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Stock Market & Company

Dhaka stocks soar as bargain hunting continues

The Newage, May 29, 2022

- Dhaka stocks soared on Sunday after a gain in the previous session as bargain hunting continued on the trading floor following a Bangladesh Securities and Exchange Commission's move regarding the bottom limit on share price fall. DSEX, the key index of the Dhaka Stock Exchange, advanced by 2.1 per cent, or 131.35 points, to close at 6,369.33 points Sunday after gaining 50.33 points in the previous trading session.
- Among the large capitalised companies, share prices of Square Pharmaceuticals, Beximco Pharmaceuticals, Grameenphone, LankaBangla Finance, LafargeHolcim Bangladesh advanced on the day. The turnover on the DSE increased to Tk 833.61 crore on Sunday compared with that of Tk 539.12 crore in the previous session.
- Share prices of Grameenphone, British American Tobacco Company, Beximco Pharmaceuticals, Power Grid Company and Robi Axiata increased the most on the day. The DS30 index increased by 39.55 points to finish at 2,346.94 points and the DSE Shariah index also added 26.03 points to close at 1,399.74 points.
- BEXIMCO topped the turnover chart with its shares worth Tk 57.87 crore changing hands. IPDC Finance, BD Finance, GSP Finance, RD Food, Fortune Shoes, Bangladesh Shipping Corporation, ACI Formulations, JMI Hospital Requisite Manufacturing and Shinepukur Ceramics were the other turnover leaders.

<https://www.newagebd.net/article/171856/dhaka-stocks-soar-as-bargain-hunting-continues>

Money laundering occurring through tax-free products: BSEC chairman

The Business Standard, May 29, 2022

- Maximum over-invoicing takes place through tax-free products and it is eventually paving the way for money laundering from the country, said Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-UI-Islam.
- "The Bangladesh Bank should keep watch on the money laundering through tax-free products," he said at a lecture session on the "Bangladesh in the context of the current global economy" organised by the Bangladesh Academy for Securities Market (BASM) on Sunday. The BSEC chairman said citing an example that money launderers are syphoning the country's money abroad by showing the value of a \$5 product as \$7.

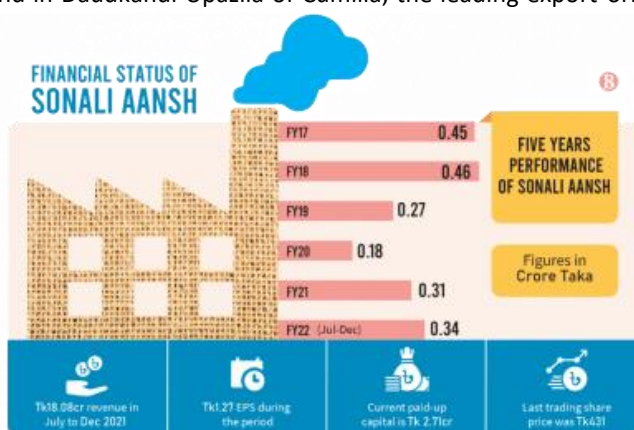
- They have set up offices in Bangladesh as well as Hong Kong, Singapore, London and New York. They have kept their children abroad. With the laundered money, they are buying houses and cars in those countries, he also said. "If we can catch hundi traders, a lot of dollars will be saved. Because they are the ones who open over voice-under voice LCs during import-export and thus launder money abroad," he added.

<https://www.tbsnews.net/economy/stocks/money-laundering-occurring-through-tax-free-products-bsec-chairman-429318>

Sonali Aansh overstates profit by not charging depreciation

The Business Standard, May 30, 2022

- The Bangladesh Securities and Exchange Commission (BSEC) has recently taken the issue into cognizance and sought clarifications from the company. Situated on 22 acres of land in Daudkandi Upazila of Cumilla, the leading export-oriented jute yarn and diversified jute products manufacturer in the country went into production in 1982.
- Its yearly turnover at present is 9,000 tonnes. The revaluation of fixed assets such as land, plant, and machinery was Tk50.43 crore in fiscal 2006-07.
- The company has not charged any depreciation on the financial value since then. Thus the company overstated its net profit, earnings per share, and net asset value throughout the financial years.
- The company reported an amount of Tk87.67 lakh from 24 customers which remained uncollectible for more than five years. It is very unlikely to recover these amounts in full. It would have adversely affected the EPS and the NAV of the company.
- The company has shown that Tk66 lakh has been kept in the "Workers Profit Participation Fund and Welfare Fund" as of June 2021.



<https://www.tbsnews.net/economy/stocks/sonali-aansh-overstates-profit-not-charging-depreciation-429326>

National Bank to issue Tk500cr bond for capital requirement

The Business Standard, May 29, 2022

- National Bank Limited – the first private sector bank fully owned by Bangladeshi entrepreneurs – will issue subordinated bonds worth Tk500 crore. The bank, according to its disclosure on the websites of the bourses on Sunday, will issue the bond to strengthen its regulatory capital and to comply with the Base I-III capital requirement.
- The decision is subject to the approval of the regulatory authorities, the bank said in that disclosure. According to the bank's 2021 financials, its net profit after tax declined 90% to Tk38.15 crore, from Tk384.55 crore a year ago. Owing to its massive profit decline, the bank did not declare any cash dividend for the year 2021. However, it had paid a 5% stock dividend to its shareholders.
- According to its un-audited financials for the January to March quarter of 2022, the bank incurred a loss of Tk56.94 crore. In the same quarter of the previous year, it made a profit of Tk39.36 crore.

