

Key News

- ✓ [Dhaka stocks snap four-day losing streak](#)
- ✓ [Allow black money in stock investments: Merchant bankers](#)
- ✓ [BSEC allows Global Islami Bank to raise Tk 4.25b through IPO](#)
- ✓ [Thai Foils & Polymer to go public for Tk120cr](#)
- ✓ [BSEC concerned about Zaheen Spinning's business capabilities](#)
- ✓ [Experts for institutionalising Insuretech to help insurance sector grow](#)
- ✓ [Bank vendors can't be those of high-ups: Bangladesh Bank](#)
- ✓ [US inflation highest in 4 decades, feds approve largest interest hike](#)

Stock Market & Company

Dhaka stocks snap four-day losing streak

The Newage, June 15, 2022

- Dhaka stocks snapped a four-day losing streak on Wednesday as a section of investors went for bargain hunting while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.2 per cent, or 13.12 points, to close at 6,374.51 points on Wednesday after losing 122.84 points in the previous four sessions.
- The market gained 34 points within the first 15 minutes of Wednesday's session, but failed to maintain the momentum and finished with a slight gain. Among the large capitalised companies, share prices of BEXIMCO, Beximco Pharmaceuticals, RAK Ceramics and GPH Ispat gained the most on Wednesday.
- Average share prices of miscellaneous, textile, non-bank financial institution and engineering sectors advanced by 1.4 per cent, 0.8 per cent, 0.5 per cent and 0.1 per cent respectively. The turnover on the DSE increased to Tk 943.88 crore on Wednesday compared with that of Tk 874.91 crore in the previous session.
- The DS30 index also added 1 point to finish at 2,301.91 points and the DSE Shariah index gained 1.92 points to close at 1,389.6 points. BEXIMCO topped the turnover chart with its shares worth Tk 65.08 crore changing hands.
- RAK Ceramics, Shinepukur Ceramics, JMI Hospital Requisite Manufacturing, IPDC Finance, Bangladesh Shipping Corporation, BD Finance, Orion Pharma, Quashem Industries and BDCOM Online were the other turnover leaders.
- Meghna Insurance Company Limited was the day's best performer, posting a gain of 10 per cent, while Bangladesh General Insurance Company Limited was the worst loser, shedding 5.48 per cent.

<https://www.newagebd.net/article/173354/dhaka-stocks-snap-four-day-losing-stre>

Allow black money in stock investments: Merchant bankers

The Business Standard, June 15, 2022

- Merchant bankers have tabled five issues for consideration, such as allowing investments of black money in stocks in the national budget for the next fiscal year, saying policy support is necessary to make the capital market vibrant. At a discussion titled "Budget 2022-23: Capital Market Perspective", the leaders of the Bangladesh Merchant Bankers Association (BMBA) said despite the progress of the country's economy, the capital market is depressing.
- If the capital market can be made dynamic, the country's economy will also become dynamic, they added at the event jointly organised by Capital Market Journalists Forum (CMJF) and BMBA on Wednesday. "The government's policy support is needed to make the capital market dynamic. It is not possible to make the market dynamic without this support," said BMBA President Sayedur Rahman.
- Sayedur Rahman asked for a scope to invest black money in the capital market with a 5% tax, to increase the depth of the market. The liquidity crisis will also end, he added. State Minister for Planning Shamsul Alam agreed with BMBA's demand to allow black money to be invested in the capital market once again to deepen the market.

<https://www.tbsnews.net/economy/stocks/allow-black-money-stock-investments-merchant-bankers-440446>

BSEC allows Global Islami Bank to raise Tk 4.25b through IPO

The Financial Express, June 15, 2022

- The stock market regulator has allowed Global Islami Bank to raise Tk 4.25 billion from the capital market under the fixed price method. The approval came on Wednesday at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC) presided over by its chairman Prof. Shibli Rubayat Ul Islam.
- The fourth-generation private commercial bank's IPO will be the second-largest initial public offering (IPO) in the banking sector after Union Bank which raised Tk 4.28 billion through IPO. As per the regulatory approval, the private commercial bank will issue 425 million ordinary shares at a face value of Tk 10 each under the fixed price method.
- According to the financial statement until September 30, 2021, the bank's net asset value (NAV) per share (without revaluation) was Tk 14.42 and earnings per share (EPS) of 1.91 while the weighted average EPS for the last five years stood at Tk 1.08.

<https://thefinancialexpress.com.bd/stock/bsec-allows-global-islami-bank-to-raise-tk-425b-through-ipo-1655303662>

Thai Foils & Polymer to go public for Tk120cr

The Business Standard, June 15, 2022

- Thai Foils & Polymer Industries Limited, an Al-Mostafa Group concern and a leading manufacturer of packaging materials, is considering raising about Tk120 crore through an initial public offering (IPO) to expand its business and repay debts. The company has appointed local investment bank Green Delta Capital as the issue manager of the deal, according to a press statement on Wednesday.
- According to company officials, Thai Foils aims to increase its industrial chemical production, mostly used in packaging material manufacturing, if it gets the regulatory approval for the IPO. Demand for packaging materials is increasing at a double-digit rate in Bangladesh, they said.

