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Stock Market & Company

Dhaka stocks snap six-day falling streak

Newage, November 29, 2021

- Dhaka stocks snapped a six-day losing streak on Monday as some investors went for bargain hunting while many others remained cautious with the turnover on the bourse hitting a fresh seven-month low.
- DSEX, the key index of the Dhaka Stock Exchange, gained 0.31 per cent, or 21.61 points, to close at 6,795.51 points on Monday after losing 318.19 points in the previous six sessions.
- Of the 362 scrips traded on the DSE on Monday, 238 advanced, 89 declined and 45 remained unchanged. Turnover on the DSE plunged to Tk 708.18 crore on Monday from Tk 837.1 crore in the previous session. Monday's turnover was the lowest after April 21, 2021 when it was at Tk 776.67 crore.
- Among the prominent companies, share prices of BEXIMCO, Beximco Pharmaceuticals, Beacon Pharmaceuticals and Grameenphone plunged on Monday. Shariah index DSES added 0.10 per cent, or 1.55 points, to settle at 1,430.87 points.
- DS30, a composition of 30 large capitalised companies, however, dropped by 0.34 per cent, or 8.78 points, to close at 2,567.38 points on Monday. BEXIMCO led the turnover chart with shares worth Tk 83.38 crore changing hands on the day.
- Genex Infosys, Beximco Pharmaceuticals, BRAC Bank, Delta Life Insurance, Paramount Textiles, IFIC Bank, First Security Islami Bank, Fortune Shoes and AFC Agro were the other turnover leaders on the day.

<https://www.newagebd.net/article/156025/dhaka-stocks-snap-six-day-falling-streak>

Square Pharma to start drug production in Kenya by January

The Business Standard, November 29, 2021

- Square Pharmaceuticals Ltd is going to be the first Bangladeshi company to produce medicines in a foreign country as it is scheduled to start manufacturing in Kenya by January 2022. The trial operation will start in December this year.
- As per the company's financial statement, the construction of the project began in 2019 and was initially scheduled to be completed by early 2021. Finally, Square completed the construction of its manufacturing plant in Nairobi, the Kenyan capital in September 2021 at a cost of Tk170 crore.
- The pharma giant looks to get hold of the \$30 million drug market in Kenya and five other East African countries – Tanzania, Rwanda, Burundi, Uganda, and South Sudan – and fulfil the unmet demands of medicines in those countries. According to the company's 2017 disclosure on the Dhaka Stock Exchange, Square invested \$20 million to set up a drug manufacturing plant in Kenya.

- From July to September of the current fiscal year, the gross revenue of the company was Tk1,742 crore, which was Tk1,472 crore in the same period of the previous FY. During the period, its total comprehensive income was Tk595 crore and earnings per share were Tk5.64.
- As of 31 October 2021, the sponsors and directors jointly held 34.57% shares, institutions 14.03% shares, foreign investors 14.26% shares and the general public 37.14% shares in the company. The last traded share price of the company at the Dhaka Stock Exchange was Tk217.20 on Monday.

<https://www.tbsnews.net/economy/stocks/square-pharma-start-drug-production-kenya-january-336535>

Active Fine Chemicals, AFC Agro post stellar profit growths

The Business Standard, November 29, 2021

- Active Fine Chemicals and AFC Agro Biotech – two companies of the AFC Group – posted a staggering increase in profits in the first quarter of the current fiscal year. Both companies posted significant growths in revenue, thanks to the export incentives of Active Fine Chemicals and the sales from a big order of AFC Agro to the government.
- Active Fine Chemicals: The net profit of Active Fine Chemicals - a chemical reagent and active pharmaceutical ingredients (API) maker - increased 745% to Tk6.34 crore in the July to September quarter of the current fiscal year, compared to the same period the previous fiscal. During the period, the company earned Tk41.88 crore revenue, which was Tk38.67 crore in the same period the previous year. Its earnings per share (EPS) was Tk0.26, and net asset value (NAV) per share was Tk22.27 in the first quarter of FY22.
- AFC Agro Biotech: The net profit of AFC Agro Biotech increased 192% to Tk3.36 crore in the July to September quarter of the current fiscal year, compared to the same period of the previous fiscal. During the period, the company earned Tk38 crore revenue, which was Tk13 crore in the same period the previous year. Its EPS was Tk0.29, and NAV per share was Tk18.30 in the first quarter of FY22.

