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Stock Market & Company

Stocks break gaining streak after four-day

The Financial Express, April 25, 2022

- Stocks slipped into the red on Monday, snapping a four-day winning streak, as the risk-averse investors opted for booking profit on quick-gaining issues. DSEX, the prime index of Dhaka Stock Exchange, went down by 16.32 points or 0.24 per cent to settle at 6,666, after gaining 201 points in the past four consecutive sessions.
- Turnover, a crucial indicator of the market, also dropped to Tk 5.93 billion on the country's premier bourse, falling by 34 per cent over previous day's mark of Tk 8.95 billion. Two other indices also ended lower. The DSE30 Index, comprising blue chips, shed 9.55 points to finish at 2,476 and the DSE Shariah Index (DSES) fell 6.90 points to close at 1,454.
- IPDC Finance topped the turnover list with shares of Tk 339 million changing hands, followed by Beximco (Tk 281 million), Orion Pharma (Tk 223 million), Bangladesh Shipping Corporation (Tk 220 million), and Square Pharma (Tk 152 million).
- The insurance sector dominated the gainer's with eight out of top 10 gainers were came from insurance sector with United Insurance was the day's top gainer list, posting a 7.85 per cent gain, while BD Monospol Paper was the day's worst loser, losing 4.98 per cent.
- The Chittagong Stock Exchange (CSE) also ended lower with the CSE All Share Price Index - CASPI –losing 46.68 points to settle at 19,599 and the Selective Categories Index - CSCX –falling 28 points to close at 11,761.

<https://thefinancialexpress.com.bd/stock/stocks-break-gaining-streak-after-four-day-1650881692>

BSEC body suspects Ashraf Textile Mills embezzled funds

The Newage, April 25, 2022

- The Bangladesh Securities and Exchange Commission has found that Ashraf Textile Mills Limited sold assets worth Tk 325 crore at Tk 75 crore. The commission in a report said that the out-of-operation company might embezzle a huge amount of funds.
- Ashraf Textile Mills was earlier on the over-the-counter market the BSEC launched in 2009 with companies delisted from the main trading boards of the Dhaka Stock Exchange and the Chittagong Stock Exchange. On September 16, the BSEC abolished the OTC market and sent 16 companies, including Ashraf Textile Mills, to the small capital platform of the country's stock exchanges.

- The BSEC unearthed the anomalies after reviewing and scrutinising the audited financial statements (2010-2012) and the inspection report submitted by the Chittagong Stock Exchange. As per the auditors' report of 2012, the company stopped its production in 2006 and all machinery has been sold since then.
- The company sold a total of 32.82 bighas, or 1,085 decimals, of land located at Ashrafabad of Tongi in Gazipur for a price of Tk 75 crore to Karnaphuli Industries Ltd, the BSEC investigation found.
- The then market value of the assets could be Tk 325.5 crore assuming per decimal land price of Tk 30 lakh, the report said. So, the selling price seems to be substantially lower than the then market value, it said.

<https://www.newagebd.net/article/168994/bsec-body-suspects-ashraf-textile-mills-embezzled-funds>

Dhaka bourse to inspect premises of Excelsior Shoes

The Business Standard, April 25, 2022

- The Dhaka Stock Exchange (DSE) will inspect the premises of Excelsior Shoes Ltd - a 100% export-oriented shoemaker - to assess the operational and financial status of the company.
- The Bangladesh Securities and Exchange Commission (BSEC) has recently directed the bourse in this regard. Excelsior Shoes will be transferred from the over-the-counter (OTC) market to a new board, called the alternative trading board (ATB), once it opens on the DSE. Eligible non-listed securities can be traded in the ATB, and all types of investors will be able to trade.
- According to sources, the BSEC is working to transfer some of the OTC companies to the ATB, and some to the SME board. Therefore, before transferring Excelsior Shoes to the ATB, the commission wants to know the company's situation. The BSEC will take the next step after getting the inspection reports. Back in 1996, Excelsior Shoes raised Tk15 crore from the stock market for meeting capital expenditure and working capital requirements, and for repaying bank loans.

<https://www.tbsnews.net/economy/stocks/dhaka-bourse-inspect-premises-excelsior-shoes-409410>

LafargeHolcim revenue falls due to aggregate business dispute

The Business Standard, April 25, 2022

- The multinational cement manufacturer LafargeHolcim Bangladesh's revenue has declined for the first quarter of 2022 as it could not run its business of limestone chips, known as aggregate, due to a dispute with the government. Earlier, in the April-June quarter of 2020, the company's revenue and profit decreased. Since then, LafargeHolcim's revenue and profits have steadily increased in each quarter.
- In the January-March quarter this year, the company reported a revenue of Tk625.85 crore and a net profit of Tk94.47 crore, which was 1% and 9% respectively less than the previous year at the same time. The company said in a press release that its profit has declined due to raw material price hikes.
- LafargeHolcim began crushing and selling aggregates in January 2021, and its profits began to soar with high margins in the construction commodity. But, in September last year, the ministry asked LafargeHolcim to stop the aggregates business as its inquiry committee had found the company crushing aggregates derived from limestone coming from its mines in the northeastern Indian state of Meghalaya at an unapproved facility in Chhatak, Sunamganj.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-revenue-falls-due-aggregate-business-dispute-409414>

Soaring raw materials, finance costs bite into BSRM profits

The Business Standard, April 25, 2022

- Following record sales and profits in many of the recent quarters, the escalating costs of raw materials and working capital finance have now begun to bite into the profits of BSRM companies. Both the listed companies of the top steel group of the country – BSRM Limited and BSRM Steels – posted year-on-year declines in the profits for the January-March quarter, despite the fact both the firms secured their significant topline growths.
- Since the end of 2020, when raw material costs were soaring and the steel mills, especially the big brands like BSRM, were able to transfer it all to constructors amid good demand for MS rods, BSRM companies had been posting high growths in both their revenue and profits.

