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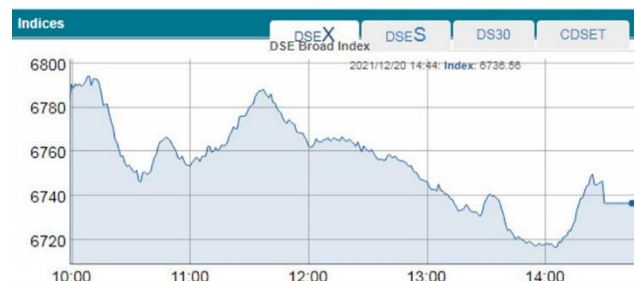
Stock Market & Company

Stocks keep falling amid confidence crisis

The Financial Express, December 20, 2021

- Stocks extended the losing streak for the two consecutive sessions on Monday as cautious investors continued their selling binge on sector-wise issues. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 46.63 points or 0.68 per cent further to settle at 6,736. DSEX eroded more than 131 points in the two straight sessions.
- Two other indices also ended lower with the DSE 30 Index, comprising blue chips, losing 19.04 points to finish at 2,528 and the DSE Shariah Index (DSES) shed 10.59 points to close at 1,432.
- Turnover, a crucial indicator of the market, stood at Tk 8.07 billion, which was 2.67 per cent higher than the previous day's tally of Tk 7.86 billion.
- Beximco was the most traded stock with shares worth Tk 1.28 billion changing hands, followed by Genex Infosys (Tk 372 million), ONE Bank (Tk 372 million), Asia Insurance (Tk 278 million), and Sena Kalyan Insurance (Tk 174 million).
- Asia Insurance was the highest gainer, gaining 9.27 per cent while Khan Brother PP Woven Bag Industries was the day's worst loser, losing 6.52 per cent.
- The Chittagong Stock Exchange (CSE) also kept losing with the CSE All Share Price Index – CASPI –shedding 142 points to settle at 19,596 and the Selective Categories Index – CSCX—losing 83 points to close at 11,778. The port city bourse traded 20.39 million shares and mutual fund units with a turnover value of Tk 916 million.

Total Trade	Total Volume	Total Value in Taka (mn)
197074	184729990	8071.689
Issues Advanced	Issues declined	Issues Unchanged
100	241	33



<https://thefinancialexpress.com.bd/stock/stocks-keep-falling-amid-confidence-crisis-1639995396>

Keep manipulators away from stock market: ministry tells BSEC

Newage, December 20, 2021

- The finance ministry has instructed the Bangladesh Securities and Exchange Commission to bar entry of syndicates and manipulators to the stock market and enhance supervision on suspicious share transactions and non-performing companies. The ministry in this regard issued a letter which was received by the BSEC on December 15.
- The BSEC also asked relevant officials to take necessary steps regarding the instructions. The ministry made the instructions following various allegations over the recent capital market activities reported in the media.
- In the letter, the ministry requested the stock market regulator to increase supervision so that no company, stakeholder and institution can get entry to the market through an illegal or unlawful method.
- It also requested the BSEC to oversee share transactions by any non-performing company, TREC holder and institution. The BSEC was asked to bring firms making suspicious share transactions into regulatory supervision and take punitive actions against them.
- 'Give a special attention so that dishonest and corrupt people cannot influence the market through manipulative activities,' the letter reads. The finance ministry also suggested that the commission strengthen relationship with capital market-related institutions.

<https://www.newagebd.net/article/157834/keep-manipulators-away-from-stock-market-ministry-tells-bsec>

