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Stock Market & Company

Stocks tumble after two-day break

The Financial Express, July 27, 2022

- Stocks plummeted on Wednesday after two-day short-lived, as panic-driven investors dumped their holdings amid growing tension over macroeconomic cues. The market saw a sharp decline at the opening and tried to recover after one hour but heavy sale pressure sent the index in the deep red zone, plunging below the 6,100-mark further.
- Finally, DSEX, the prime index of the Dhaka Stock Exchange (DSE), slid 74.24 points or 1.21 per cent to settle at 6,038, the lowest in 13 months since June 16, 2021. Two other indices also slumped. The DS30 index, comprising blue chips, plunged 27.17 points to finish at 2,162 and the DSE Shariah Index (DSES) lost 14.13 points to close at 1,319.
- Turnover, a crucial indicator of the market, also dropped to Tk 7.78 billion, which was 7.16 per cent lower than the previous day's tally of Tk 8.38 billion. All the sectors faced heavy sales pressure, leading to the share price erosion of about 89 per cent stocks. Out of 380 issues traded, 338 declined, 17 advanced and 25 issues remained unchanged on the DSE.
- The Chittagong Stock Exchange (CSE) also plummeted with the CSE All Share Price Index – CASPI –shedding 175 points to settle at 17,797 and the Selective Categories Index – CSCX –plunging 104 points to close at 10,662.

<https://thefinancialexpress.com.bd/stock/stocks-tumble-after-two-day-break-1658914007>

BSEC increases SME board investment limit to Tk30 lakh

The Business Standard, July 27, 2022

- The securities regulator has increased the minimum investment limit from Tk20 lakh to Tk30 lakh for an investor to be qualified for trading shares of companies on the Small Capital Platform or the SME board of the exchanges.
- The Bangladesh Securities Regulator and Exchange Commission (BSEC) took the decision on Wednesday in a meeting, which will be effective immediately. The commission has given three months to the investors who are already trading shares on the SME board with a portfolio of Tk20 lakh to increase their investment to Tk30 lakh.
- In order to be considered eligible for trading shares in the Small Capital Platform launched in 2021, initially there was an obligation to invest Tk1 crore in the shares of listed companies in the capital market. At that time eligible investors had to express their interest in trading in small caps by filling up a number of forms.

<https://www.tbsnews.net/economy/stocks/bsec-increases-sme-board-investment-limit-tk30-lakh-466406>

IPDC profit up 7pc in Q2

The Daily Star, July 28, 2022

- IPDC Finance Ltd posted a 7.27 per cent year-on-year increase in profit in the April-June quarter of 2022. The earnings per share were Tk 0.59 from April to June, which was Tk 0.55 during the same three-month period last year, according to the unaudited financial statements of the non-bank financial institution.
- The EPS was Tk 1.19 in the first half of 2022, up 7.2 per cent from Tk 1.11 last year. IPDC's net operating cash flow per share stood at Tk 13.29 in the negative in the January-June period, an improvement from Tk 16.92 in the negative in 2021. Shares of the NBFI closed 1.88 per cent lower on the Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/organisation-news/news/ipdc-profit-7pc-q2-3081416>

DBBL profit marginally up

The Daily Star, July 28, 2022

- Dutch-Bangla Bank Ltd's (DBBL) profit was marginally up in the April-June quarter of 2022 compared to a year ago. The private commercial lender reported earnings per share of Tk 1.97 for the quarter against Tk 1.95 during the same period last year.
- The EPS rose 10.15 per cent to Tk 3.58 in the first half of 2022. It was Tk 3.25 during the same January-June half of 2021, according to the unaudited financial statements. Net operating cash flow fell to Tk 21.38 from January to June from Tk 21.76 last year, mainly for the increase in loans and advances to customers, said the bank in a filing on the Dhaka Stock Exchange yesterday. Shares of the bank fell 0.48 per cent on the DSE yesterday.

<https://www.thedailystar.net/business/economy/banks/news/dbbl-profit-marginally-3081376>

Dhaka Bank's profit jumps 19pc

The Daily Star, July 28, 2022

- Dhaka Bank Ltd reported an 18.75 per cent increase in profit in the April-June quarter of 2022. Consolidated earnings per share were Tk 0.57 in the quarter against Tk 0.48 in the same period of 2021, according to the unaudited financial statements.
- The EPS rose thanks to an 18 per cent year-on-year increase in operating profit, said the private commercial bank in a filing on the Dhaka Stock Exchange yesterday. Consolidated EPS was Tk 1.30 in the first half of 2022, up 15 per cent from Tk 1.13 a year ago.
- Dhaka Bank's consolidated net operating cash flow per share was a negative of Tk 17.81 from January to June while it stood at Tk 3.98 during the identical period of 2021. The NOCFPS reduced due to an increase in loans and advances and investment in Treasury bills, said the bank.