<https://www.tbsnews.net/economy/stocks/thai-foils-polymer-go-public-tk120cr-440418>

BSEC concerned about Zaheen Spinning's business capabilities

The Business Standard, June 15, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has expressed concerns about the functioning of Zaheen Spinning Ltd as two fire incidents have thrown its business into uncertainty. In a letter, the regulator has recently asked the 100% cotton yarn manufacturer of different counts to submit documents on its operational status and business strategy.
- The yarn is used in different end markets such as knitwear, fabrics, socks, and weaving. The estimated annual production capacity of the company is 720 tonnes.

- Established in 2007 at Narayanganj's Araihaaz, Zaheen Spinning was listed on the capital market in 2015. It was doing well in its cotton business even after listing on local stock exchanges. In December 2019, a devastating fire at Zaheen's factory dealt a heavy blow to the company. Later in January 2021, the factory caught fire again.
- After that in July 2021, the company partially resumed its production.
- In December 2021, the regulator suggested the appointment of four independent directors at the company.
- The company's financial performance has been deteriorating since its listing in 2015, and in fiscal 2019-20, it incurred a loss of Tk3.39 per share.
- Also, the company extended its losses in fiscal 2020-21, while most of the spinning mills enjoyed improved profitability in their business due to an increase in yarn prices.



<https://www.tbsnews.net/economy/stocks/bsec-concerned-about-zaheen-spinnings-business-capabilities-440422>

Economy & Industry

Experts for institutionalising Insuretech to help insurance sector grow

The Business Standard, June 15, 2022

- Insuretech must be institutionalised for the sake of bringing about a much-needed tech-driven shift in the country's insurance sector and thus helping the industry grow to its potential by easing all kinds of service delivery, experts said at a discussion yesterday.
- To this end, the role of the institutions involved with Insuretech needs to be strengthened, they added at the round table on the potential of Insuretech in the economic development of Bangladesh, organised by the Bangladesh Association of Software and Information Services (BASIS).
- Insuretech refers to the use of technology innovations designed to squeeze out savings and efficiency from the current insurance industry model. Insuretech is made up of the words "insurance" and "technology," and is inspired by the term Fintech. Research suggests that traditional insurers, going forward, will own only the sources of competitive advantages such as underwriting and claims. The rest of the value chain will increasingly depend on trusted Insuretechs.

<https://www.tbsnews.net/economy/experts-institutionalising-insuretech-help-insurance-sector-grow-440358>

Bank vendors can't be those of high-ups: Bangladesh Bank

The Daily Star, June 15, 2022

- Bangladesh Bank today asked banks to refrain from procuring goods and services from firms in which directors and high officials of the lenders have ownership, be it direct or indirect. Such vendors have been found to have taken part in the procurement processes of the lenders, violating banking norms, according to a Bangladesh Bank notice.
- "This has created an impediment to establishing corporate governance in the banking sector," it said. As per the banking companies act, there is no scope for a firm, in which a bank's directors and top officials have ownership, to take part in the lender's procurement activities.
- There is a conflict of interest of the same person holding the positions in the two different entities when they engage in business activities. The central bank had earlier barred bank directors alongside three top officials of the management – the managing director, additional managing director and deputy managing director – to get their firms delisted from the lenders' list of vendors.

<https://www.thedailystar.net/business/news/bank-vendors-cant-be-those-high-ups-bangladesh-bank-3048451>

International

US inflation highest in 4 decades, feds approve largest interest hike

The Daily Star, June 16, 2022

- The Federal Reserve on Wednesday approved its largest interest rate increase in more than a quarter of a century to stem a surge in inflation that US central bank officials acknowledged may be eroding public trust in their power, and being driven by events seen increasingly out of their hands.
- The widely expected move raised the target federal funds rate by three-quarters of a percentage point to a range of between 1.5% and 1.75%, still comparatively low by historic standards.
- But the Fed's hawkish commitment to controlling inflation has already touched off a broad tightening of credit conditions being felt in US housing and stock markets, and likely to slow demand throughout the economy - the Fed's intent.
- Officials also envision steady rate increases through the rest of this year, perhaps including additional 75-basis-point hikes, with a federal funds rate at 3.4% at year's end. That would be the highest level since January 2008 and enough, Fed projections show, to slow the economy markedly in coming months and lead to a rise in unemployment.

<https://www.thedailystar.net/business/global-economy/news/us-inflation-highest-4-decades-feds-approve-largest-interest-hike>

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