20 banks invest Tk 1,724cr in BEXIMCO's Sukuk

Newage, December 20, 2021

- Twenty banks, including three state-run banks, have invested Tk 1,724 crore in Shariah compliant Sukuk issued by Bangladesh Export Import Company Limited.
- City Bank has invested the most as the bank and its subsidiaries purchased Sukuk worth around Tk 245 crore, followed by state-run Janata Bank Tk 220 crore, Rupali Bank Tk 200 crore and Agrani Bank Tk 150 crore.
- The four banks which have invested Tk 100 crore each in Sukuk are Dutch-Bangla Bank, Dhaka Bank, Shahjalal Islami Bank and Southeast Bank.
- Social Islami Bank has invested Tk 80 crore, AB Bank Tk 70 crore, First Security Islami Bank Tk 60 crore, Global Islami Bank Tk 50 crore, Union Bank Tk 50 crore, Prime Bank Tk 50 crore, Uttara Bank Tk 40 crore, NRB Bank Tk 30 crore, NRB Commercial Bank Tk 25 crore, Community Bank Bangladesh Tk 20 crore, Bangladesh Commerce Bank Tk 8 crore and Standard Bank Tk 1 crore in BEXIMCO's Sukuk through private placement.
- Besides the banks, LR Global Bangladesh has invested Tk 50 crore, Natiaonl Life Insurance Tk 50 crore, Sonali Life Insurance Tk 2 crore, Prime Insurance Tk 2 crore and other corporate bodies Tk 300 crore. Two existing shareholders of BEXIMCO have purchased Sukuk.

<https://www.newagebd.net/article/157832/20-banks-invest-tk-1724cr-in-beximcos-sukuk>

Why firms don't go public

The Daily Star, December 21, 2021

- Stock market listing offers a company to raise funds cheaply to steer growth, enhances its visibility and credibility, boosts the morale of employees, improves public perception, and brings overall transparency and efficiency.
- Still, the Dhaka Stock Exchange (DSE) is not home to many companies that have yielded a good return historically and followed corporate governance, leaving foreign and institutional investors to concentrate their investments to a few listed firms.
- Large investors and analysts point out that the lower number of sound companies in the premier bourse makes them nervous when it comes to picking scrips to perk their funds.
- The DSE has 347 listed companies whereas around 30,000 companies and firms submitted tax returns to the National Board of Revenue in the last fiscal year. Of the 347, only 55 companies have investment of institutional investors of sizeable amount. More than 30 per cent shares of these companies held by the big investors.

KEY POINTS

- » DSE has **347** listed firms
- » Only **55** companies have significant investment from institutional investors
- » Only **20** have significant foreign investment

REASONS TO STAY PRIVATE

- » Strict regulations
- » Tax evasion tendency
- » Unwillingness to disclose information
- » Reluctance to come out of family ownership
- » Cap in pricing for book building

- Only 20 companies have significant foreign investment, and external investors hold more than 5 per cent share of these companies. In one of the benefits, listed companies in Bangladesh have to pay 22.5 per cent in corporate taxes whereas non-listed companies have to fork out 30 per cent.
- Rangs Group, Transcom, Bashundhara, Nasir Group of Industries, Meghna Group of Industries, Abdul Monem Ltd, Rahimafrooz, Nassa Group, Bengal Group of Industries, BRB Cable, Drug International, United Group, Kazi Farms, City Group, Jamuna Group, and Incepta Pharmaceuticals are on the list of invitees.

<https://www.thedailystar.net/business/economy/stock/news/why-firms-dont-go-public-2922191>

Bangladesh Lamps declares 20pc cash dividend

The Daily Star, December 20, 2021

- Bangladesh Lamps Ltd, authorised manufacturer and distributor of Transtec lighting products, including smart LED bulbs and Tube lights, declared a cash dividend of Tk 2 per share at its 60th annual general meeting held virtually yesterday.
- Shahnaz Rahman, chairperson of the company, presided over the meeting, according to a statement. Simeen Rahman, managing director and CEO of Bangladesh Lamps Ltd, conducted the meeting, which was attended by a large number of shareholders.
- The meeting also approved the annual report and financial statements of the company for the year ended on June 30, 2021.

