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Stock Market & Company

Stocks inch up amid volatile trading

The Newage, January 16, 2021

- Dhaka stocks inched up on Sunday as investors remained worried about the recent spike in Covid cases and its possible impact on the economy. DSEX, the prime index of Dhaka Stock Exchange, added 0.03 per cent, or 2.3 points, to settle at 7,019.59 points on Sunday after gaining 21.16 points in the previous session.
- Share prices of a number of large capitalised companies, including BEXIMCO, Beximco Phamraceuticals, Square Pharmaceuticals, Robi and LafargeHolcim Bangladesh, plunged on Sunday.
- Prices of Beximco Green Sukuk dropped by 2.48 per cent to close at Tk 95 each on its second trading session. The face value of the Sukuk is Tk 100. DSE Shariah index added 0.01 points to close at 1,502 points, but the DS30 index comprising of 30 large capitalised companies dropped by 0.68 points to finish at 2,598.34 points.
- Share prices of Union Insurance Company Limited which made its debut on Sunday hit the upper limit of the circuit breaker on its first trading day. Average share prices of textile, engineering and food sectors advanced by 3.1 per cent, 0.5 per cent and 0.2 per cent respectively.
- Share prices of miscellaneous, general insurance, bank and pharmaceutical sectors dropped by 1.7 per cent, 0.7 per cent, 0.2 per cent and 0.19 per cent respectively. The daily turnover, a crucial indicator of the investors' participation, increased to Tk 1,506.80 crore on Sunday compared with that of Tk 1,242.84 crore in the previous session.
- Aziz Pipes was the day's best performer, posting a gain of 10 per cent, while Bashundhara Paper Mills was the worst loser, shedding 5.17 per cent. BEXIMCO led the turnover chart with its shares worth Tk 87.24 crore changing hands.
- Fortune Shoes, RAK Ceramics, Paramount Textiles, Power Grid Company of Bangladesh, Fareast Life Insurance Company, GPH Ispat, Peninsula Chittagong, Lovello Ice Cream and Titas Gas were the other turnover leaders.

<https://www.newagebd.net/article/160139/stocks-inch-up-amid-volatile-trading>

Each general investor gets 792 shares of Union Bank

The Financial Express, January 16, 2021

- Each general investor will get a minimum 792 IPO shares of Union Bank Ltd, while non-resident Bangladeshi investors will get 537 shares against application of Tk 10,000 each.
- The Dhaka Stock Exchange (DSE) on Sunday formally allocated the initial public offering (IPO) shares of the bank, under the newly introduced pro-rata basis, which allows every applicant to get shares, DSE said in a statement on Sunday.
- Union Bank, which received the regulatory approval from the Bangladesh Securities and Exchange Commission (BSEC) on September 5 last year, raised Tk 4.28 billion by issuing 428 million ordinary shares at an offer price of Tk 10 each under the fixed price method.
- The bank has reported net asset value (NAV) per share of Tk 16.38 (without revaluation reserve) and earnings per share (EPS) of Tk 1.77 for the year ended on December 31, 2020. The weighted average EPS of five years was Tk 1.82.

<https://thefinancialexpress.com.bd/stock/each-general-investor-gets-792-shares-of-union-bank-1642336474>

CVO Petrochemical to buy Tk 15cr oil tanker

The Daily Star, January 17, 2021

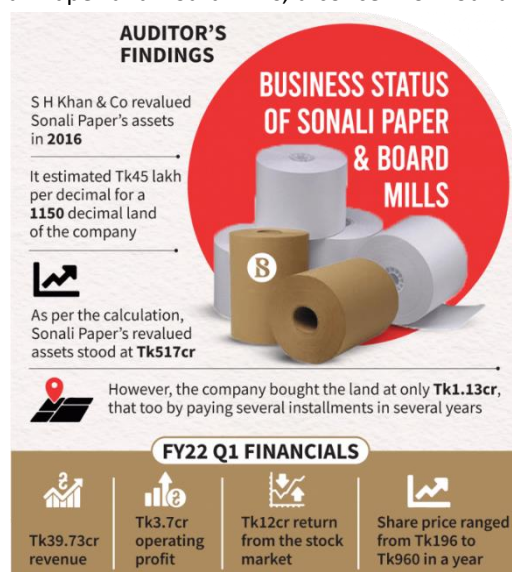
- CVO Petrochemical, a listed petrochemical company, has decided to buy an oil tanker that costs Tk 15 crore. CVO Petrochemical signed an agreement with M/S MA Bashar and Brothers to purchase the 207-tonne capacity tanker that is made in Japan.
- By buying this oil tanker, the company can ensure better quality, quantity, safety and security for Naphtha, a raw material of its fuel. It will save a substantial amount of the carrying cost of Naphtha from Eastern Refinery Ltd.
- Besides, it will also have the opportunity to generate extra income by carrying other products of other companies, CVO Petrochemical said in a disclosure posted on the DSE website. In addition, the company can use the oil tanker to carry condensate from mother vessels to its storage tank, saving the carrying cost in this regard at the same time.
- CVO Petrochemical produces import substitute fuel products for the country. The production capacity of its fractionation plant is 50,000 tonnes per year.
- It's main products are motor spirit, high speed diesel, and mineral turpentine. CVO Petrochemical incurred a net loss of Tk 6.29 crore in 2020-21 while it was Tk 1.28 crore in the negative the previous year.

