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Stock Market & Company

Stocks gain for 2nd day

The Newage, June 28, 2022

- Dhaka stocks increased for the second day on Tuesday as a section of investors continued buying shares after the recent fall in prices of securities, but many others remained worried about the country's macroeconomic situation. DSEX, the key index of the Dhaka Stock Exchange, gained 0.35 per cent, or 22.25 points, to close at 6,342.6 points on Tuesday after gaining 19.24 points in the previous session.
- Average share prices of engineering, non-bank financial institution, textile and energy sectors advanced by 0.8 per cent, 0.7 per cent, 0.6 per cent and 0.59 per cent respectively. Out of the 382 issues traded on Tuesday, 199 advanced, 133 declined and 50 remained unchanged on the DSE.
- The turnover on the DSE increased to Tk 818.82 crore on Tuesday compared with that of Tk 700.76 crore in the previous session. The DSE Shariah index added 4.84 points to close at 1,385.65 points and the DS30 index increased by 9.37 points to finish at 2,294.58 points.
- Shinepukur Ceramics topped the turnover chart with its shares worth Tk 36.79 crore changing hands. BEXIMCO, Fu-Wang Food, BF Finance, Delta Life Insurance, Bangladesh Shipping Corporation, Monno Fabrics, Salvo Chemical, Yeakin Polymer and JMI Hospital Requisite Manufacturing were the other turnover leaders.
- Meghna Insurance Company Limited was the day's best performer, posting a gain of 9.95 per cent, while IPDC Finance Limited was the worst loser, shedding 2 per cent.

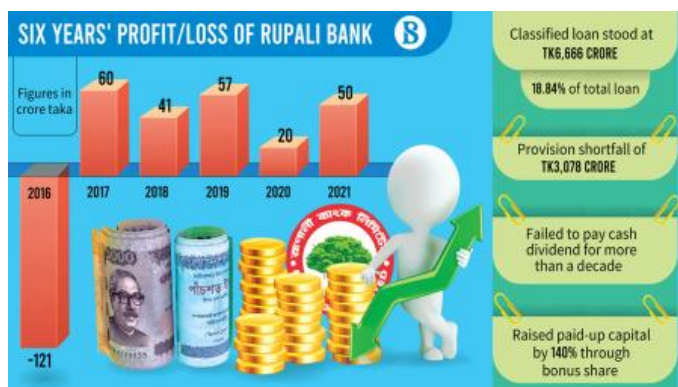
<https://www.newagebd.net/article/174584/stocks-gain-for-2nd-day>

BSEC asks Rupali Bank to explain provision shortfall, failures to pay cash dividends

The Business Standard, June 28, 2022

- The stock market regulator has asked Rupali Bank to explain its failure to pay cash dividends to its shareholders and maintain provisions against default loans. In a recent letter to its managing director, the Bangladesh Securities and Exchange Commission (BSEC) has asked the state-owned lender to submit documents and explanations to the regulator within five working days.

- The regulator in the letter stated that the bank paid 2% stock dividend to its shareholders for 2021, and added that the lender has been paying only stock dividends for more than a decade.
- And through the stock dividends, the paid-up capital of the state-run bank has increased by 140%. But according to laws, if the cash dividend is not paid for two consecutive years, the company is sent to the 'Z' category in the stock market. The bank's shares are currently trading in the 'A' category, but will now go to the 'Z', added the letter.
- Meanwhile, as per the guidelines of the Bangladesh Bank, the bank's required provision against its classified loans is Tk5,135 crore. But it has a provision of only Tk2,064 crore. In other words, the provision deficit stands at Tk3,078 crore. Due to this deficit, the bank's net asset value and earnings per share have increased in 2021 which is a concern for investors, says BSEC.



<https://www.tbsnews.net/economy/stocks/bsec-asks-rupali-bank-explain-provision-shortfall-failures-pay-cash-dividends>

BSEC okays draft prospectuses of two mutual funds

The Business Standard, June 28, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has approved the draft prospectuses of EDGE Al-Amin Shariah Consumer Fund and ICB AMCL CMSF Golden Jubilee Mutual Fund - two open-ended mutual funds. The commission approved the prospectuses at its 829th meeting on Tuesday, said a press release.
- Open-ended mutual funds have no mandatory endpoint, and according to current regulations, their units are not listed with stock exchanges. Therefore, investors buy and sell open-ended fund units based on current asset value from the asset manager's office or through authorised agents. Brac Bank Ltd is the custodian for both the funds.
- EDGE Al-Amin Shariah Consumer Fund : According to BSEC, the primary target size of the fund is Tk25 crore. Of this, the sponsor will provide Tk2.5 crore and the remaining Tk22.5 crore will be collected by selling the mutual fund units to investors at a face value of Tk10 each.
- ICB AMCL CMSF Golden Jubilee Mutual Fund: The primary target size of the fund is Tk100 crore. Of this, the sponsor Capital Market Stabilization Fund (CMSF) will provide Tk50 crore, and ICB Asset Management Company will provide Tk20 crore.

