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Stock Market & Company

Dhaka stocks gain for 5th day

The Newage, January 19, 2021

- Dhaka stocks advanced on Wednesday, stretching the gaining streak to the fifth session as a section of investors kept buying shares while many others went for profit taking. DSEX, the prime index of Dhaka Stock Exchange, increased by 0.47 per cent, or 33.72 points, to settle at 7,089.43 points on Wednesday.
- The DSEX gained 93 points in the last five sessions. Despite a fall in share prices of most of the companies, the market finished with hefty gains as a number of large capitalised companies soared on the day.
- A surge in share prices of BEXIMCO alone added 18 points to the index. Share prices of Beximco Pharmaceuticals, ACI Limited, BRAC Bank and Bangladesh Shipping Corporation also advanced that contributed most to the rally on Wednesday.
- Share prices of LafargeHolcim Bangladesh declined on Wednesday after the company shut operation of its aggregate unit until January 24 following a High Court order. Average share prices of miscellaneous, textile, pharmaceutical and energy sectors advanced by 2.8 per cent, 1.4 per cent, 0.7 per cent and 0.2 per cent respectively.
- Share prices of general insurance, telecommunication, engineering and non-bank financial institution dropped by 0.9 per cent, 0.3 per cent, 0.2 per cent and 0.19 per cent respectively. Prices of Beximco Green Sukuk dropped by 1 per cent to close at Tk 90.5 each on its fifth trading session. The face value of the Sukuk is Tk 100.
- DSE Shariah index added 0.17 points to close at 1,509.14 points and the DS30 index comprising of 30 large capitalised companies increased by 0.7 points to finish at 2,617.3 points. The daily turnover, a crucial indicator of the investors' participation, increased to Tk 1,735.57 crore on Wednesday compared with that of Tk 1,712.87 crore in the previous session.
- Global Heavy Chemicals was the day's best performer, posting a gain of 9.88 per cent, while Eastern Lubricants was the worst loser, shedding 12.5 per cent. BEXIMCO led the turnover chart with its shares worth Tk 177.36 crore changing hands.
- Fortune Shoes, Bangladesh Shipping Corporation, SAIF Powertec, ACI Limited, GPH Ispat, Orion Pharmaceuticals, Fareast Life Insurance, Paramount Textiles and Power Grid Company were the other turnover leaders.

<https://www.newagebd.net/article/160417/dhaka-stocks-gain-for-5th-day>

Trading of T-bonds likely to begin on DSE in February

The Newage, January 19, 2021

- Trading of all listed government treasury bonds is likely to begin in February when the Dhaka Stock Exchange completes formation of new yield-based debt board. On October 14, 2021, the DSE successfully experimented the first trading of treasury bonds after 16 years using its trading system.
- The settlement of the transaction was completed through Central Depository Bangladesh Limited. A transaction of a 10-year Bangladesh Treasury Bond was executed as a test case between VIPB Accelerated Income Unit Fund and Alliance MTB Unit Fund through City Brokerage Limited and MTB Securities.
- At present, there are 221 treasury bonds with tenure ranging from 5-20 years listed on the DSE. Government bonds are traded between institutional shareholders, including banks and financial institutions.
- Currently, an investor has to open a business partner identification number (BP ID) through any bank in the country and the bank opens a BP ID for the investor through the BB in MI Module. Investors then will select suitable bonds and request his/her bank to buy the available one following depositing fund to his/her bank account.

<https://www.newagebd.net/article/160434/trading-of-t-bonds-likely-to-begin-on-dse-in-february>

Lafarge suspends aggregate output as per court order

The Financial Express, January 20, 2021

- LafargeHolcim Bangladesh has suspended production of its aggregates following a court order staying the previous judgment by a High Court (HC) division. In a filing with the Dhaka Stock Exchange on Wednesday, the company said industries ministry filed a civil misc case (CMP) with the chamber judge against the verdict.
- The HC division of the Supreme Court passed the judgment on January 05. The judge-in-chamber also forwarded the CMP for hearing before the full bench of the appellate division. Accordingly, the aggregate operations of the company will remain closed until January 24 with immediate effect, says LafargeHolcim.
- The company resumed production and sales of aggregates after getting a verdict in its favour on January 05. Earlier on September 16, the ministry directed the company to stop aggregate business by issuing a letter.
- It filed a writ petition, challenging the ministry's instruction. On October 11, the HC issued a rule. On January 05, the division bench of the court delivered judgment making the rule absolute.
- LafargeHolcim has set up the crushing unit with ancillary equipment on the premises of its existing integrated clinker and cement manufacturing plant in Chhatak, Sunamganj. With an investment of Tk 401 million, the facility has the capacity to produce 1.2-million tonnes of clear-sized graded aggregate per annum.