<https://www.thedailystar.net/business/organisation-news/news/cvo-petrochemical-buy-tk-15cr-oil-tanker-2940656>

Special auditor to look into Sonali Paper assets

The Business Standard, January 16, 2022

- The stock market regulator has decided to appoint a special auditor for Sonali Paper and Board Mills, a concern of Younus Group of Industries, to look into its assets that were revalued in 2016. The Bangladesh Securities and Exchange Commission (BSEC) has already sent its panel auditors for quotations.
- The company revalued its assets through SH Khan & Co Chartered Accountants in 2016. The value of 1,150 decimal land of the company was Tk1.13 crore, bought at Tarabo area in Rupganj upazila in Narayanganj several years ago.
- The company revalued this Tk1.13 crore land to Tk517.50 crore. Earlier, the company applied to the commission seeking exemption from the regulatory prohibition for issuing the right shares to comply with the 30 crores paid-up capital requirement.
- Currently, the paid-up capital of the company is Tk21.96 crore. The yearly share price range of the company was Tk196 to Tk960. In the last seven months, its share price has risen by more than 300%.



- From July to September 2021, its operating income increased by 23%, compared to the same period of the previous year. The company has invested Tk55.55 crore in the capital market, but its inventories are only Tk22.68 crore.
- A big portion of revenue has been generated through capital market investment. In July 2020, the company relisted on the main board of the stock exchanges taking exemption from the regulator.
- In fiscal 2020-21, Sonali Paper and Board Mills posted a 235% year-on-year profit growth, based on other incomes while its revenue growth was 0.42%. In that fiscal year, the annual revenue of the company stood at Tk141.46 crore with profit jumping to Tk8.94 crore. This profit was the highest in the last eight years.

<https://www.tbsnews.net/economy/stocks/special-auditor-look-sonali-paper-assets-358366>

JMI Hospital's cut-off price set at Tk25

The Business Standard, January 16, 2022

- The cut-off price per share of JMI Hospital Requisite Manufacturing Ltd has been fixed at Tk25 through electronic bidding. The Dhaka Stock Exchange (DSE) on Sunday disclosed the cut-off price through the electronic subscription system (ESS) of Bangladesh.
- Qualified and institutional investors including mutual funds will buy 25% of the company's shares at the cut-off price. Meanwhile, individual investors will be able to purchase the remaining shares at Tk20 per share, i.e., at a 20% discount on the cut-off price.
- The cut-off price is the price at which institutional investors get all the primary shares allocated for them in an initial public offering (IPO) under the book building method.
- The company's electronic bidding under the book building method took place for 72 hours – from 5pm on 9 January to 5pm on 12 January. During this period, 385 institutional and eligible investors offered to buy the company's shares at a range of rates. Most bids were received for Tk25.
- The highest bidding price was Tk25, while the lowest was Tk16. The company will collect Tk75 crore from investors, primarily for purchasing land and machinery, and for loan repayment.
- On 30 June 2020, the net asset value per share of the company was Tk27.78 without revaluation and Tk29.99 after revaluation. Five years' weighted average earnings per share of the company stood at Tk2.42. Its paid-up capital is Tk90 crore.

<https://www.tbsnews.net/economy/stocks/jmi-hospitals-cut-price-set-tk25-358372>

Sayeman Beach Resort to buy 25 lakh Peninsula shares

The Business Standard, January 16, 2022

- Sayeman Beach Resort Ltd has declared to buy 25 lakh shares of The Peninsula Chittagong Ltd at the prevailing market price through the public market of the Dhaka Stock Exchange (DSE). Sayeman will buy the shares within the next 30 working days, read a company disclosure by Peninsula on the DSE website on Sunday.
- Peninsula's Chairman Mahboob-Ur-Rahman is also the managing director of Sayeman. The Peninsula Chittagong Ltd commenced operations as the only four-star hotel in Chattogram in 2006 and went public in 2014.
- Due to the first wave of the pandemic in 2020, the hotel's business was so seriously hurt that its earnings per share (EPS) dropped by a staggering 94% to Tk0.05 in fiscal 2019-20, compared to the previous fiscal. In the July-September quarter of 2021, its EPS stood at Tk0.31, compared to Tk0.27 a year ago.
- Peninsula's share price increased 24.9% in the first 16 days of January this year, following 57% gains in 2021. The stock closed 7.8% higher at Tk44.2 per share on Sunday at the DSE.

