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Stock Market & Company

Stocks gain, but unease remains

The Newage, April 26, 2022

- Dhaka stocks gained marginally on Tuesday after losing in the previous day as some investors kept buying shares while many others remained cautious over the macroeconomic condition of the country. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.15 per cent, or 10.65 points, to close at 6,677.56 points on Tuesday after losing 16.32 points in the previous day.
- The DSEX gained 195 points in the last six sessions with just one negative day. Among the large capitalised companies, share prices of United Commercial Bank, Bangladesh Shipping Corporation, Trust Bank, IPDC Finance and Square Pharmaceuticals advanced the most on the day.
- Average share prices of engineering, energy, miscellaneous and bank sectors increased by 1.1 per cent, 0.7 per cent, 0.5 per cent and 0.45 per cent respectively. The DSE Shariah index added 1.76 points to close at 1,456.4 points. The DS30 index, however, declined by 2.24 points to finish at 2,474.32 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 52.06 crore changing hands. JMI Hospital Requisite Manufacturing, Bangladesh Shipping Corporation, Orion Pharma, Sonali Paper, Unique Hotel, LafargeHolcim Bangladesh, Doreen Power, IPDC Finance and Provati Insurance were the other turnover leaders.
- Bangladesh Monospool Paper Manufacturing Company was the day's best performer, posting a gain of 8 per cent, while Eastern Bank was the worst loser, shedding 10.15 per cent.

<https://www.newagebd.net/article/169072/stocks-gain-but-unease-remians>

Bata Shoe returns to profit in Jan-Mar

The Daily Star, April 27, 2022

- Bata Shoe, one of the most popular footwear brands in the country, returned to profits in the first quarter (January-March) of the ongoing calendar year after drowning in losses amid the coronavirus pandemic. The shoemaker's profits rose to Tk 6.84 crore in the January-March period of 2022 while it was at a loss of Tk 4.90 crore during the same period the previous year, according to the company's financial statements.
- Bata Shoe had incurred losses for the first time in its 58-year history in Bangladesh during the April-June period of 2020 as it missed the country's main shopping season, namely Eid, due to government restrictions aimed at curbing the spread of Covid-19. The company returned to profits in the second quarter (April-June) of 2021 but a second wave infections again drowned the company in losses.
- In its quarterly report, the company said that its earnings per share improved significantly driven by a growth in sales, especially in the post-coronavirus era. As such, its earnings per share stood at Tk 5.01 by the end of the first quarter this year while it was Tk 3.58 in the negative at the same time in 2021.

<https://www.thedailystar.net/business/economy/news/bata-shoe-returns-profit-jan-mar-3013256>

Cuts in administrative, tax expenses help Robi boost profit

The Business Standard, April 26, 2022

- Robi Axiata Limited – the country's second-largest telecom operator – secured a 16% growth in profit in the first quarter as its administrative and income tax expenses decreased by 35% and 17% respectively. In a disclosure, the company said its consolidated net profit stood at Tk39.83 crore, which was Tk34.29 crore in the previous year at the same time.
- In the January-March quarter of this year, its consolidated revenue also increased 2% to Tk2,018.92 crore. Robi's subscriber base grew by 0.7% compared to last quarter to reach 5.41 crore and compared to the same quarter last year, the subscriber base grew by 4.1%.
- The data subscriber base grew by 0.3% compared to last quarter to reach 3.97 crores and compared to the same quarter last year, the data subscriber base grew by 8.3%. The company had 2.48 crore 4G subscribers at the end of March this year. Earlier, Robi paid a 3% interim cash dividend to its shareholders. The company's total cash dividend for 2021 stood at 5% but its payout is 145% higher compared to its net profit for the year.

<https://www.tbsnews.net/economy/stocks/cuts-administrative-tax-expenses-help-robi-boost-profit-410026>

GP to give 250pc cash dividend

The Daily Star, April 27, 2022

- Shareholders of Grameenphone have approved 250 per cent cash dividend for 2021. Despite the challenges of new Covid-19 variants, Grameenphone stood by the country with its increased investment, innovations in products and services, and its support to communities in need, said Chairman Jorgen C Arentz Rostrup.
- The board of directors announced a final cash dividend for 2021 of 125 per cent of the paid-up capital. Including a previous 125 per cent interim cash dividend, the total cash dividend stands at 250 per cent of the paid-up capital. In addition, Grameenphone made eSIMs available from April 25, 2022.