<https://www.thedailystar.net/business/economy/stock/news/bangladesh-lamps-declares-20pc-cash-dividend-2921411>

A fire drags Tung Hai Knitting to a downfall

The Business Standard, December 20, 2021

- Mahbubur Rahman started sweater exports by setting up Tung Hai Knitting and Dyeing Limited in 2004 with high expectations but the collapse of the company began in 2013 when he died in a fire at his Mirpur head office.
- The entrepreneur had completed the listing of the company on stock exchanges a year before his death, and its downfall now makes general investors suffer, along with its sponsors and directors.
- After Mahbubur's death, his successors – his wife and two daughters – have been trying to run the company but did not succeed due to a lack of capability and know-how to this end.
- Even then, with their little knowledge and experience, they were able to keep the company afloat until mid-2017. But since then it has not been able to publish any financial report and hold its annual general meeting.
- Dr Shaikh Shamsuddin Ahmed, a commissioner at the Bangladesh Securities and Exchange Commission (BSEC), had earlier told The Business Standard that the company plunged into trouble because of the sudden death of its founder.
- "His wife and children are not capable enough to run the business. Besides, the company has a lot of liabilities," he said.
- Before closing production, the company had published the third quarter unaudited financial statement of fiscal 2016-17 on the Dhaka Stock Exchange (DSE) website. As per the statement, its revenue stood at Tk72.86 crore and the net profit at Tk6.54 crore.
- The company has suddenly announced that it is going to conduct an annual general meeting (AGM) to cover for the last five years as per the High Court order. In addition, the company has completed audits of its financial accounts for the last five fiscal years.



<https://www.tbsnews.net/economy/stocks/fire-drags-tung-hai-knitting-downfall-346555>

BBS approves the lowest dividend since listing

The Business Standard, December 20, 2021

- Bangladesh Building Systems (BBS) — a leading manufacturer of pre-engineered steel buildings — has approved the lowest dividend in its nine years of listing on the stock market. The company approved a 2% cash dividend for its shareholders for the fiscal year that ended on 30 June 2021.
- Due to the pandemic blow, its business slumped because of the challenges in the construction industry and the company incurred a loss, amounting to Tk3.61 crore in FY21, for the first time since listing. Despite the loss, BBS will pay the dividend from its retained earnings. As of June 2021, the company's retained earnings stood at Tk69.34 crore.
- Meanwhile, the Dhaka Stock Exchange (DSE) has downgraded the company from 'A' to 'B' category on Monday because it failed to meet the minimum threshold of 10% dividend payout that is required to stay under the 'A' category on the main bourse. The decision will be effective from today.
- The DSE requested the stockbrokers and merchant bankers to abstain from providing loan facilities to purchase securities of the company between the 1st and 30th trading day after the category change.
- According to its latest annual report, the company's revenue and profit have been declining for the last five years. In FY17, its revenue was Tk248.9 crore, which was 5% higher than the previous fiscal year. During that fiscal, its net profit stood at Tk34 crore.

<https://www.tbsnews.net/economy/stocks/bbs-approves-lowest-dividend-listing-346564>

Economy & Industry

Remittance may exceed \$25b this fiscal year: Kamal

The Daily Star, December 21, 2021

- Finance Minister AHM Mustafa Kamal yesterday hoped that the country's remittances might exceed \$25 billion this fiscal year based on robust inflow from expatriate Bangladeshis in the next two Eid festivals. Remittance could stand at around \$21 billion this fiscal year given the current pace of incoming funds, Kamal told reporters at a briefing after two cabinet committee meetings on government purchase and economic affairs.
- However, the pace will not be the same in the remaining months of this fiscal year as expatriates usually send a higher amount during the two major religious festivals -- Eid-ul-Fitr and Eid-ul-Azha.
- "But we will not lag behind in earning remittances," the finance minister said. "And it is my expectation that the inflow may even exceed \$25 billion this fiscal year, surpassing the last fiscal year's remittances," Kamal added.
- Expatriate Bangladeshis sent remittances to the tune of \$24.77 billion in fiscal 2020-21, shows data from Bangladesh Bank. Remittance, which plays a major role in strengthening the country's foreign exchange reserves, fell 21 per cent year-on-year to \$8.6 billion in the first five months of this fiscal year.
- Expats sent \$1.55 billion in November, down 5.48 per cent from a month earlier and 25 per cent year-on-year.