<https://www.tbsnews.net/economy/stocks/active-fine-chemicals-afc-agro-post-stellar-profit-growths-336529>

Economy & Industry

11 banks weighed down by Tk 27,918cr capital shortfall

The Daily Star, November 29, 2021

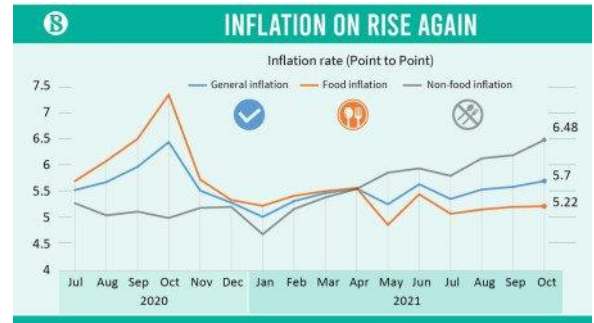
- Eleven banks faced a capital shortfall of Tk 27,918 crore in September, which exposed their fragile health. The banks are Bangladesh Krishi, Sonali, Agrani, BASIC, Janata, Rupali, Rajshahi Krishi Unnayan, ICB Islamic, Bangladesh Commerce, Padma, and AB Bank.
- Corruptions perpetrated at the banks are mainly responsible for the large capital shortfall. Up until September, Bangladesh Krishi Bank had the highest amount of shortfall of Tk 12,144 crore, up 12 per cent from nine months ago, data from the Bangladesh Bank showed.
- Sonali's capital shortfall, however, decreased to Tk 2,633 crore from Tk 3,063 crore during the period. The central bank should take immediate measures to address the problem as such a situation sends a negative signal to the global community that the banking sector is weakening, said an official of the central bank.
- The sector had a surplus capital of Tk 12,418 crore in September, down 22 per cent from December last year. NPLs totaled Tk 101,150 crore, up 14 per cent from the same period a year ago. Capital shortfall at Janata Bank fell to Tk 1,416 crore compared to Tk 5,475 crore. A wide range of scams were responsible for the shortage at the state bank.
- Agrani Bank's capital shortfall declined to Tk 2,463 crore in September in contrast to Tk 3,002 crore in December. Capital shortfall at Padma Bank stood at Tk 540 crore in September, an increase of 75 per cent from nine months ago. The capital shortfall at AB Bank stood at Tk 355 crore in September, against a surplus of Tk 278 crore in December.

<https://www.thedailystar.net/business/economy/banks/news/11-banks-weighed-down-tk-27918cr-capital-shortfall-2905356>

Non-food inflation highest in five years

The Business Standard, November 29, 2021

- The non-food inflation ticked up to 6.48% in October – the highest in the last five years – thanks to a surge in demand owing to reopening of the economy, supply crunch, disrupted supply chain and depreciation of the taka, according to the latest data of state-run Bangladesh Bureau of Statistics (BBS).
- The latest figure is 1.48% year-on-year high as it was 5% in the corresponding month last year. Earlier in September this year, non-food inflation was 6.19%. The country in August 2016 logged the highest 7% non-food inflation. In October, food inflation rose to 5.22% from 5.21% in September. It was 7.34% in October last year.
- According to the BBS report released on Monday, a spike in both non-food inflation and food inflation in October drove up the general inflation to 5.70% from September's 5.59%.
- General inflation in October last year was recorded at 6.44%. To gauge the non-food inflation, BBS records the price hikes in clothing, housing, and other household spending, while food inflation covers price spirals for staple rice, flour, sugar, fishes and eggs.
- BBS said October overall inflation in rural areas stood at 5.81%, up from 5.71% in September. The rate was 5.5% in urban areas, up from 5.25% in September.
- Food inflation witnessed a downtrend to 5.62% from 5.74% in rural areas, but an uptick in urban areas to 4.31% from 4.03%. Non-food inflation saw an uptrend in both areas – to 6.17% from previous 5.84% in rural areas, and to 6.89% from 6.65% in urban areas.



<https://www.tbsnews.net/economy/non-food-inflation-highest-five-years-336511>

International

Calm returns to Asian currency markets, but analysts warn more volatility ahead

The Financial Express, November 29, 2021

- Currency markets calmed on Monday in Asia after the initial shock of the discovery of the Omicron coronavirus variant sent investors scurrying for cover last week, but analysts warned of more volatility with little still known about the new strain.
- The risk-sensitive Australian dollar rose 0.37 per cent to \$0.7139, recovering after a 1 per cent tumble on Friday that saw it dip to \$0.71125 for the first time since Aug 20, reports Reuters. The Canadian dollar also rebounded, with the greenback sliding 0.57 per cent to C\$1.2726, off the previous session's two-month high at C\$1.2800.
- The safe-haven yen, which had been the biggest beneficiary of the flight to quality, slipped 0.25 per cent to 113.75 per dollar. The Japanese currency surged as much as 2 per cent at one point on Friday to 113.05. The South African rand recovered from Friday's one-year low at 16.3675 per dollar, jumping 0.93 per cent to 16.1400.
- South Africa discovered the Omicron variant last week, and countries globally have been quick to tighten border controls with mutations in the spike protein suggesting it could be resistant to current vaccines. Despite the speed of the response, Omicron has since been detected in places including Australia, Britain, Canada, Germany and Hong Kong.
- The US dollar index - which measures the currency against six major peers - traded at 96.204, after dipping to a one-week low of 95.973 on Friday. While the dollar stands to benefit from the uncertainty because of its status as a safe haven, it clouds the outlook for when the Federal Reserve - and other global central banks - can raise interest rates.

<https://thefinancialexpress.com.bd/stock/calm-returns-to-asian-currency-markets-but-analysts-warn-more-volatility-ahead>

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