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Stock Market & Company

Dhaka stocks advance after 2-day fall

The Newage, April 19, 2022

- Dhaka stocks advanced on Tuesday after a two-day fall as a section of investors went for buying shares to halt a plunge in share prices while many others remained cautious. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.73 per cent, or 47.68 points, to close at 6,530.06 points on Tuesday after losing 103 points in the previous two sessions.
- Among the large capitalised companies, a surge in share prices of Beacon Pharmaceuticals, Beximco Pharmaceuticals, Square Pharmaceuticals, Eastern Bank and Bangladesh Submarine Cables Company saved the market from a fall. Average share prices of energy, pharmaceuticals, engineering and food sectors advanced by 1.8 per cent, 1.2 per cent, 1.1 per cent and 0.7 per cent respectively.
- DS30 index comprising of 30 large capitalised companies advanced by 26.43 points to finish at 2,436.11 points and the DSE Shariah index gained 14.72 points to close at 1,443.4 points. BEXIMCO topped the turnover chart with its shares worth Tk 59.52 crore changing hands.
- Sonali Paper, Fortune Shoes, JMI Hospital Requisite Manufacturing, Bangladesh Submarine Cables Company, Doreen Power, LafargeHolcim Bangladesh, IPDC Finance, Square Pharmaceuticals and Grameenphone were the other turnover leaders. JMI Hospital Requisite Manufacturing was the day's best performer, posting a gain of 10 per cent, while Aramit Cement was the worst loser, shedding 1.99 per cent.

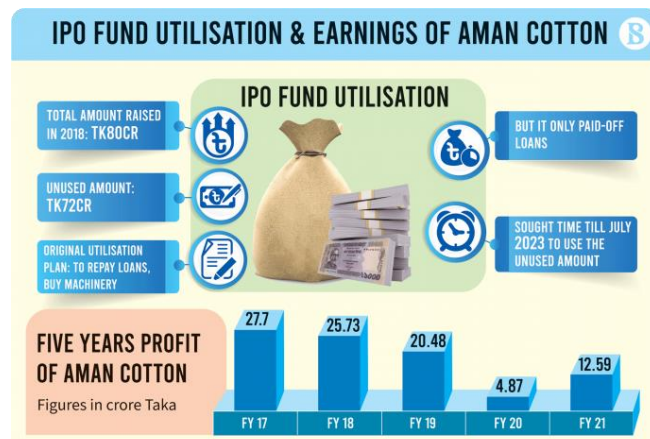
<https://www.newagebd.net/article/168491/dhaka-stocks-advance-after-2-day-fall>

Aman Cotton continues to illegally benefit from IPO fund

The Business Standard, April 19, 2022

- Aman Cotton Fibrous Ltd wants to continue benefiting from investors' funds raised through an initial public offering (IPO) in 2018 by using the money for other than its original purposes. The company, which went into commercial production in 2007 and got listed on bourses in 2018, has sought till July 2023 to use its IPO proceeds in the original project.
- In January this year, the Bangladesh Securities and Exchange Commission (BSEC) fined the company directors, and its auditor ATA Khan & Co Chartered Accountants for anomalies in its IPO fund utilisation plan, and financial statements. The regulator made the direction to cancel the lien of Tk72 crore in fixed assets of the company within seven days but the firm is yet to comply with it.

- Reversely, the firm – engaged in manufacturing 100% cotton-carded, combed, and semi-combed, ring-spun grey yarn for knitting and weaving – applied to the commission for a time extension, as the IPO fund provided good interest income for the group.
- The auditor of the company found that the Tk73 crore fixed deposit receipts (FDRs) made from the IPO proceeds were pledged as security for credit facilities enjoyed by other entities.
- Of the entities, Akin Carries Limited enjoys credit facilities as an overdraft on the balance of the Tk38 crore FDR in Meghna Bank and another one of Tk15 crore in Al-Arafah Islami Bank. Also, Aman Food Limited enjoys similar facilities from a Tk20 crore FDR in Commercial Bank of Ceylon PLC, it added.
- The auditor found that the company had repaid Tk2.16 crore out of Tk4.77 crore of IPO fund accounts. It also repaid Tk1.48 crore which came from FDR made from IPO proceeds.

