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Stock Market & Company

DSE daily turnover hits eight-month low

The Financial Express, December 21, 2021

- Turnover on Dhaka Stock Exchange (DSE) plunged to Tk 6.52 billion on Tuesday, hitting an eight-month low, as investors were reluctant to make fresh investments in the market. Turnover, the crucial indicator of the market, dropped 19 per cent to Tk 6.52 billion, compared to the previous day's tally of Tk 8.07 billion.
- However, DSEX, the prime index of the DSE, went up by 20.70 points or 0.30 per cent to close at 6,757, after losing more than 131 points in the past two consecutive sessions. Two other indices also edged higher. The DSE 30 Index, comprising blue chips, advanced 9.85 points to finish at 2,538 and the DSE Shariah Index (DSES) gained 3.88 points to close at 1,436.
- Gainers took a modest lead over the losers, as out of 378 issues traded, 176 advanced, 147 declined and 55 remained unchanged on the DSE trading floor. Beximco, which gained 2.11 per cent, was the most traded stock with shares worth Tk 1.02 billion changing hands, followed by ONE Bank (Tk 264 million), Eastern Lubricants (Tk 147 million), IFIC Bank (Tk 140 million) and GSP Finance (Tk 133 million).
- Low-cap Fine Foods was the day's top gainer, gaining 9.91 per cent, followed by Sonali Aansh, Hakkani Pulp & Papers, BD Monospol Papers and National Tea Company. Hwa well Textile was the day's worst losers, losing 7.34 per cent.
- The Chittagong Stock Exchange (CSE) also ended higher with the CSE All Share Price Index – CASPI –gaining 84 points to settle at 19,680 and the Selective Categories Index – CSCX, rising 48 points to close at 11,826. The port city's bourse traded 13.35 million shares and mutual fund units with a turnover value of Tk 444 million.

<https://thefinancialexpress.com.bd/stock/dse-daily-turnover-hits-eight-month-low-1640079916>

BSEC to appoint 4 independent directors at Zaheen Spinning

The Business Standard, December 21, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has suggested the appointment of four independent directors at Zaheen Spinning Ltd.
- According to the BSEC's letter to the loss-making company's managing director (MD) dated 20 December, Dhaka University's (DU) Tourism and Hospitality Management Department's Associate Professor Dr Saud Ahmed, MD of Jermatz Ltd Ismat Jerin Khan, DU Banking and Finance Professor Dr Shahidul Islam, and Jagannath University's Associate Professor Dr Taslima Akter are going to join the company's board of directors.
- Currently, the Zaheen Spinning board has seven members and two of them are independent directors. The company's financial performance has been deteriorating since its listing in 2015 and for the fiscal year 2019-20, it incurred a loss of Tk3.39 per share.
- And, the company extended its losses in the 2020-21 fiscal year, while most of the spinning mills enjoyed improved profitability in their businesses due to an increase in the price of yarns. In the July-September quarter, its loss per share stood at Tk0.24. Its annual loss per share was Tk 2.52 in the 2020-21 fiscal year.
- Its net asset value per share plunged to Tk6.02 at the end of last September, while the face value of each share was Tk10.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-4-independent-directors-zaheen-spinning-347032>

JMI to increase AD syringe production capacity by 33%

The Business Standard, December 21, 2021

- JMI Syringes and Medical Devices Ltd has decided to invest over Tk5 crore to increase its auto disable (AD) syringe production capacity by one-third, as the demand for the special product increased home and abroad thanks to a rise in vaccinations.
- Muhammad Tarek Hossain Khan, company secretary of JMI said since the new machines would be installed within the company's existing factory, the needed investment would not be much big and time not much long. He expects the capacity expansion to be done in two months.
- JMI in partnership with Japanese multinational Nipro has emerged as the top syringe manufacturing company of the country and is exporting its products in many countries.