- A decline in net finance cost and the corporate tax rate was also contributing to the improving net profits. The latest financial statements published on Monday reveal that BSRM managed to keep selling enough for a higher revenue but at the expense of profits to some extent.
- BSRM Steels' sales grew to Tk2,153 crore in the January-March quarter from Tk1,663 crore in the same three months a year ago. But its gross profit margin – how much of the revenue a company saves after the factory level costs of the goods sold – squeezed to 8.82% from 15.94% a year ago. Earnings per share (EPS) for the three months dropped to Tk2.74 from Tk3.68 a year ago.

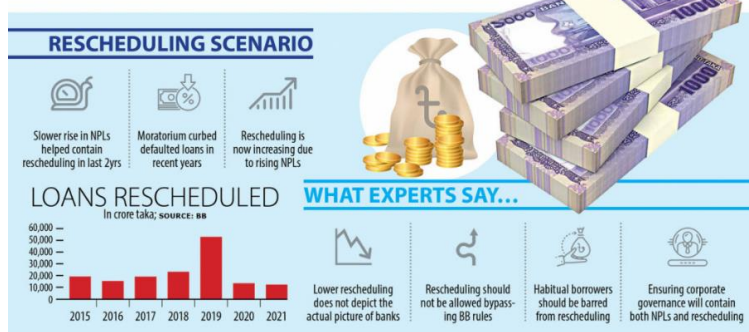
<https://www.tbsnews.net/economy/soaring-raw-materials-finance-costs-bite-bsrm-profits-409466>

Economy & Industry

Default loan rescheduling falls to 7-year low

The Daily Star, April 26, 2022

- Rescheduling of default loans fell to a seven-year low in 2021, riding on a moratorium extended by the Bangladesh Bank to protect borrowers from the economic shocks arising from the coronavirus pandemic. Last year, non-performing loans (NPLs) amounting to Tk 12,379 crore were rescheduled, the lowest since 2015, data from the central bank showed. Older data was not available.
- Analysts describe the declining loan rescheduling as a welcoming trend for the banking sector but add that there is no scope to be complacent.
- There are concerns that rescheduling may surge as all types of loan moratoriums, which were unveiled by the central bank throughout 2020 soon after the coronavirus pandemic struck Bangladesh, were withdrawn this year.
- The temporary suspension of loan repayments had allowed borrowers to avoid slipping into the default zone by paying only 15 per cent of their instalments payable for 2021.
- In spite of the facility, the NPLs went up 16.38 per cent year-on-year to Tk 103,274 crore last year. The NPLs would have increased to a large degree had the central bank not declared forbearance. So, loan rescheduling is expected to go up in keeping with the rise in the NPLs.



<https://www.thedailystar.net/business/economy/news/default-loan-rescheduling-falls-7-year-low-3012611>

MFS transaction limit increased

The Business Standard, April 25, 2022

- The Bangladesh Bank has increased the transaction limits for mobile financial services (MFS) providers such as bKash and Rocket. According to a central bank circular issued on Monday, it has lifted the limit on the number of daily transactions and from now on, transactions can be done as many times as a client wants in a day.
- Earlier, for cash in, five transactions could be done daily and 25 transactions monthly and, for cash out, transactions could be done five times daily and 20 times monthly. According to the new policy, the maximum limit on cash in through bank accounts and cards has been increased to Tk50,000 daily and Tk3 lakh monthly.
- However, through an agent one can only do cash in of Tk30,000 daily as before, and Tk2 lakh monthly. The total monthly limit for sending and receiving money has been increased from Tk75,000 to Tk2 lakh. According to the central bank, based on their risk analysis, MFS institutions can determine the transaction limits of customers without exceeding this limit.

<https://www.tbsnews.net/economy/banking/bb-re-fixes-mfs-money-transaction-limit-ease-payment-during-eid-409306>

International

Sri Lanka exchange halts after 13pc plunge

The Daily Star, April 26, 2022

- Crisis-hit Sri Lanka's stock exchange halted again Monday after a nearly 13 per cent plunge, derailing the bourse's tentative reopening after a two-week break aimed at forestalling a market collapse. The island nation is grappling with its worst economic downturn since independence in 1948, with months of regular blackouts and acute shortages of food and fuel.
- Equities have shed nearly 40 per cent of their value since January, with the local currency falling by a similar amount against the greenback in the past month. Monday was the first morning of trade on the Colombo bourse since a weeklong Sri Lankan New Year holiday and a subsequent five-day trading halt after the government hiked interest rates and defaulted on its \$51 billion foreign debt.
- The local S&P index fell seven percent in the opening minute of trade, more than the five percent needed to trigger an automatic half-hour halt. Shares continued their rapid slide after a brief resumption, prompting the market to declare a halt to trading for the rest of the day.
- Sri Lankan officials were in Washington last week to negotiate with the International Monetary Fund for a bailout, but official sources said there was no immediate prospect of emergency funding from the lender.

<https://www.thedailystar.net/business/global-economy/news/sri-lanka-exchange-halts-after-13pc-plunge-3012571>

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