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Stock Market & Company

Stocks keep rising, turnover surges

The New Age, April 25, 2023

- Dhaka stocks gained for the seventh consecutive session on Thursday with the turnover crossing Tk 700 crore as investors were active on both sides of the trading session, market operators said. Tuesday's turnover was the highest since March 6 when the turnover was Tk 727 crore.
- The DSEX gained 67 points in the past seven sessions. The turnover increased to Tk 713.15 crore on Tuesday compared with that of Tk 552.52 crore on Monday.
- On the sectoral front, food issues exerted the highest turnover, followed by IT and travel stocks. Most of the sectors displayed positive returns, out of which services, cement and IT exhibited the highest returns on the bourse on the day.
- Out of the 342 issues traded, 83 advanced, 53 declined and 206 remained unchanged on the day. The DS30 index decreased by 0.11 points to finish at 2,212.93 points and the DSE Shariah index advanced by 3.53 points to close at 1,358.52 points on the day.
- Unique Hotel topped the turnover chart with its shares worth Tk 46.43 crore changing hands. Genex Infosys, Eastern Housing, Sea Pearl Beach Resort, Gemini Sea Food, Orion Infusion, Aamra Networks, Apex Footwear, Olympic Industries and Rangpur Dairy were the other turnover leaders on the day.

<https://www.newagebd.net/article/200145/stocks-keep-rising-turnover-surges>

Dramatic rise of Gemini Sea Food on DSE falls short of justification

The Financial Express, April 26, 2023

- Gemini Sea Food's stock price almost doubled in a month after it signed a deal with German-based global frozen food trader Lenk. The business deal to supply processed shrimps from Bangladesh is expected to boost income.
- The perceived future business growth led to a jump in the share price on the Dhaka Stock Exchange from just Tk 462 to Tk 855.90 in the last one month through Tuesday.
- A rumour has spread on the trading floor that the stock will go further up, prompting a section of investors to keep chasing it to make capital gains overnight.
- Market experts suspect that the stock price might have been manipulated because it rose too much, too fast. The recent unusual price movement prompted the prime bourse to serve a show-cause notice twice early this month to the company authority, enquiring about the reasons behind that.



<https://thefinancialexpress.com.bd/stock/bangladesh/dramatic-rise-of-gemini-sea-food-on-dse-falls-short-of-justification>

Doreen Power's profit drops 65% due to costly dollar

The Daily Star, April 25, 2023

- Doreen Power Generation Company witnessed 65 per cent year-on-year fall in its profits in the January to March period of 2022-23 financial year. The power generation company's profit fell to Tk 18 crore in the third quarter of 2023 fiscal year, down from Tk 54 crore posted in the same period previous year.
- In the same way, its earnings per share stood at Tk 1.79 in a period between July of 2022 to March of 2023, down from Tk 7.39 in the same period previous year.
- The company's EPS has decreased significantly due to a rise in loss in foreign currency transactions incurred by subsidiary companies for a drastic devaluation of the local currency against the greenback, said Doreen Power in its financial report.

<https://www.thedailystar.net/business/news/doreen-powers-profit-drops-65-due-costly-dollar-3304196>

First Security Islami Bank and UCB to declare dividend today

The Business Standard, April 25, 2023

- First Security Islami Bank Limited (FSIBL) and United Commercial Bank (UCB) will declare dividends and audited financial statements at their respective board meetings that are going to be held on Tuesday.
- As per the schedule, First Security Islami Bank will conduct the meeting at 2.45pm and the UCB board meeting will be held at 3pm.
- First Security Islami Bank will also declare financial results for the first quarter of 2023. Earlier, it got a nod from Bangladesh Bank to declare dividends to its shareholders for the calendar year 2022 which ended on 31 December.
- FSIBL had paid off 5% cash and 5% stock dividends for 2021. Meanwhile, UCB paid a 10% stock dividend for 2021.

<https://www.tbsnews.net/economy/stocks/first-security-islami-bank-and-ucb-declare-dividend-today-621666>

Why Heidelberg Cement share price jumped 21% in two days?

The Business Standard, April 25, 2023

- The share prices of Heidelberg Cement Bangladesh Limited price jumped over 21% in just two days at the Dhaka Stock Exchange (DSE). The company's shares were stuck on the floor price from November last to April this year. However, it rose by 21% or Tk37.6 to Tk216.70 during the last two days till Tuesday (25 April).
- There are rumours in the stock market that the multinational cement company may pay a stock dividend this time. Because of this, there were many buyers of its shares but no sellers. Therefore, the company's shares were halted throughout the day on Tuesday, according to market insiders. However, the company has not yet paid any stock dividends to investors.

