.
- 'While there is no doubt that inflation is a considerable challenge for the US at this point, slamming on the brakes too hard risks pushing the economy off its track,' said Tai Hui of JP Morgan Asset Management. Fears that the world's top economy is heading for a recession sent Wall Street plunging Monday, with the broad-based S&P 500 stocks index sinking into a bear market after dropping more than 20 per cent from its recent peak.
- Elsewhere, data Tuesday confirmed annual inflation in Germany, Europe's biggest economy, hit a record 7.9 per cent in May. It comes as confidence among German investors remains subdued despite picking up for the second month in a row.

<https://www.newagebd.net/article/173290/global-stocks-mostly-extend-losses-as-recession-fears-linger>

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