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Stock Market & Company

DSEX dips below 6700-mark on selling binge

The Financial Express, March 20, 2022

- Stocks plummeted on Sunday with turnover hitting a 10-month low, as investors were mostly reluctant to make fresh investments amid fear of global economic turmoil due to the Russia-Ukraine war. The market opened on a negative note and the downward trend continued throughout the session amid no sign of reversal.
- Finally, DSEX, the key index of the Dhaka Stock Exchange (DSE), slid 67.54 points to settle at 6,698, after gaining a remaining flat in the past three consecutive sessions.
- Two other indices also ended lower with the DSE 30 Index, comprising blue chips, dropping 23.50 points to finish at 2,434 and the DSE Shariah Index (DSES) fell 13 points to close at 1,441.
- Turnover, a crucial indicator of the market, slumped to 10 months low and amounted to Tk 6.16 billion, which was 26 per cent lower than the previous day's tally of Tk 8.35 billion.
- Prices of more than 89 per cent traded issues dropped on the prime bourse, as 339 issues declined, 23 advanced and 17 remained unchanged on the DSE trading floor.
- Beximco topped the turnover list with shares worth Tk 535 million changing hands, closely followed by Dragon Sweater (Tk 276 million), Orion Pharma (Tk 172 million), IFIC Bank (Tk 136 million) and Bangladesh Shipping Corporation (Tk 121 million). The Chittagong Stock Exchange (CSE) closed sharply lower with the CSE All Share Price Index – CASPI –losing 165 points to settle at 19,655 and the Selective Categories Index – CSCX – shedding 99 points to close at 11,791.



<https://thefinancialexpress.com.bd/stock/dsex-dips-below-6700-mark-on-selling-binge-1647771578>

DSE, CSE asked to transfer RAD officials to other depts

The Newage, March 20, 2022

- The Bangladesh Securities and Exchange Commission has asked the Dhaka Stock Exchange and the Chittagong Stock Exchange to transfer their officials working under regulatory affairs division for more than three years to the other departments of the bourses. The BSEC issued a letter in this regard on March 15.
- The BSEC made the decision in order to improve the investors' confidence and market integrity as well as for the greater interest of the investors, the letter said. According to the letter, the officials working in different departments other than (CGFRC) under the RAD of the DSE and the CSE for more than 3 years, including those in charge, are ordered to transfer to other departments with immediate effect.
- DSE officials said that about nine officials, including acting chief regulatory officer Abdul Latif, were transferred to the bourse's other departments on Sunday. They said that most of the officials fell under the transfer instruction and would be gradually transferred.

<https://www.newagebd.net/article/165923/dse-cse-asked-to-transfer-rad-officials-to-other-depts>

BD Thai Food to change its IPO fund utilisation plan

The Business Standard, March 20, 2022

- BD Thai Food and Beverage Limited — a newly listed firm on the stock exchanges — decided to change the utilisation plan of its initial public offering (IPO) fund. According to the company's prospectus, it initially allotted Tk2.85 crore for a tunnel oven. But now, it will use the amount for rotary oven and packing machines, mould parts, and other different machinery.
- In a disclosure on Sunday at the Dhaka Stock Exchange (DSE) website, the company stated that to finalise its new IPO utilisation plan, it has fixed an extraordinary general meeting (EGM) on 9 May through a digital platform.
- Also, it mentioned the new allocation of the Tk2.85 crore in the disclosure. It said it has allotted Tk84.57 lakh for importing a rotary oven and packing machine from China, Tk18.58 lakh for importing another rotary oven from India, Tk60.37 lakh for importing three sets of mould parts from China. The remaining Tk1.21 crore will be used to acquire different types of machinery like 250 KVA diesel generator, 500 kg boiler, and for construction works.

<https://www.tbsnews.net/economy/stocks/bd-thai-food-change-its-ipo-fund-utilisation-plan-388210>

51 shares allotted in JMI IPO

The Business Standard, March 20, 2022

- General investors have received 51 shares each of the Initial Public Offering (IPO) of JMI Hospital Requisite Manufacturing Limited, one of the leading medical equipment manufacturers in the country. The allotment was given against a subscription fee worth Tk10,000.
- A press release issued by the company said 51 shares were allocated on a "pro-rata" or "in proportion" basis while 58 shares were allocated for non-resident Bangladeshi investors at the Dhaka Stock Exchange (DSE) headquarters at the capital's Nikunja.
- DSE Managing Director and CEO Tarique Amin Bhuiyan and JMI Hospital Requisite Manufacturing Limited Chairman Md Abdur Razzaq were present on the occasion. Against JMI IPO worth Tk75 crore, applications worth over Tk649 crore were submitted, which is 8.65 times higher than the investment required.

