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Stock Market & Company

Stocks advance after 2-day fall

The Newage, March 22, 2022

- Dhaka stocks advanced on Tuesday after a fall in the previous two sessions as a section of investors went for bargain hunting amid optimism. DSEX, the key index of the Dhaka Stock Exchange, increased by 1.19 per cent, or 79.88 points, to close at 6,771.66 points on Tuesday after losing 73.8 points in the previous two sessions.
- A surge in share prices of BEXIMCO, Square Pharmaceuticals and Beximco Pharmaceuticals added 26 points on Tuesday. The average share prices of all the sectors advanced on the day. Share prices of cement, miscellaneous, pharmaceutical and textile sectors advanced by 2.3 per cent, 2.1 per cent, 1.3 per cent and 1.1 per cent respectively.
- The turnover on the DSE advanced to Tk 957.6 crore on Tuesday compared with that of Tk 634.68 crore in the previous session. The DS30 index comprising of 30 large capitalised companies increased by 34.77 points to finish at 2,471.05 points and DSE Shariah index added 19.05 point to close at 1,460.57 points. BEXIMCO topped the turnover chart with its shares worth Tk 135.4 crore changing hands.
- Aamra Technologies, VFS Thread Dyeing, Sonali Paper, Orion Pharma, BDCOM Online, Dragon Sweater, Bangladesh Shipping Corporation, Square Pharmaceuticals and Aamra Networks were the other turnover leaders.
- Atlas Bangladesh was the day's best performer, posting a gain of 9.93 per cent, while Paramount Insurance Company Limited was the worst loser, shedding 5.9 per cent.

<https://www.newagebd.net/article/166122/stocks-advance-after-2-day-fall>

BSEC imposes 5 sanctions on stockbrokers with CCA deficit

The Newage, March 22, 2022

- The Bangladesh Securities and Exchange Commission on Tuesday imposed five sanctions, including suspension of free limit and initial public offering quota facility, on brokerage houses having shortfall in consolidated customer accounts and shares. The BSEC issued a directive in this regard on Tuesday.
- If a stockbroker falls short in shares in depository participants or cash in consolidated customer account, the BSEC, in addition to disciplinary actions as per rules, will impose five restrictions on the houses. The five restrictions on the non-compliant brokerage houses are that the stock exchange must suspend free limit facility, IPO quota facility as eligible investor, dividends against ownership of stock exchanges, registration of TREC holder company and depository participant, and opening new branch and booth, the directive said.
- Even after the adjustment of shares and cash, the stock exchange and the CDBL would continue special supervision on errant brokerage houses and examine CCA and depository participant twice in a month for minimum one year.
- The regulator came up with the decision as it observed that a number of brokerage houses fell short in their consolidated customer accounts and were reluctant to pay back the deficits in the account despite repeated warnings, BSEC officials said. The stockbrokers secretly used a parallel software database to report fabricated cash and securities balances, buy and sales order execution updates to the clients as well as the regulators, BSEC officials said

<https://www.newagebd.net/article/166121/bsec-imposes-5-sanctions-on-stockbrokers-with-cca-deficit>

Gemini Sea Food's stock price doubles in six months

The Financial Express, March 22, 2022

- The stock price of 'B' category Gemini Sea Food more than doubled in the last six months riding on speculation and 'irrational hype' among investors. Within a week, the company's share price jumped over 22 per cent or Tk 80.6 each to close at Tk 440.50 on Monday in the falling market.
- The frozen food exporter was also the day's top gainer, gaining 7.83 per cent on the Dhaka Stock Exchange. The company's share price soared 104 per cent or Tk 224 each in the last six months since September 22, 2021, when its share price was Tk 216 each.
- Its shares traded between Tk 136.60 and Tk 444.20 in the last one year. Following the 'abnormal' price hike, the DSE served show-cause notice on the company. The company, however in a knee-jerk response, informed the DSE that there is no undisclosed price sensitive information for unusual price hike.
- Even after being served show-cause notice, the company's share price has not stopped rising. The company declared no dividend for the year ended on June 30, 2020. However, the company disbursed a 5.0 per cent cash dividend (other than sponsors and directors) for the year ended on June 30, 2021.