<https://www.tbsnews.net/economy/stocks/sayeman-beach-resort-buy-25-lakh-peninsula-shares-358345>

AMCL-Pran, RFL shares post unusual price rise in 7 days

The Business Standard, January 16, 2022

- Pran-RFL Group's two sister concerns – Agricultural Marketing Company Ltd (AMCL-Pran) and Rangpur Foundry Ltd (RFL) – have posted unusual share price hikes at the Dhaka Stock Exchange (DSE) in the last seven trading days.
- Shares of AMCL-Pran soared by 49% while those of RFL by 54%. The DSE sent query letters to the companies seeking an explanation regarding the unusual price hikes. Both firms replied there is no undisclosed price sensitive information (PSI) for the recent increase in their share price.
- According to DSE data, AMCL-Pran's share price rose to Tk395.7 each on Sunday, from Tk265.6 on 6 January. Also, RFL's share price increased to Tk225.2 from Tk145.8 during the same period.
- In the last fiscal, AMCL-Pran's earnings per share (EPS) declined by 6% compared to the previous fiscal year, whereas RFL's year-on-year EPS increased by 18%. In FY21, AMCL-Pran and RFL approved 32% and 23% cash dividends respectively at their annual general meetings - both held on 26 December last year.

<https://www.tbsnews.net/economy/stocks/amcl-pran-rfl-shares-post-unusual-price-rise-7-days-358321>

Bank Asia holds confce on anti-money laundering efforts

The Daily Star, January 16, 2021

- Bank Asia Ltd organised a daylong "BAMLCO Conference 2022" for branch anti-money laundering compliance officer (BAMLCO) through digital platform yesterday. Kazi Aktarul Islam, deputy head of the Bangladesh Financial Intelligence Unit (BFIU), was present as the chief guest, according to a press release.
- Raaj Kumar Khetan, regional KYC policy head of Citibank NA in Singapore, and Md Rokon-Uz-Zaman, joint director of the BFIU, were the special guests.
- Md Arfan Ali, president and managing director of Bank Asia, presided over the programme, while Mohammad Ziaul Hasan Molla, Shafiuzzaman and Alamgir Hossain, deputy managing directors of the bank, were present. Around 2,000 employees of the bank, including heads of departments, branches and Islamic windows, attended the conference.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-holds-confce-anti-money-laundering-efforts>

Economy & Industry

NBR examines scope for tax rebate on sukuk income

The Daily Star, January 17, 2021

- The National Board of Revenue (NBR) is examining the scope for giving tax rebate on the income of individuals who are investing in the shariah-based sukuk bond, said a senior official of the tax authority yesterday. It was recommended by the Finance Division, which cited that such a benefit was already in place for treasury bonds.
- The government raised Tk 8,000 crore issuing sukuk bonds for the first time in fiscal year 2020-21 to lure investors who are reluctant to put their money into interest-bearing T-bills, bonds and other government securities. During the current fiscal year, the government borrowed Tk 5,000 crore by sukuk, said officials.
- The aim was also for making use of excess liquidity that Shariah-based banks were sitting on for years as they were unable to invest the funds in the T-bills and bonds. In its letter to the NBR in October last year, the Finance Division said sukuk was an Islamic security issued by the government.
- But there is no provision for tax benefits for individuals' investment in the tool, it said, suggesting on providing the opportunity of tax rebates such as that for treasury bonds.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/nbr-examines-scope-tax-rebate-sukuk-income>

Banks' single borrower exposure limit cut to 25pc

The Newage, January 17, 2021

- The Bangladesh Bank on Sunday reduced the single borrower exposure limit to 25 per cent of a bank's capital from 35 per cent as part of its measures to contain the concentration of loans among a small group of people.
- Even though the total limit, including funded and non-funded ones, was reduced to 25 per cent, the funded loan portion was kept unchanged at 15 per cent of a bank's capital.
- 'The aggregate principal amount of funded and non-funded exposure to a single person or counterparty or a group shall not exceed 25 per cent of the capital at any point of time,' said a BB circular issued on Sunday. Besides, the central bank also withdrew the extra non-funded borrowing limit for exporters.
- Earlier, banks were allowed to extend credit up to 50 per cent of their capital to the exporters but, the facility was withdrawn in the latest BB circular. As a result, the exporters, like other bank borrowers, would get loans up to 25 per cent of a bank's capital — 15 per cent funded and 10 per cent non-funded.
- The latest circular on single borrower exposure limit also squeezed the large loan issuance scope for the banks. Under the revised BB policy, banks having less than 3 per cent non-performing loans would be allowed to issue loans highest up to 50 per cent of respective bank's loans and advances to large-scale borrowers.

<https://www.newagebd.net/article/160164/banks-single-borrower-exposure-limit-cut-to-25pc>

International

China, US trade relations normal

The Daily Star, January 17, 2021

- Economic and trade relations between China and the United States are mutually beneficial and China hopes the US can create favorable conditions for the two nations to expand their trade cooperation, the Ministry of Commerce said on Thursday.
- The phase-one economic deal between China and the United States is beneficial not only to the two countries but also the world, said Shu Jueting, spokeswoman of the Ministry of Commerce, when asked about the latest developments in implementing the deal.
- China has exerted strenuous efforts to offset the negative impact of factors such as the Covid-19 pandemic, the global economic recession and the constraints of supply chains, to promote joint implementation of the agreement since the deal took effect, Shu said at an online media briefing.

<https://www.thedailystar.net/business/global-economy/news/china-us-trade-relations-normal-2940701>

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