<https://www.tbsnews.net/economy/stocks/why-heidelbergcement-share-price-jumped-21-two-days-621682>

Al-Madina Pharma shares' subscription opens 7 May

The Business Standard, April 25, 2023

- The electronic subscription of Al-Madina Pharmaceuticals Limited shares under the qualified investor offer (QIO) will start on 7 May and continue till 11 May 2023. The Dhaka Stock Exchange (DSE) announced the company's QIO subscription date through its website on Tuesday.
- Each individual investor who has a minimum stock market investment of Tk20 lakh as per the closing price on 25 April can apply for the QIO. Close Player. In February this year, the Bangladesh Securities and Exchange Commission (BSEC) allowed Al-Madina Pharmaceuticals to raise Tk5 crore from the SME platform of the stock market through a QIO.
- The company will issue 50 lakh shares at face value of Tk10 each, and use the fund to expand its business and repay loans. Prime Bank Investment is the issue manager of the company's QIO.

<https://www.tbsnews.net/economy/stocks/al-madina-pharma-shares-subscription-opens-7-may-621950>

Economy & Industry

BB to follow IMF's formula to calculate net forex reserve

The Daily Star, April 25, 2023

- Bangladesh Bank will follow the International Monetary Fund's recommendation to calculate the country's net foreign exchange reserves from July this year. Md Mezbaul Haque, spokesperson of the central bank, shared the information today after meetings between the officials of the BB and the IMF.
- An IMF staff mission is now visiting Bangladesh to measure how the country is faring with the \$4.7 billion loan programme and they have come here to revisit the forecasts. They will also observe the progress of the country's economic indicators.
- Haque said the central bank had earlier taken the decision to calculate the net reserves following the IMF's suggestions. The country's reserves stood at \$31.18 billion on April 17 in contrast to \$44.16 billion one year ago.
- The reserves may decline substantially when the central bank will calculate following the IMF's suggestions as the BB will have to deduct the amount, which was disbursed in the form of export development funds and other forms.

<https://www.thedailystar.net/business/news/bb-follow-imfs-formula-calculate-net-forex-reserve-3304296>

Banks asked to keep 5% provision for off-balance sheet exposures

The Daily Star, April 25, 2023

- The Bangladesh Bank today issued policy guidelines on the off-balance sheet (OBS) exposures in banks, asking them to keep a maximum of 5 per cent provision instead of 1 per cent to strengthen their financial health.
- The OBS item is a term for assets or liabilities that do not appear on a balance sheet. Although not recorded on the balance sheet, they are still assets and liabilities of banks.
- Off-balance sheet items are typically those not owned by or are a direct obligation of banks. For example, when loans are securitised and sold off as investments, the secured debt is often kept off the bank's books.
- For instance, letters of credit (LCs) issued by banks are considered an off-balance sheet item. But when a business people can't settle the LCs on time, banks create a loan favouring the individual or entity such that the loan can be settled timely. Under such a situation, the funds disbursed to settle the LC are converted into a balance sheet item of banks.

<https://www.thedailystar.net/business/news/banks-asked-keep-5-provision-balance-sheet-exposures-3304221>

International

UK annual borrowing jumps

The New Age, April 25, 2023

- UK state borrowing jumped last year on vast energy market subsidies but undershot forecasts, data showed Monday, which analysts said was stoking hope of pre-election giveaways. The government's public sector net borrowing expanded to £139.2 billion (\$174.0 billion) in its year to the end of March, the Office for National Statistics said.
- That was the fourth highest annual amount since records began and compared with £121.1 billion in the previous fiscal year, when the public purse was already under immense strain from Covid pandemic expenditure.
- Yet annual borrowing significantly undershot an official state forecast of £152.4 billion given alongside the budget last month.
- Nevertheless, borrowing in March alone ballooned to £21.5 billion — the second-highest total on record for the month — due to energy support measures.
- Prime minister Rishi Sunak's Conservative government last year launched energy subsidies to ease a cost-of-living crisis and rampant inflation, sparked by soaring electricity and gas bills after Russia's invasion of Ukraine.

<https://www.newagebd.net/article/200142/uk-annual-borrowing-jumps>

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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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