<https://thefinancialexpress.com.bd/stock/gemini-sea-foods-stock-price-doubles-in-six-months-1647923249>

BSEC approves Mercantile Bank's Tk500cr bond

The Business Standard, March 22, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) approved the issuance of a Tk500 crore perpetual bond by Mercantile Bank. The bank will issue the bond to strengthen its additional Tier-I capital base.
- Local institutional investors and high-net-worth individuals can buy the bond units through a private placement, while general investors will be able to get it through a public offering. Of the bond value, Tk450 crore will be issued through the private placement and the remaining Tk50 crore through the public offering.
- The face value per unit of the bond will be Tk5,000. The coupon rate will be 6%-10%. Local merchant bank UCB Investment Ltd will act as the trustee of the bond while IDLC Finance Ltd will be its arranger. IDLC Investments Limited will be the issue manager.

<https://www.tbsnews.net/economy/stocks/bsec-approves-mercantile-banks-tk500cr-bond-389410>

BSEC appoints a special auditor for Intech

The Business Standard, March 22, 2022

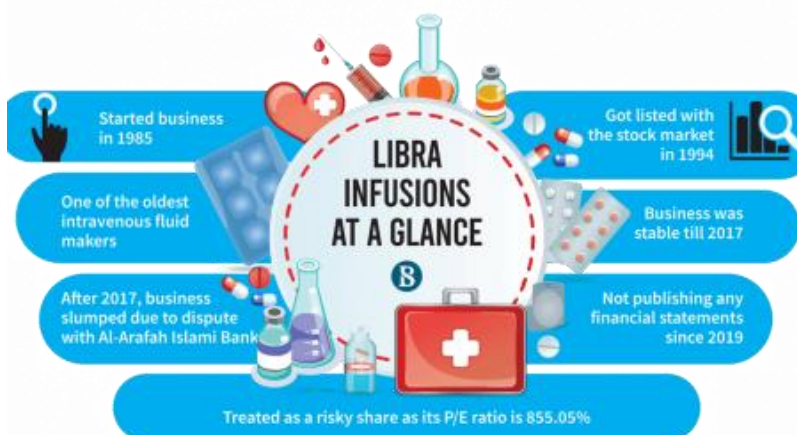
- The Bangladesh Securities and Exchange Commission (BSEC) appointed G Kibria & CO Chartered Accountant as a special auditor for Intech Limited - a poorly performing IT firm - for reviewing its financial statements for the last three years.
- The regulator issued letters to both parties in this regard. Earlier, Intech's existing Chairman Barrister Khandaker Reza-E-Raquib alleged to the BSEC that the company's former Chairman ATM Mahbulul Alam embezzled funds and used company assets for his family's gain. Therefore, based on the allegation, the BSEC appointed the special auditor for the company.
- Intech Limited mainly provides internet connectivity services to corporate entities and individual clients. It is also engaged in the software business. But since the company was not doing well in the IT business, it started a fish farming business in 2014 on a 40-acre land in Tarakanda of Mymensingh. It also invested in building resorts but that business did not take off either. In June 2020, the BSEC fined the company for violating securities rules by investing in fisheries and resorts.

<https://www.tbsnews.net/economy/stocks/bsec-appoints-special-auditor-intech-389394>

Libra Infusions investors left in the dark for years

The Business Standard, March 22, 2022

- Libra Infusions Limited, which once paid its investors a good dividend, has now turned into a risky stock. The pharmaceuticals company has not released its financial data for the past three years, thus keeping the investors in the dark.
- The shares of the small-cap company with a paid-up capital of only Tk1.5 crore is currently traded at over Tk900 each on the Dhaka Stock Exchange (DSE).
- According to its earnings per share (EPS) of fiscal 2018-19, its price-earnings ratio was 861.52% at Monday's closing, which is more than 21 times higher than the upper threshold of 40% for a risk-free stock.
- The Bangladesh Securities and Exchange Commission (BSEC) recently wrote to the company seeking reasons for not releasing its financial statements for the last few years.
- A BSEC senior official, seeking anonymity, said the commission is trying to contact the company's board members but has not yet reached any of its officials. If the letter is not answered, a special audit of the company will be conducted.
- In fiscal 2016-17, the company paid a 30% cash dividend. Dividends have been steadily declining since then. In fiscal 2018-19, it paid only a 5% cash dividend for the last time and has not released any report after that.



<https://www.tbsnews.net/economy/stocks/libra-infusions-investors-left-dark-years-389350>

SJIBL holds 337th board meeting

The Newage, March 22, 2022

- Shahjalal Islami Bank Limited held its 337th meeting of the Board of Directors at its corporate head office in Dhaka on March 16. Board of Directors' chairman Mohammed Younus presided over the meeting.
- The Board recommended 15 per cent dividend (10 per cent Cash and 5 per cent Stock) for the shareholders for the year ended December 31, 2021. A few number of directors virtually participated in the meeting.