<https://www.tbsnews.net/economy/stocks/national-bank-issue-tk500cr-bond-capital-requirement-429310>

IBN Sina Pharma to operate natural medicine unit separately

The Business Standard, May 29, 2022

- IBN Sina Pharmaceutical Industry wants to separate its natural medicine unit and hand it over to the newly-formed IBN Sina Natural Medicine Limited subject to approval by the shareholders in its next annual general meeting. Currently, IBN Sina Pharma has two manufacturing units in its factory at Gazipur. One unit produces pharmaceutical medicine and the other unit manufactures natural medicine.

- The drugmaker will transfer the natural medicine unit's assets and liabilities to the IBN Sina Natural Medicine Limited. Earlier, in 2020, IBN Sina Pharma formed IBN Sina Natural Medicine Limited, where the drugmaker owns 99.99% shares of this subsidiary. Currently, IBN Sina Natural's paid-up capital is Tk12 crore and the drugmaker has invested Tk3 crore for developing related infrastructure.

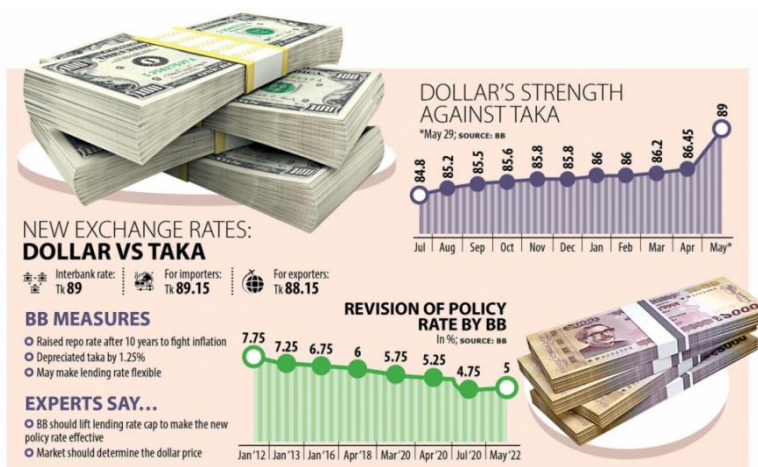
<https://www.tbsnews.net/economy/stocks/ibn-sina-pharma-operate-natural-medicine-unit-separately-429306>

Economy & Industry

BB raises policy rate for first time in a decade

The Daily Star, May 30, 2022

- The Bangladesh Bank yesterday raised its key interest rate for the first time in a decade and devalued the local currency for the seventh time this year against the dollar as part of its moves to tackle inflationary forces and restore stability in the foreign exchange market.
- The BB interest or policy rate, which is termed the repurchase agreement (repo), is a pivotal benchmark interest rate followed by commercial banks to set the interest rates on both loans and deposits.
- Hiking the repo rate means the taka will be costlier, which will subsequently help contain inflation.
- Yesterday, the BB raised the repo rate by 25 basis points to 5 per cent, the first hike since January 5, 2012.
- The BB notice announcing the hike in the policy rate came hours after it depreciated the exchange rate of the taka by 1.25 per cent to Tk 89 per US dollar. It stood at Tk 85.80 per dollar on December 30 and Tk 84.80 on May 29 last year.
- This is the seventh depreciation of the local currency in 2022, which has created inflationary pressure in the market. Inflation shot up to 6.29 per cent in April, the highest in 18 months.
- The latest depreciation indicate that inflation might fuel further in the coming days since the factors – from the dragging coronavirus pandemic and the Russian-Ukraine war to supply chain disruptions – that created the exchange rate volatility are still there.



<https://www.thedailystar.net/business/economy/news/bb-raises-policy-rate-first-time-decade-3034846>

NBFIs asked to preserve loan, investment docs properly

The Business Standard, May 29, 2022

- Non-bank financial institutions (NBFIs) have been asked to preserve the documents of loan, lease or investment properly, according to a Bangladesh Bank circular, as some recent investigations about financial irregularities found the papers missing.
- As some financial institutions do not preserve the documents properly, numerous issues have been emerging while initiating legal action for loan recovery, and investigation about lending and investment anomalies, stated the circular issued on Sunday.
- However, a central bank source said the central bank came up with the instruction in the backdrop of not getting loan documents when investigating the Bangladesh Industrial Finance Company (BIFC).
- The authorities assume some other NBFIs too could have vanished loan their documents that are evidential for their financial misdeeds, said a senior executive of the Bangladesh Bank, adding the circular aims at bringing discipline in the non-bank financial sector.

- The circular said a copy of the memorandum presented before the board meeting – which contains loan, lease and investment details, loan assessment reports, approval, renewal, rescheduling or restructuring and write-off – must be preserved along with a copy with the meeting decisions. But if the loan or investment is more than Tk50 crore, the documents will have to be stored at an alternative branch office or at the headquarters.

<https://www.tbsnews.net/economy/banking/nbfis-asked-preserve-loan-investment-docs-properly-429270>

International

Google may join India's open e-commerce network

The Daily Star, May 30, 2022

- Alphabet Inc's Google is in talks with the Indian government to integrate its shopping services with the country's open e-commerce network ONDC, two sources familiar with the matter told Reuters.
- Late last month India soft-launched its Open Network for Digital Commerce (ONDC) as the government tries to end the dominance of US companies Amazon.com and Walmart in the fast-growing e-commerce market.
- The government estimates the Indian e-commerce market was worth more than \$55 billion in gross merchandise value in 2021 and will grow to \$350 billion by the end of this decade.

<https://www.thedailystar.net/business/global-economy/news/google-may-join-indias-open-e-commerce-network-3034791>

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