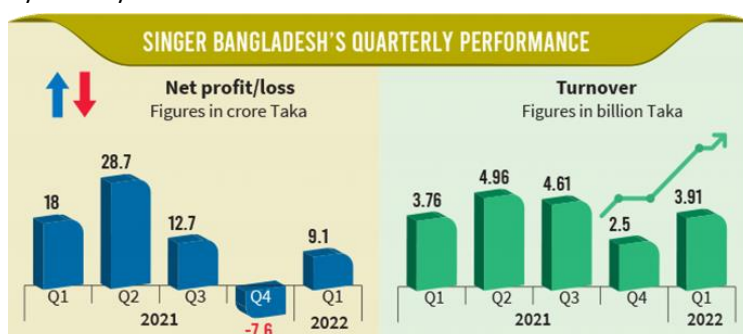


<https://www.tbsnews.net/economy/stocks/aman-cotton-continues-illegally-benefit-ipo-fund-406082>

Higher costs halve Singer's quarterly profit

The Business Standard, April 19, 2022

- Singer Bangladesh is back on track with rising sales of its popular home appliances and cooling products that helped the company come out of losses in the January-March quarter. But the increased costs of production and operations have halved the listed multinational firm's quarterly net profit year-on-year.
- According to the latest financial statement, Singer's turnover in the January-March period grew 4% to Tk391 crore from the same period a year ago, which was 56% higher than its early winter turnover over the previous quarter.
- But the increasing cost of raw materials and semi-finished raw materials caused more than 210 basis points of year-on-year decline in its gross profit margin to 22.5%.
- Net profit after taxes in the first quarter dropped to Tk9.12 crore, which was over Tk18 crore in the same period a year ago. Its net profit margin dropped to 2.33% in the first quarter this year, while it secured 4.78% of its revenue as net profit after all expenses and taxes a year ago.



<https://www.tbsnews.net/economy/stocks/higher-costs-halve-singers-quarterly-profit-406078>

Star Adhesives makes debut on SME Platform Wednesday

The Financial Express, April 19, 2022

- Trading of the shares of Star Adhesives -- a concern of Star Partex Group -- will commence on the SME Platform of the Dhaka Stock Exchange and Chittagong Stock Exchange on Wednesday. Star Adhesives will be the 12th listed company on the SME Platform. Only qualified investors (QI) are allowed to trade on the SME Platforms.
- The Bangladesh Securities and Exchange Commission (BSEC), on February 15, approved the company's proposal for raising capital through qualified investor offer (QIO). As per the regulatory approval, Star Adhesives raised Tk 50 million by issuing 5.0 million ordinary shares of Tk 10 each under the fixed price method through QIO.
- The subscription for shares of the company through the electronic subscription system (ESS) was held between March 27 and March 31. The company has reported its basic earnings per share (EPS) at Tk 6.05 while the diluted EPS stood at Tk 1.80 for July 1, 2020, to June 30, 2021.

<https://thefinancialexpress.com.bd/stock/star-adhesives-makes-debut-on-sme-platform-wednesday-1650347406>

New DMD for NRB Bank

The Daily Star, April 20, 2022

- NRB Bank has recently appointed Md Shaheen Howlader as deputy managing director (DMD). The appointee, Howlader, was previously working for Modhumoti Bank as senior executive vice-president, said a press release.
- He started off his 26-year career as a probationary officer in National Bank and later served in Prime Bank and Modhumoti Bank. Howlader obtained a bachelor's degree in economics, a master's in demography and an MBA degree in banking and insurance from the University of Dhaka.