<https://www.newagebd.net/article/166124/sjibl-holds-337th-board-meeting>

Berger Fosroc opens new construction chemical plant

The Daily Star, March 23, 2022

- Berger Fosroc Ltd, a joint venture of Berger Paints Bangladesh and Fosroc International Ltd, yesterday opened a construction chemicals plant to cater for the growing domestic market for chemicals and cut import dependence. The joint venture entity invested around Tk 100 crore (around \$10.2 million) to build the plant, said Rupali Chowdhury, a director of Berger Fosroc Ltd.
- The plant has been established at Narayanganj, a southeast industrial district adjoining Dhaka city. Also the managing director of Berger Paints Bangladesh Ltd, Chowdhury said the new products will provide a "superior construction solution" for durable and sustainable quality of infrastructure projects as consumers expect quality residences in line with economic development.

<https://www.thedailystar.net/business/organisation-news/news/berger-fosroc-opens-new-construction-chemical-plant>

Economy & Industry

Contactless debit cards get BB nod

The Daily Star, March 23, 2022

- Bangladesh Bank yesterday gave the green light to rollout contactless debit and prepaid cards with a view to push digital transactions in the country. Contactless cards facilitate payment just by waving them at the point of sale terminal without the need for any signature or PIN verification.
- The cards are embedded with near-field communication technology that allows secured payments. The central bank introduced the technology for credit cards in July 2018 for the first time in the country. The point-of-sale terminal would have a compatible reader where the card would be waved for authenticating transactions.
- Compatible merchant terminals can be identified by the contactless logo. Payments amounting up to Tk 3,000 can be made using the contactless method, and it is up to the customer if they want to complete the payment through this mode or the regular method of signing or keying in the PIN number. The contactless cards also will have to follow the compliance standards of EMVCo. Banks in Bangladesh issued 2.56 crore debit cards and 11.98 lakh prepaid cards as of January this year.

<https://www.thedailystar.net/business/organisation-news/news/contactless-debit-cards-get-bb-nod-2988421>

Businesses demand withdrawal of advance income tax

The Business Standard, March 22, 2022

- Businesses at a discussion on Tuesday demanded a complete withdrawal of advance income tax (AIT) as it is neither refunded nor adjusted in any cases. They currently pay 0.5%-10% in AIT on raw material imports. Many of them are supposed to get refunds in the case of no profits, but that does not happen – as manufacturing companies claim.
- Moreover, there are a few sectors that are not entitled to refunds even if they suffer losses. Md Alamgir Kabir, president at Cement Manufacturers Association, said, "We have to pay a 3% AIT and it is considered a final settlement even if we face losses."
- The country's apex trade body and the NBR organised the 42nd consultative committee meeting between them on the national budget proposals for the fiscal 2022-23 at a city hotel. Finance Minister AHM Mustafa Kamal was the chief guest, while Abu Hena Md Rahmatul Muneem chaired the event. FBCCI President Md Jashim Uddin moderated it.
- Adib H Khan, chairman at Tariff and Taxation Sub-Committee of Metropolitan Chamber of Commerce and Industry, said, "The overall tax burden stands at 45%-50% owing to non-refund of AIT."

<https://www.tbsnews.net/economy/businesses-demand-withdrawal-advance-income-tax-389490>

International

Oil extends rally on Russia embargo talk, stocks rise

The Newage, March 22, 2022

- Oil prices extended their rally Tuesday on supply worries as European leaders debated banning imports from Russia, while equities advanced despite a tepid Wall Street lead and the prospect of a sharper hike in US interest rates. Both main crude contracts started the week by soaring more than seven per cent Monday as EU nations discussed following Washington and putting an embargo on Russian energy imports over its war in Ukraine.
- Some members are pushing to ramp up pressure on Russian president Vladimir Putin with more sanctions, though others, including Germany — which still relies on Moscow's fuel — have been reluctant to target key sectors. Adding to the pressure, Saudi Arabia warned that Yemeni rebel attacks on its oil facilities pose a 'direct threat' to global supplies, after Red Sea facilities belonging to giant Saudi Aramco were targeted.
- The jump in oil prices has been a driver of turmoil on world markets in recent weeks as demand surges owing to economic reopenings just as supplies are strained. That, along with a spike in the cost of other key commodities, such as metals and wheat, caused by the war, has sent inflation rocketing and caused a headache for central banks already trying to wind down pandemic-era monetary policies.

<https://www.newagebd.net/article/166125/oil-extends-rally-on-russia-embargo-talk-stocks-rise>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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