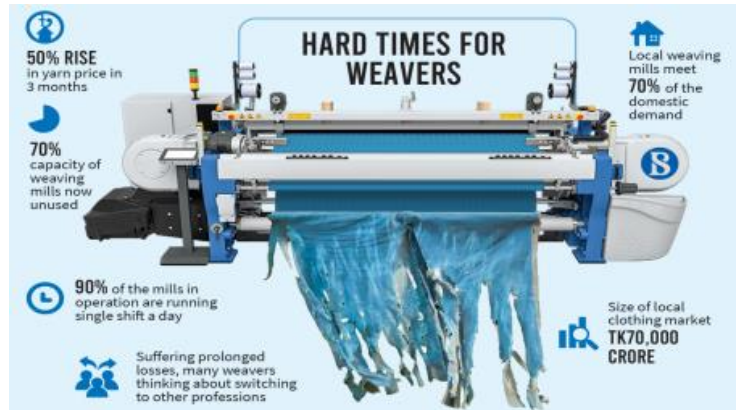
<https://www.thedailystar.net/business/economy/banks/news/remittance-may-exceed-25b-fiscal-year-kamal-2922186>

Costly yarn throws weaving industry off balance

The Business Standard, December 20, 2021

- A steep rise in prices of yarns over the past three months – amid rising raw material prices in the international market and increasing transportation costs because of fuel price hikes – has put weavers in the country in a tight spot.
- Struggling to tide over the escalating cost of the key raw material, many weaving mills have already cut down the production drastically. If the yarn market remains volatile, many weaving factories will be forced to shutter, industry insiders say.
- On the other hand, the abnormal rise in yarn prices on top of losses induced by the coronavirus pandemic and flooding is pushing away around eight lakh weavers in Sirajganj, Pabna, Tangail, and Kushtia – the major garment-manufacturing hub for the domestic market – from their age-old profession.

- Many weaving mills have reportedly stopped production because of mounting losses as they could not hike the prices of clothes in line with the rise in yarn prices.
- The Bangladesh Textile Mills Association (BTMA) says the annual size of the domestic garment market in the country is about Tk70,000 crore, and local weaving mills meet 70% of this huge demand.
- 70% capacity of weaving mills unused: The main centers of the weaving industry are Mahabadee and Baburhat in Narsingdi, and Araihaaz in Narayanganj.
- There are about 300 weaving mills in the Chawla area of Narsingdi, which employ about 24,000 workers directly. Many entrepreneurs here have resorted to reducing or shutting down production due to the recent steep increase in the prices of raw yarn.



<https://www.tbsnews.net/economy/industry/costly-yarn-throws-weaving-industry-balance-346105>

International

Asian markets tumble

The Daily Star, December 21, 2021

- Asian stocks and oil prices sank on Monday on fears about a fresh global surge in coronavirus infections and as the future of US President Joe Biden's massive social spending bill was thrown into doubt after it lost the crucial vote of a moderate Democrat.
- With traders beginning to wind down ahead of the festive season, analysts said trade was thinner and markets more susceptible to swings, but the mood has become increasingly glum as central banks start paring their huge financial support to fight inflation.
- At the same time, economies are taking a hit as the fast-spreading Omicron coronavirus variant forces governments to reimpose containment measures and consumers are staying at home.
- "Omicron remains a concern and cases are on the rise," said Robert Schein of Blanke Schein Wealth Management. "Investors should be prepared for Covid to continue to be a main factor in market performance heading into 2022." "After the bull run we've seen over the past 21 months, investors aren't as used to prolonged periods of volatility."
- Investors got another negative lead from Wall Street where all three main indexes ended sharply lower on Friday after the Federal Reserve said it would speed up the taper of its bond-buying programme and indicated three interest rate hikes before the end of 2022.
- Tokyo and Mumbai shed more than 2 per cent, while Hong Kong fell 1.9 per cent and Seoul 1.8 per cent. Shanghai, Singapore and Bangkok were more than 1 per cent lower. There were also losses in Sydney, Taipei, Manila and Jakarta, though Wellington edged up.

<https://www.thedailystar.net/business/global-economy/news/asian-markets-tumble-2922121>

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