<https://www.thedailystar.net/business/organisation-news/news/new-dmd-nrb-bank-300822>

Economy & Industry

Bangladesh seeks portfolio investment from Japan

The Business Standard, April 19, 2022

- Professor Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), urged Japanese investors to invest in Bangladesh as a foreign direct investment (FDI) and portfolio in the stock market.
- On Tuesday, he made the remarks at a seminar titled "Capital Market Investment Opportunities for Japanese Investors in Bangladesh" - a joint program of the Japan External Trade Organisation (Jetro) with Eastern Bank Limited (EBL) and Dhaka Stock Exchange (DSE).
- Professor Shibli Rubayat-Ul-Islam said, "We want FDI from our Japanese friends. I also look forward to investing in a portfolio because the possibility of making a profit from here is very high". Describing Japan as Bangladesh's best and most loyal friend, the BSEC chairman said, "When Bangladesh was born in 1971, it was one of the poorest countries."
- "After 50 years, we stand 43rd out of 200 countries in terms of GDP. I want us to be in the top 20 countries by 2030," he added. Ito Naoki, the Japanese ambassador to Bangladesh who was present as a special guest said Japanese businessmen should be informed about the way the business environment in Bangladesh is developing. In this case, it would be good if the Japanese who are doing business in Bangladesh can share their experiences, he added.

<https://www.tbsnews.net/economy/stocks/bangladesh-seeks-portfolio-investment-japan-405998>

Inflation sprints to 78-month high

The Daily Star, April 20, 2022

- Inflation in Bangladesh rocketed to a 78-month high in March driven by higher food costs as global uncertainties stemming from the Russia-Ukraine war and supply chain disruptions show no sign of abating, official figures showed yesterday. The Consumer Price Index came in at 6.22 per cent last month, up from 6.17 per cent a month ago, according to the Bangladesh Bureau of Statistics (BBS). This is the highest since September 2015.
- Food inflation rose 12 basis points to 6.34 per cent, amplifying suffering for the poor and the lower-income groups since food accounts for about half of their consumption basket. What is even more depressing is that wages have failed to keep pace with the rising cost of living.
- In March, wages rose by 6.15 per cent against 6.03 per cent in February. Non-food inflation fell slightly to 6.04 per cent. It was 6.10 per cent in February. Inflation in rural areas was up three basis points at 6.52 per cent last month. Food inflation rose nine basis points but non-food inflation declined 10 basis points.
- Urban inflation went up by 10 basis points to 5.69 per cent, led by a 19-basis point rise in food inflation, which stood at 5.49 per cent. Higher inflation is not just a Bangladeshi phenomenon. Inflation is hitting new peaks in most countries because of skyrocketing energy and food costs, supply constraints and strong consumer demand.

<https://www.thedailystar.net/business/economy/news/inflation-sprints-78-month-high-3008316>

International

China likely to lower benchmark lending rates

The Daily Star, April 20, 2022

- Benchmark lending rates for China's commercial banks are likely to be lowered at a monthly fixing on Wednesday, a Reuters survey showed, as Beijing cautiously eases monetary conditions to aid an economy hit by coronavirus lockdowns in several cities.
- The loan prime rate (LPR), which banks normally charges their best clients, is set on the 20th of each month, when 18 designated commercial banks submit their proposed rates to the People's Bank of China. A vast majority of the 28 traders and analysts surveyed in a snap Reuters poll on Tuesday expect a reduction this month.
- Among them, 11, or 39 per cent of all respondents, predicted a marginal cut of 5 basis points (bps) to both the one-year loan prime rate (LPR) and the five-year rate on Wednesday. Another six participants also expect a reduction to either rates within a range of 5 to 10 bps. The remaining 11 respondents expected both rates to remain unchanged this month.
- Most new and outstanding loans in China are based on the one-year LPR, which currently stands at 3.7 per cent. The five-year rate, which influences the pricing of home mortgages, is 4.6 per cent. China last lowered the LPR in January, and has held the rates steady in the following two months.

<https://www.thedailystar.net/business/global-economy/news/china-likely-lower-benchmark-lending-rates-3008261>

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