<https://thefinancialexpress.com.bd/stock/lafarge-suspends-aggregate-output-as-per-court-order-1642648224>

Mozaffar Hossain Spinning sees jump in profits

The Daily Star, January 20, 2021

- Profits of Mozaffar Hossain Spinning Mills rose to Tk 9.79 crore in the July-December period of the ongoing fiscal year (FY) while it had incurred losses of Tk 3.93 crore in the same period in FY2020-21, according to data from the Dhaka Stock Exchange (DSE).
- The spinning company's earnings per share stood at Tk 0.73 in the second quarter (October-December) of FY2021-22, up from Tk 0.03 in the same period a year ago.
- Its net asset value per share was Tk 19.13 as of December 31 while it was Tk 18.16 six months ago. "The effect of production and sales from the new ring spinning unit and full capacity utilisation at the rotor unit as well as the current price hike of yarn helped the company make positive changes in all indicators," the company said in a disclosure posted on the DSE website yesterday.
- A week ago, the widely consumed 30-carded yarn was selling for \$3.60 to \$3.75 per kilogramme (kg) whereas it was \$2.60 to \$2.80 per kg two months ago, according to knitwear manufacturers and suppliers.

<https://www.thedailystar.net/business/economy/stock/news/mozaffar-hossain-spinning-sees-jump-profits-2943056>

BSEC panel auditor to look into Samin Food's financials for merger

The Business Standard, January 19, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has instructed RN Spinning Mills, a concern of FAR Group, to have the financials of Samin Food and Beverage Industries and Textile Mills audited by someone from the BSEC panel of auditors.
- Besides, the company has also been asked to submit an audited report along with the draft scheme of its proposed merger with Samin Food. The BSEC has issued a letter to the company in this regard.
- Earlier, RN Spinning Mills, a listed company, announced that it would merge with its non-listed sister concern, Samin Food, as it looks to return to production.
- The Cumilla-based spinner is out of production since a massive fire incident destroyed its factory in 2019. The company has not received insurance compensation yet.
- According to RN's auditor, the factory and its assets were under the coverage of Tk132.46 crore. After the blaze, an inspection was conducted but no assessment report was filed.
- The board of directors of RN Spinning has decided to relocate its factory to the premises of Samin Food and Beverage at Gazipur, said FAR Group Manager Sudeep Banik.

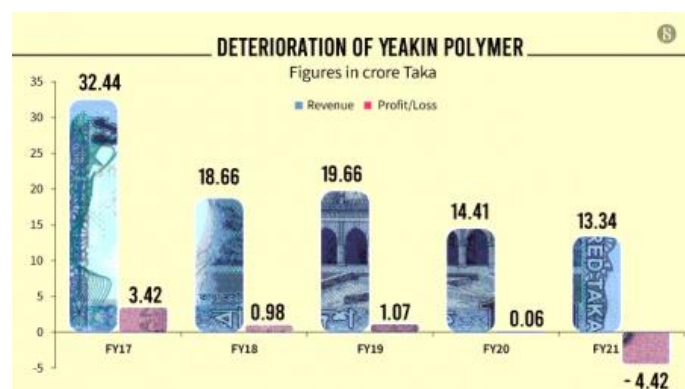


<https://www.tbsnews.net/economy/stocks/bsec-panel-auditor-look-samin-foods-financials-merger-359680>

Yeakin Polymer out of production for 2 years but investors in the dark

The Business Standard, January 19, 2022

- Yeakin Polymer has gone out of production for more than two years but the plastic bag manufacturer did not disclose it, keeping its shareholders in the dark about its latest status. The company allegedly stopped production three years after it was listed on the capital market in 2016 owing to a decrease in demand for plastic bags in the market and a shortage in its working capital.
- Fames and R audited the company's accounts for three years from fiscal 2018-19 to fiscal 2020-21 but did not give any qualified opinion on its production, which is a violation of the securities law.
- The Bangladesh Securities and Exchange Commission (BSEC) believes general shareholders have been misguided by the audit reports, an official at the commission told The Business Standard.
- A BSEC official, speaking on condition of anonymity, because he was not authorised to speak to the media, said the commission had received a complaint that Yeakin Polymer was not in production and the company did not pay any dividends in fiscal 2020-21.
- "Therefore, to protect the interests of investors, the commission will summon the board of the company and ask for an explanation. They will be investigated as well. In addition, the auditor will be brought under accountability," the official added.
- A former official at Yeakin Polymer said the company was in a working capital crisis owing to default on Islami Bank's loans. As a result, it has not been able to continue production since 2019.