<https://www.tbsnews.net/economy/stocks/bsec-okays-draft-prospectuses-two-mutual-funds-449070>

BSEC asks Bangladesh Leaf Tobacco to explain its business status

The Business Standard, June 28, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) asked Bangladesh Leaf Tobacco Co Ltd - a cigar and tobacco manufacturer - to explain its current business status. According to an inspection report of the Dhaka Stock Exchange (DSE), the commission issued a letter to the company this week.
- Bangladesh Leaf Tobacco Co Ltd was listed on DSE in 1980 and its current paid-up capital is Tk81 lakh. The company has been out of production since 2003 but is in the pipeline to be re-launched on the SME platform of the DSE. However the company has not taken any initiatives for shifting to the SME board.
- The BSEC has sought a detailed status of the company's production, and its fixed and current assets. BSEC also asked for the last five years of the company's audited financial statements and relevant documents.

<https://www.tbsnews.net/economy/bsec-asks-bangladesh-leaf-tobacco-explain-its-business-status-449074>

13 Bangladeshi firms publish GRI sustainability reports

The Financial Express, June 28, 2022

- Thirteen companies, including seven listed firms, have published Global Reporting Initiative (GRI) sustainability reports. The companies released their reports at a Zoom platform meeting held on Monday and exchanged their experiences in this regard, according to a DSE press release issued on Tuesday.
- The companies are: Envoy Textile, GPH Ispat, BRAC Bank, Standard Bank, Shahjalal Islami Bank, Jamuna Bank, LankaBangla Finance, Blue Planet Group, Pacific Jeans Group, New Age Group, Bitopi Group, FloWater Solutions Ltd and FloWater Solar Ltd.
- Earlier in May 2018, GRI signed a memorandum of understanding (MoU) with Dhaka Stock Exchange (DSE) to provide training to local stakeholders so that listed companies follow the standards of sustainability reporting. GRI is an independent international organisation that has pioneered sustainability reporting since 1997. GRI is the international, non-profit organisation that provides the world's most widely used sustainability reporting standards.

<https://thefinancialexpress.com.bd/stock/13-bangladeshi-firms-publish-gri-sustainability-reports-1656427858>

Economy & Industry

NBFI chairs get more time to quit subsidiaries

The Daily Star, June 29, 2022

- The chairmen of the boards of non-bank financial institutions and their executive, audit and risk management committees who hold a directorial position in associated subsidiaries or foundations have been allowed to serve the latter until December. The Bangladesh Bank issued a notice to this effect yesterday.
- Last month, the central bank had instructed the chairmen of the board and various other committees of banks and NBFIs to resign from the board or committees of subsidiaries and foundations or secure exemption by June 30 this year. Later, the BB softened its stance amid pressure from the influential directors of banks and permitted them on June 1 to hold the post till June next year.
- It came after banks informed the central bank that it would be difficult to run the subsidiaries and foundations due to a lack of a skilled workforce.

<https://www.thedailystar.net/business/economy/news/nbfi-chairs-get-more-time-quit-subsidiaries-3059021>

Revenue growth 15% in July-May

The Business Standard, June 27, 2022

- Revenue collection in the 11 months of this fiscal year increased by about 15% compared to the July-May period of last year. According to the latest data released by the National Board of Revenue (NBR), the July-May collection stands at around Tk2.53 lakh crore – which is about 15% more than in the same period in the last fiscal year.
- Although the revenue growth is slightly lower than the rate in the corresponding period last year, the figure outshines the average growth rate of the last five years. Attributing the growth to import-staged revenue amid soaring commodity prices in the international market, economists say collection shortfall could hover around Tk28,000-Tk30,000 crore at the end of FY2021-22.
- The revenue authorities collected Tk2.66 lakh crore in the 2020-21 fiscal year. The collection target was increased by 24% to Tk3.30 lakh crore for FY2021-22. An analysis of the revenue data shows that average growth in revenue collection was 15% till April, but came down to less than 12% in May.

<https://www.tbsnews.net/economy/stocks/revenue-growth-15-july-may-449110>

International

G7 commits \$5b to tackle global food insecurity

The Daily Star, June 29, 2022

- The Group of Seven rich democracies will commit up to \$5 billion to improve global food security, a senior US official said, as the group responds to worries in developing nations about the threat of hunger triggered by war in Ukraine. On the final day of the G7 summit in Germany, the official said that the United States would provide over half of that sum, which would go to efforts to fight hunger in 47 countries and to fund regional organisations.
- The G7 is attempting to rally emerging countries, many with close ties to Russia, to oppose Russian President Vladimir Putin's invasion of Ukraine, and invited five major middle-and-low income democracies to the summit to win them over.

<https://www.thedailystar.net/business/global-economy/news/g7-commits-5b-tackle-global-food-insecurity-3059111>

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