<https://www.tbsnews.net/economy/stocks/51-shares-allotted-jmi-ipo-388206>

Appollo Ispat's MD tenders resignation from an undisclosed location

The Business Standard, March 19, 2022

- After remaining incommunicado for more than six months, Md Rafique has tendered his resignation, from an undisclosed location, as the managing director of Appollo Ispat Complex Limited, which has been out of operation for over three years. On 9 March this year, Md Rafique sent the resignation letter through an email, said an official of the company, seeking anonymity.
- In a notice published in newspapers, the beleaguered company has requested the managing director to appear at the board meeting on 21 March at 3 pm and hand over his charges, he added. Appollo Ispat, which is listed on the Dhaka Stock Exchange (DSE), is a failing producer of once-popular corrugated steel "Rani Marka Dheutin".
- Evana F Mohammad, a director of the company, claimed in a media interview last year that embezzlement by a former director who was looking after the company and later fled the country ruined it all and the company needed more than Tk700 crore to regain the ground.
- In December last year, a Dhaka court issued arrest warrants against Appollo Ispat Complex Limited Vice-Chairman Mohammad Shoeb and four of its top officials in two cases filed over cheque fraud of around Tk5.6 crore.

<https://www.tbsnews.net/economy/appollo-ispats-md-tenders-resignation-undisclosed-location-387630>

Economy & Industry

Fund transfer to be instant for NBFIs, forex transactions

The Daily Star, March 21, 2022

- Lenders and clients in Bangladesh are set to get the opportunity to settle transactions instantly as the central bank has moved to expand the facility of real-time gross settlement (RTGS) to non-bank financial institutions and the foreign exchange operations of banks.
- The move will also help widen money circulation as funds will move immediately in the financial sector instead of remaining stuck in the banking system for two to three days. In order to facilitate a safe, secured and efficient interbank payment system, the central bank introduced the RTGS platform in October 2015 as part of its digitalisation drive.
- The electronic settlement system allows inter-bank fund transfer on a real-time and on a gross basis. As a result, transactions are settled as soon as they are executed. The minimum limit of a transaction is Tk 1 lakh and above, whereas there is no ceiling in the case of government payments.
- The central bank is set to roll out the foreign currency transaction from June 1, a BB official said. The initiative will ease banks' operation of settling transactions related to export and import.

<https://www.thedailystar.net/business/economy/news/fund-transfer-be-instant-nbfis-forex-transactions-2987091>

Even with relaxed repayment, banks waive Tk1,855cr interest in 2021

The Business Standard, March 21, 2022

- Despite relaxed repayment facilities and quite usual economic activities, banks waived Tk1,855 crore loan interest in 2021 – which is Tk277 crore more than what it was in the previous year. Top banking experts have termed the rise in loan waiving "a bad signal" to the sector, as efforts to check the default loan turn futile.
- They said banks had to provide the customers with a bigger cushion during the Covid-hit 2020, as the respites included waiving more interest and relaxing repayment facilities. But continuation of the unusual facilities at a time when businesses were almost usual is totally unacceptable.
- According to the Bangladesh Bank, banks waived Tk1,194 crore interest in 2018 as the figure jumped to Tk2,293 crore next year. It dropped slightly to Tk1,578 crore in 2020, and spiralled again to Tk1,855 crore last year. No borrower was labelled a defaulter throughout 2020 even though they did not pay the instalments thanks to the central bank's relaxed repayment policies aimed to protect the Covid-hit businessmen.

- In 2021, businessmen could avoid defaulting by paying as little as 15% of the loans. But the policy relaxations met with unbridled default loans totalling to more than Tk1.03 lakh crore at the end of 2021 – Tk14,539 crore more than previous 2020. Referring to the rising default loan, the banker said loan recovery in 2021 amounted to Tk4,500 crore – less than Tk5,802 crore in 2020.

<https://www.tbsnews.net/economy/banking/even-relaxed-repayment-banks-waive-tk1855cr-interest-2021-388310>

International

LNG projects in the Gulf of Mexico boosted as Russian gas alternative

The Newage, March 20, 2022

- Two years ago, the American liquified natural gas (LNG) company Tellurian was in free fall: Its stock price collapsed, it laid off 40 per cent of its staff, and suspended a key project in Louisiana. Now, executive chairman Charif Souki says investors 'are lining up at the door to ask me: 'Can we finance your project?''
- At the annual CERAWEEK energy conference in Houston, Souki told AFP that LNG projects have been boosted by the renewed emphasis on energy independence after Russia's invasion of Ukraine. 'Global market demand and the desire of the Europeans to divest from their reliance on Russian gas... those are all positive market signals, which will obviously help stimulate those projects and get them moving towards final investment decisions,' said Charlie Riedl, vice president of the natural gas industry's advocacy group.
- On March 8, the United States banned all imports of LNG, petroleum and coal from Russia, and has for years encouraged its European allies to decrease their dependence on their eastern neighbour. The White House, in a statement, also argued that 'federal policies are not limiting the production of oil and gas.'
- Eight LNG terminals operate in the United States, pumping out 14 billion cubic feet (400 million cubic metres) per day, and fourteen other terminals have already been approved by the Federal Energy Regulatory Commission (FERC). That's the case for Driftwood LNG, Tellurian's future liquefaction plant and export terminal, south of Lake Charles, Louisiana.
- The Gulf Coast will see plant construction accelerate in the coming months: Five projects have already been approved by FERC in Louisiana, with seven more in Texas and Mississippi.

<https://www.newagebd.net/article/165918/lng-projects-in-the-gulf-of-mexico-boosted-as-russian-gas-alternative>

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