<https://www.tbsnews.net/economy/stocks/jmi-increase-ad-syringe-production-capacity-33-347026>

Two brokerage firms to face regulatory inspection

The Business Standard, December 21, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has initiated inspections at two brokerage firms— NBL Securities Ltd and United Financial Trading Company Ltd (UFTCL) – to check for any irregularity within their operations.
- BSEC Additional Directors Abul Kalam Azad, Maruf Hassan, Dhaka Stock Exchange's (DSE) Senior Manager Bazlur Rahman and Central Depository Bangladesh Ltd (CDBL) Deputy Manager Sharif Ali Irteza have been assigned to visit UFTCL offices and branches, inspect their books of accounts, records and documents in early January.
- On the other hand, BSEC Additional Director Golam Kibria, Assistant Director Ali Ahsan, DSE Deputy Manager Ikram Hossain and CDBL Deputy Manager Afsar Uddin will inspect NBL Securities offices.
- The BSEC has directed the brokerage firms to cooperate with the inspection teams concerned, while the inspection teams have been asked to submit their reports within 30 working days of inspection.
- According to a recent media report, the UFTCL allowed some of its clients to buy shares without the needed money deposited. Contacted, UFTCL CEO Hassan Javed Chowdhury said, such minor deviations accidentally happen in cases of client's failure to timely ensure the bank transactions settled, which the brokerage firm corrects on the following banking days.

<https://www.tbsnews.net/economy/stocks/two-brokerage-firms-face-regulatory-inspection-347020>

RFL achieves unsatisfactory growth

The Business Standard, December 21, 2021

- The tube-well and irrigation pump business of Rangpur Foundry Ltd, widely known as RFL, recorded growth in fiscal 2020-21, but the growth could not reach the expected target due to government restrictions imposed to contain the Covid-19 outbreak.
- Despite the barrier, the sales force tried to reach the undeveloped remote areas to ensure availability of our products at every corner of the country, he added.
- RFL's tube-well sales rose by 2.34% to Tk127.29 crore in fiscal 2020-21. But they did comparatively better in the irrigation pump business that year, recording a 168% growth with sales value at Tk9.56 crore in this segment.
- In January last year, the government took up a Tk8,850 crore project intending to bring down the number of average users of a tube-well to 50 from 105. The project starting in January 2020 is scheduled to be completed in June 2025.
- Stock performance : Rangpur Foundry Limited was listed on the stock exchanges in 1999. Its paid-up capital is Tk10 crore. Meanwhile, the securities regulator directed the companies to submit the plan to maintain a minimum paid-up capital at Tk30 crore.
- After the regulator's direction, RFL's share price jumped 27% since 29 November at the Dhaka Stock Exchange (DSE). At the end of Tuesday's trading, its share price closed at Tk167.20 each.



<https://www.tbsnews.net/economy/corporates/rfl-achieves-unsatisfactory-growth-347098>

GPH Ispat offers 30pc dividend

The Daily Star, December 22, 2021

- GPH Ispat has declared a 30 per cent dividend -- 20 per cent cash and 10 per cent stock -- for shareholders for 2020-21 at its virtual 15th annual general meeting on Monday.
- Chairman Md Alamgir Kabir presided over the meeting, says a press release. The GPH's net revenue has increased by 199.43 per cent year-on-year. The profit after tax is TK 1,660.89 million while TK 299.42 million in the previous year, the statement added.
- Additional Managing Director Md Almas Shimul, directors Md Ashrafuzzaman, Md Abdul Ahad, and Md Azizul Haque, independent directors MA Malek, and Mukhtar Ahmed, executive directors Kamrul Islam and Abu Bakar Siddique and Chief Financial Officer HM Ashraf Uz Zaman were also present.

<https://www.thedailystar.net/business/organisation-news/news/gph-ispate-offers-30pc-dividend-2922866>

Economy & Industry

19 banks release below 20pc in 5 months

The Newage, December 21, 2021

- Disbursement of farm loans by 19 banks remained below 20 per cent of their respective annual targets in five months (July-November) of the current fiscal year 2021-2022. Despite a slow disbursement by the banks, the overall farm loan disbursement in the period reached 37.95 per cent of the annual target.
- As much as 40.6 per cent of the country's workforce is directly employed in the agriculture sector. BB data showed that banks disbursed Tk 10,779.55 crore in July-November of FY22 against a Tk 28,391 crore in lending target set by the central bank for the fiscal year.
- Banks' lending to the agricultural sector in the period under consideration was Tk 1,837.66 crore higher than Tk 8,935.89 crore disbursed in the same period of the fiscal year 2020-2021.