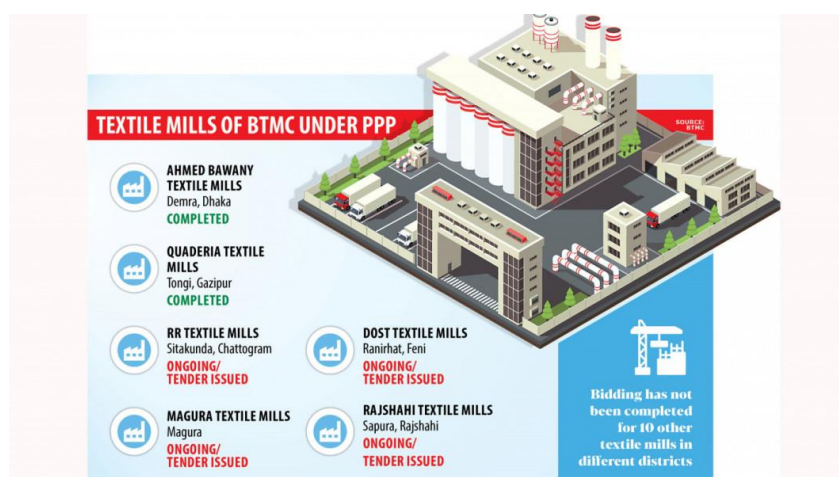
<https://www.tbsnews.net/economy/stocks/yeakin-polymer-out-production-2-years-investors-dark-359197>

Economy & Industry

Govt moves to reopen textile mills thru PPP

The Daily Star, January 20, 2021

- With the goal of attracting local and foreign investment to modernise and reopen closed textile mills, the government has called for open international tenders for four out of 16 textile mills through public-private partnerships (PPP).
- The move comes after the Bangladesh Textile Mills Corporation (BTMC) initiated a process of handing over two textile mills through PPP.
- As per an announcement from the BTMC, some factories have been lying dormant for the past 30 to 40 years.
- The mills were shut down after facing huge losses, according to officials of the BTMC.
- The four mills are: RR Textile Mills, Dost Textile Mills, Rajshahi Textile Mills and Magura Textile Mill. The tender process has already entered its second phase, according to a BTMC official.
- The BTMC will be the major partner of the PPP. The project will be distributed as per the partnership agreement and the government will only issue the land for building infrastructure. The expected bidders or bidding consortiums have been asked to submit their proposals by March 7.



<https://www.thedailystar.net/business/economy/news/govt-moves-reopen-textile-mills-thru-ppp-2943101>

International

UK inflation hits 30-year high

The Daily Star, January 20, 2021

- British annual inflation accelerated to a near 30-year high in December, official data showed Wednesday, stoking fears over a cost of living squeeze as wages fail to keep pace.
- Economies worldwide are battling decades-high inflation that is forcing central banks to lift interest rates, including the Bank of England which last month raised its key borrowing cost for the first time in more than three years.
- The UK's inflation rate hit 5.4 per cent last month, rising further above target on price gains for clothing, domestic energy, food and furniture, the Office for National Statistics said in a statement. The BoE, whose chief task is to keep inflation close to a 2.0-per cent target, is now expected to hike again at its next meeting in February amid easing concerns over Omicron.
- Britain's cost of living is forecast to soar even higher in April due to looming hikes in national insurance tax and domestic energy, analysts say. Inflation had already forged a decade-high of 5.1 per cent in November.
- The rate had hit 7.1 per cent in March 1992. "The inflation rate rose again at the end of the year and has not been higher for almost 30 years," said ONS chief economist Grant Fitzner.

<https://www.thedailystar.net/business/global-economy/europe/news/german-investor-morale-rebounds-2943081>

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