<https://www.thedailystar.net/business/organisation-news/news/gp-give-250pc-cash-dividend-3013251>

Share sales of subsidiary boost Unique Hotel's Q3 profit

The Business Standard, April 26, 2022

- Unique Hotel and Resorts Limited recovered from its quarterly losses and made a handsome profit in the third quarter of the ongoing fiscal thanks to its subsidiary's share sale-off to the Qatar based investment firm - Nebras Power Investment Management BV. In February, Nebras Power paid Tk83 crore to Unique Hotel as the first phase payment for acquiring Unique Meghnaghat Power Ltd - a power plant of Unique Hotel.

- As a result, in the January-March quarter of fiscal 2021-22, Unique Hotel's profit stood at Tk83 crore, which was a loss of Tk3 crore in the same quarter of the previous fiscal. In April last year, Nebras Power signed an agreement with Unique Hotel, and Strategic Finance & Investments Ltd to buy a 24% stake in Unique Meghnaghat Power at a total cost of Tk450 crore.
- Currently, Unique Hotel owns 65.01% of the power plant and Strategic Finance holds the rest. As per the agreement, Unique Hotel will sell 11.76% of its holding at a value of Tk205 crore, and Strategic Finance will sell 12.24% of its holding at a value of Tk245 crore. Nebras will pay off the total amount in four phases.

<https://www.tbsnews.net/economy/stocks/share-sales-subsidary-boost-unique-hotels-q3-profit-410046>

Summit, JERA collaborate on a carbon neutral roadmap

The Financial Express, April 26, 2022

- Summit Power International Limited ("Summit") and JERA Asia Pte. Ltd. ("JERA Asia"), a subsidiary of JERA Corporation of Japan Monday signed a Memorandum of Understanding ("MOU") to collaborate on developing a carbon neutral roadmap for Summit while supporting Bangladesh's continued socio-economic development.
- To accelerate adoption of renewable power generation in Bangladesh and support its Paris Agreement goals, the MOU includes pathways for establishing zero emissions targets for Summit, outlining a roadmap to achieve these targets and identifying opportunities to deploy greener fuels such as hydrogen or ammonia in support of decarbonization efforts.
- The demand for electricity in Bangladesh is expected to continue to increase in line with the country's economic growth. While supporting this growth and meeting the increased demand of electricity, Bangladesh is at the same time seeking to contribute to the Paris Agreement goals by diversifying fuel sources for power generation, improving generation efficiency, and developing renewable energy.

<https://thefinancialexpress.com.bd/stock/summit-jera-collaborate-on-a-carbon-neutral-roadmap-1650949250>

'Grameen Bank-AIMS First Unit Fund' in the offing

The Financial Express, April 26, 2022

- The Documentation Ceremony of "Grameen Bank-AIMS First Unit Fund" was held on Sunday where the Trust Deed of the Fund was signed between Grameen Bank and Sandhani Life Insurance Company Limited. Grameen Bank is the Sponsor while Sandhani Life Insurance Company Limited is the Trustee of the Fund, according to a statement.
- An Investment Management Agreement for the purpose was also executed between Grameen Bank and the Asset Manager AIMS of Bangladesh Limited. It would be the second mutual fund sponsored by Grameen Bank after "Grameen Mutual Fund One" which launched two Closed-end Schemes, also under the management of AIMS. The new Fund will be the first Open-ended Scheme under the management of AIMS, the pioneer private asset management company in Bangladesh.

<https://thefinancialexpress.com.bd/stock/grameen-bank-aims-first-unit-fund-in-the-offing-1650948411>

BSEC okays City Bank's Tk 700cr bond

The Newage, April 26, 2022

- The Bangladesh Securities and Exchange Commission on Tuesday allowed The City Bank Limited to float non-convertible subordinated bond worth Tk 700 crore. The capital market regulator gave the approval at a meeting presided over by its chairman Shibli Rubayat-UI-Islam.
- As per the BSEC approval, the bank will float unsecured, non-convertible, fully redeemable floating rate subordinated bond worth Tk 700 crore. The face value of each unit of the bond will be Tk 1 crore and the bond will be fully redeemable in eight years.
- Only corporate bodies, corporate institutions, high-net worth individuals and other eligible investors will be allowed to subscribe the bonds through private placement.