- The lending to the agriculture sector, however, was Tk 780.65 crore lower than the government's Tk 26,292 crore in lending target for the fiscal year. Banks disbursed Tk 25,511.35 crore in FY21. In FY21, banks had missed the farm loan disbursement target for the second consecutive year.
- Of the 19 banks, disbursement by six banks was less than 1 per cent against their targets, said BB officials. The six banks are Citi Bank NA, Commercial Bank of Ceylon, Woori Bank, Bengal Commercial Bank, Modhumoti Bank and Union Bank.
- The 13 other banks whose disbursement was less than 20 per cent of their respective targets are BASIC Bank, AB Bank, Dutch-Bangla Bank, First Security Islami Bank, Global Islami Bank, IFIC Bank, Jamuna Bank, National Bank, Shahjalal Islami Bank, Shimanto Bank, Social Islami Bank, Standard Bank and The City Bank.
- The nine banks which disbursed in the five months above 60 per cent of their annual agricultural loan disbursement targets are Bangladesh Development Bank, Bank Al-Falah, Habib Bank, Standard Chartered Bank, State Bank of India, Meghna Bank, Mercantile Bank, Midland Bank and Trust Bank.

<https://www.newagebd.net/article/157914/19-banks-release-below-20pc-in-5-months>

Bangladesh, Korea sign \$100 million loan agreement

The Business Standard, December 21, 2021

- An agreement on "Program Loan for Sustainable Economic Recovery Program (Subprogram)" has been signed between Bangladesh and Korea to provide budget support to mitigate the adverse impact of Covid-19.
- Under the agreement, the Korea Eximbank will provide \$100.00 million to Bangladesh government to implement the project. The loan will bear simple interest rate of 0.05% per annum while maturity period will be 40 years, including a grace period of 15 years.
- The loan is aimed at recovering the economy by implementing various reforms in revenue collection system and design schemes to support entrepreneurs who have been adversely affected by Covid-19.
- Md Shahriar Kader Siddiky, wing chief and additional secretary of the Economic Relations Division and Kim Tae-soo, Executive director of Korea Eximbank signed the agreement on behalf of respective governments.
- Since 1993, the Korea Eximbank has been providing soft loans to various priority development sector projects in Bangladesh.

<https://www.tbsnews.net/economy/bangladesh-korea-sign-100-million-loan-agreement-346756>

International

Japan enacts record extra budget to boost virus-hit economy

The Daily Star, December 22, 2021

- Japan's parliament enacted a record supplementary budget worth over \$300 billion on Monday as part of measures to bolster the world's third largest economy as the pandemic threat drags on. The extra budget -- larger than the total annual GDP of countries such as Colombia, Vietnam and Finland -- will fund part of the massive virus stimulus package announced last month by new Prime Minister Fumio Kishida.
- Upper House lawmakers approved the 35.98 trillion yen (\$317 billion) supplementary budget for the current fiscal year, with the majority allocated for economic measures.
- Japan passed three extra budgets in fiscal 2020-21 as manufacturing slowed during the pandemic and restrictions hit nightlife and tourism, but this marks the first for 2021-22 and the biggest yet. Kishida became prime minister in October after his predecessor Yoshihide Suga stepped down partly over public discontent with his pandemic response.
- After leading the ruling coalition to election victory, Kishida quickly announced a record 56 trillion yen in stimulus spending, roughly 10 per cent of Japan's total GDP. This month, the Bank of Japan's latest quarterly Tankan business survey showed major manufacturers remain cautious about the economy's trajectory, with business sentiment flat for the quarter.

<https://www.thedailystar.net/business/global-economy/news/japan-enacts-record-extra-budget-boost-virus-hit-economy>

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