<https://www.thedailystar.net/business/economy/banks/news/dhaka-banks-profit-jumps-19pc-3081371>

Yusuf Flour returns to Dhaka bourse on Thursday

The Business Standard, July 27, 2022

- Yusuf Flour Mills Ltd - an over-the-counter (OTC) company - will resume the trading of its shares on the SME platform of the Dhaka Stock Exchange (DSE) from Thursday. The reference price will be Tk23.8 per share, which was the company's last closing price on the OTC market.
- The circuit breaker and circuit filter (price limit) will remain operative from the first trading day at the DSE SME platform. From January to March 2022, the company made a profit of Tk9.1 lakh and its earnings per share stood (EPS) at Tk1.50.
- From July to March 2022, its net profit was Tk22.3 lakh and EPS Tk3.68. It has been posting profit growth since the 2017-18 fiscal year. It recommended a 12% cash dividend for its shareholders for fiscal 2020-21.

<https://www.tbsnews.net/economy/stocks/yusuf-flour-returns-dhaka-bourse-thursday-466310>

Marico revenues grow but higher taxes erode profits

The Business Standard, July 27, 2022

- The profit margin of Marico Bangladesh Limited – an India-based multinational company – shrank in the March-June quarter – despite a 9% growth in revenue – due to a sharp rise in income tax expenses. Following financial disclosures, its shares closed 0.58% or Tk14.1 lower at Tk2,418 each on the Dhaka Stock Exchange (DSE) on Wednesday.
- Marico starts its financial year in March. According to its unaudited financials, the company's profits before tax increased 4.52% compared to the same period in the previous year. But its net profit declined 5% to Tk102.90 crore as income tax expenses rose 56%.
- Based on three-month financials, Marico, which listed on Bangladesh's stock exchanges in 2009, has recommended a 300% interim cash dividend for its shareholders. After the board of directors' meeting, the multinational company revealed its financials for the first quarter on the country's premier bourse. During the period, its revenue increased to Tk364.65 crore from Tk334.40 crore a year ago.

<https://www.tbsnews.net/economy/stocks/marico-revenues-grow-higher-taxes-erode-profits-466374>

Economy & Industry

Govt may not remove interest rate caps

The Daily Star, July 28, 2022

- Finance Minister AHM Mustafa Kamal yesterday indicated that the government would be unwilling to remove the interest rate cap on loans and deposits, which is expected to be a condition tagged by the International Monetary Fund with its support package.
- "The IMF, the World Bank can say what they want but I think they will be in agreement with me and praise us -- this was our best decision," he told media after a meeting of the cabinet committee on purchase. Earlier in 2020, the Bangladesh Bank capped the interest rate on loans at 9 percent and on deposits at 6 percent, rendering the market mechanism for money supply ineffective.
- "Because of the interest rate cap, the economy is in a good state. If the cap was not there, the interest rate for loans would have been 20-22 percent then and all the industries and businesses -- be it small, medium or large -- would have disappeared during the pandemic and there would have been rampant unemployment then." Furthermore, the banking sector, particularly the private banks, has stabilised now for the interest rate cap.

<https://www.thedailystar.net/business/economy/news/govt-resistant-removing-interest-rate-caps-3081256>

Padma Bridge creates opportunities for the capital market: Experts

The Business Standard, July 27, 2022

- The Padma Bridge, built through public investment, has opened strong private investment avenues in the South-Western part of Bangladesh with the capital market having opportunities to cater to the investment needs as well as making itself vibrant, experts said at a seminar on Tuesday.
- Prime Minister's Economic Affairs Adviser Dr Mashiur Rahman in his speech as the Chief Guest said the financial market can play a role in channelling people's savings towards productive sectors and the market has enough resources and opportunities to do it through expanding the bond market, and crowdfunding arrangements.
- The equity-dominant capital market also has opportunities to finance megaprojects through strengthening the bond market as it is better capable of long-term project financing, said Dr Shamsul Alam, state minister for planning.
- Special Guest, Financial Institutions Division Secretary Sheikh Mohammad Salim Ullah said Bangladesh needs investments to achieve the long-term development goals and the government counts on the capital market's role to attain this objective.
- Green Delta Capital Managing Director Md Rafiqul Islam in his keynote speech said, "Capital market can add value to meet long term funding gap for both public and private sector. Also, by strengthening the bond market, we can mobilise the funds to fully access the wide array of opportunities that Padma Bridge brings to the table."

<https://www.tbsnews.net/economy/stocks/padma-bridge-creates-opportunities-capital-market-experts-466362>

International

Ukraine aims for \$15-20b IMF loan by year-end

The Daily Star, July 28, 2022

- Ukraine aims to strike a deal for a \$15-\$20 billion programme with the International Monetary Fund before year-end to help shore up its war-torn economy, the country's central bank governor Kyrylo Shevchenko told Reuters.
- Battered by Russia's invasion launched on February 24, Ukraine faces a 35 per cent-45 per cent economic contraction in 2022 and a monthly fiscal shortfall of \$5 billion and is heavily reliant on foreign financing from its Western partners.
- Shevchenko, 49, speaking during his visit to London, also said he hoped to agree on a swap line with the Bank of England "within weeks", though he did not specify the amount.
- Kyiv had already submitted its request to the IMF, the governor said, and was now in consultation with the fund over the new financing that he hoped would provide as much as \$20 billion over two or three years in form of a Stand-By Arrangement (SBA) or an Extended Fund Facility (EFF).

<https://www.thedailystar.net/business/global-economy/news/ukraine-aims-15-20b-imf-loan-year-end-3081431>

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