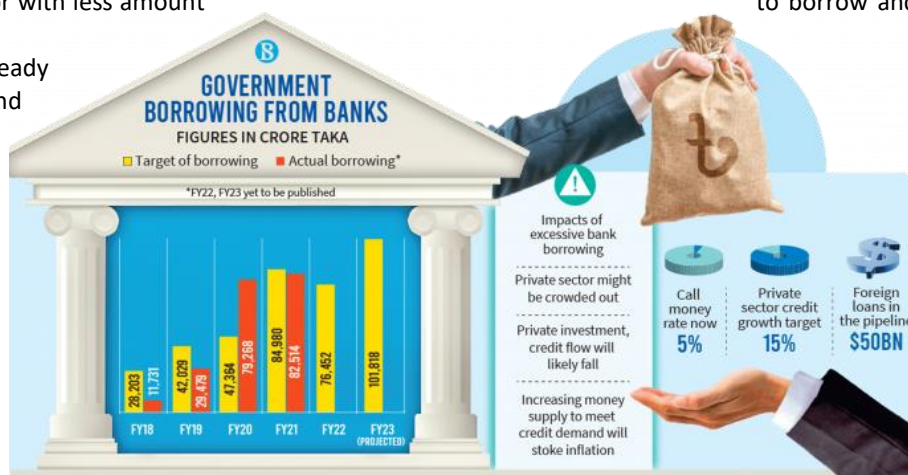
<https://www.newagebd.net/article/169096/bsec-okays-city-banks-tk-700cr-bond>

Economy & Industry

Govt's bank loans to grow 33% in FY23 as subsidy bills rise

The Business Standard, April 26, 2022

- The government will have to borrow 33% more from banks in the next fiscal year mainly to meet inflated demands of subsidies and debt servicing. The amount will be above Tk1 lakh crore in the coming fiscal year – a projection that revives the old fear of leaving the private sector with less amount to borrow and pushing inflation higher.
- Global commodity price hikes have already enhanced the subsidy bills for fuels and fertilisers in the current fiscal year and are set to grow further in the next beginning in July. The increases cannot be offset by revenue income growth, requiring the finance ministry to ask for more loans from banks.
- The ministry has estimated bank borrowing at Tk1,01,818 crore in the budget for the fiscal 2022-23, which is 18.60% higher than the revised target for the current financial year.
- In the FY22 budget, the ministry set a target of borrowing Tk76,452 crore from banks. Despite a 15% increase in revenue collection in the first nine months of the ongoing fiscal year, Finance Division officials have fixed the bank borrowing target at Tk87,288 crore in the revised budget to meet increasing expenses on government subsidies.



<https://www.tbsnews.net/economy/govts-bank-loans-grow-33-fy23-subsidy-bills-rise-410106>

Private credit growth rises 11.3pc in March

The Daily Star, April 27, 2022

- Private sector credit growth in Bangladesh accelerated to 11.29 per cent in March, the highest in three years, spurred by high commodity imports ahead of Ramadan and Eid-ul-Fitr, the biggest sales season for domestic market-oriented businesses.
- Many businesses which usually prefer taking foreign loans are now managing funds from local banks because of recent exchange rate fluctuations between the taka and US dollar, pushing up private sector credit growth as well, said bankers. Besides, the economy has turned around from the business slowdown stemming from the pandemic, as a result of which businesses are increasing their investments taking loans from banks, they said.
- In February, private sector credit growth stood at 10.87 per cent, down from 11.07 per cent the month before, according to Bangladesh Bank data. The central bank has set a private sector credit growth target of 14.8 per cent for the current fiscal year ending in June. It missed its goal of 14.8 per cent last fiscal year as the growth plunged to 8.35 per cent.
- The interbank exchange rate of the taka stood at Tk 86.20 a dollar yesterday in contrast to Tk 84.80 a year ago. Between July and February this fiscal year, import payments stood at \$54.37 billion, which is an increase of 47 per cent year-on-year.

<https://www.thedailystar.net/business/organisation-news/news/private-credit-growth-rises-113pc-march-3013326>

International

Germany boosts borrowing to tackle war costs

The Daily Star, April 26, 2022

- Germany will take on an additional 39.2 billion euros (\$42.1 billion) of debt in 2022 to counter the economic impact of the war in Ukraine, sources in the finance ministry said Monday. The supplementary budget, set to be put to the cabinet on Wednesday, will raise the total of new borrowing for the year to 138.9 billion euros.
- The additional debt package was a "timely and targeted" response to the outbreak of war in Ukraine, the sources said, with the money intended to help businesses and households deal with rising energy costs as a result of the war, as well as financing humanitarian aid to Ukraine.
- After years of chasing balanced budgets, traditionally frugal Germany took on huge amounts of debt in 2020 and 2021 to help Europe's biggest economy cope with the coronavirus pandemic, lifting its constitutionally enshrined debt limits to do so.

<https://www.thedailystar.net/business/global-economy/news/germany-boosts-borrowing-tackle-war-costs-3013211>

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