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Stock Market & Company

Dhaka stocks extend gaining streak

The Newage, May 30, 2022

- Dhaka stocks on Monday extended the gaining streak to the third session as a section of investors went for buying shares, especially those of banks, while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange, increased by 0.3 per cent, or 19.32 points, to close at 6,388.65 points on Monday.
- The DSEX gained 200 points in the past three sessions. Despite a fall in share prices of most of the companies, the market finished in the positive zone due mainly to the 2 per cent lower cap on all companies. The turnover on the DSE increased to Tk 836.4 crore on Monday compared with that of Tk 833.61 crore in the previous session.
- The DS30 index inched up by 3.86 points to finish at 2,350.8 points and the DSE Shariah index also added 1.74 points to close at 1,401.48 points. BEXIMCO topped the turnover chart with its shares worth Tk 65.03 crore changing hands.
- BD Finance, Orion Pharma, Beximco Pharmaceuticals, IPDC Finance, Bangladesh Shipping Corporation, GSP Finance, Genex Infosys, Fortune Shoes and IFIC Bank were the other turnover leaders.
- Western Marine Shipyard Limited was the day's best performer, posting a gain of 9.57 per cent, while Sonali Paper and Board Mills Limited was the worst loser, shedding 1.99 per cent.

<https://www.newagebd.net/article/171955/dhaka-stocks-extend-gaining-streak>

Islami Insurance's profit jumps 167% in five years

The Business Standard, May 30, 2022

- Islami Insurance Bangladesh Limited's net profit jumped 167% in the last five years riding on a robust growth in foreign trade which requires mandatory insurance coverage.
- In 2020, the insurance regulator cancelled the 15% agent commission on the sale of general insurance policies. And insurance companies had to spend a lot of money every year on the agent commission. Which did not happen in 2021. Therefore, the profit increased by 60% in that year.
- With the increase in the profit of Islami Insurance, the rate of paying dividends to the shareholders has also increased. The company, which has been paying dividends at the rate of 10% for the last seven years, has paid a 12.50% cash dividend to its shareholders for 2021.



- Although the business looks good, there are allegations against the company for not complying with rules and regulations. It does not comply with the guidelines of the Insurance Development and Regulatory Authority (Idra) for holding a minimum of 60% shares jointly by its sponsors and directors.

<https://www.tbsnews.net/economy/stocks/islami-insurances-profit-jumps-167-five-years-429938>

Shakib Al Hasan and allies acquire Al-Amin Chemical

The Business Standard, May 30, 2022

- Cricket superstar Shakib Al Hasan, through his two firms, and his allies acquired 48.175% shares from the sponsors-directors of Al-Amin Chemical Industries - a delisted varnish and thinner products manufacturer. The Bangladesh Securities and Exchange Commission (BSEC) approved the acquisition on Monday.
- According to the BSEC, Shakib's two firms - Monarch Mart Limited and Monarch Express Ltd - bought 2.4% and 4.8% shares respectively. Eshaal Communication Ltd, represented by Aminul Islam Sikdar and Md Khairul Bashar, bought 14.4% shares of Al-Amin Chemical. Lava Electrodes Industries bought 2.4%, AFM Rafiquzzaman 10%, Mashuk Alam 6%, and Munshi Shofiuddin bought 8.175% shares of the company.
- BSEC rules for the new owners: As per the BSEC rules, the new shareholders will collectively have to maintain the minimum 30% shareholding of the company. Also, the company's board of directors must incorporate the new shareholders who hold a minimum of 2% shares in the company. The company is not allowed to raise further capital until its board is restructured.

<https://www.tbsnews.net/economy/stocks/shakib-al-hasan-and-allies-acquire-al-amin-chemical-429918>

Economy & Industry

Most banks still charging higher dollar rates for LCs

The Business Standard, May 31, 2022

- Most banks allegedly opened letters of credit (LCs) yesterday at higher dollar prices than the rates set by the Bangladesh Bank for the interbank money market. To justify this, the banks said they had to buy dollars at higher prices and, also, they had not yet received any written instructions from the money market regulator.
- The central bank on Sunday fixed the dollar price at all levels, setting Tk89.15 for opening an LC. Although many banks did not open LCs of a large size, most of them opened small LCs at dollar higher rates.
- Earlier on Sunday, the central bank had verbally set the selling rate at Tk79 per US dollar and Bank Bills for Collection (BC) at Tk79.15 per dollar in the interbank currency market. Banks were supposed to sell dollars to importers at that price.
- The central bank held a meeting with the Association of Bankers, Bangladesh (ABB) and Bangladesh Foreign Exchange Dealers Association (BAFEDA) on Thursday to discuss the volatile foreign exchange market. At the meeting presided over by Bangladesh Bank Governor Fazle Kabir, the banks took this decision on the advice of the central bank.

<https://www.tbsnews.net/economy/most-banks-still-charging-higher-dollar-rates-lcs-430018>

Preserve all loan documents until repayment: Bangladesh Bank to NBFIs

The Daily Star, May 31, 2022

- The Bangladesh Bank yesterday directed non-bank financial institutions (NBFIs) to preserve all documents, either physically or digitally, related to loans, leases or investments until the repayment is complete. The central bank issued a circular to this effect yesterday. It aims to enable NBFIs to run legal actions if any complexity arises in loan repayment.
- The documents may be necessary to investigate any allegation on loan disbursement, it said. "Some financial institutions have not preserved the documents properly, so various types of complexities arose," said the circular.
- The BB has taken the decision as a precautionary step as documents are important and could be preserved digitally, added the central banker. The documents that need to be preserved include loan applications, proposal assessments, approvals, renewals, rescheduling, loan write-offs, exemption from interest or profit, and the minutes and notes of the board meetings.

- If the loan amount exceeds Tk 50 lakh, the documents should be preserved at the loan provider's branch and at least in another branch or principal office, said the circular. In order to save the documents digitally, NBFIs will have to follow the proper guidelines so that the backup of the documents is saved.

<https://www.thedailystar.net/business/economy/news/preserve-all-loan-documents-until-repayment-3034836>

International

Global stocks extend rally as China eases curbs

The Newage, May 30, 2022

- Asian and European stock markets advanced Monday on a wave of investor optimism as China eases some of its strict Covid curbs in Shanghai and Beijing. London equities gained 0.2 per cent in late morning deals, while Frankfurt won 0.8 per cent and Paris gained 0.9 per cent around midday in the eurozone.
- Asian indices rebounded as traders also digested strong US data and a pre-weekend rally on Wall Street, which remains shut on Monday for the Memorial Day public holiday. The prospect of easing Covid curbs has buoyed hopes for the world's number two economy.
- Monday's gains extended a positive end to last week for global equities, with some commentators saying there was a growing hope that the months-long sell-off may have run its course. Wall Street provided a strong lead and snapped a series of weekly losses, with Friday's rally supported by data showing an easing of the key personal consumption expenditures (PCE) price index.
- Markets have been pummelled this year as soaring prices — caused by the Ukraine war, supply chain snags and China's lockdowns among other things — forced central banks to hike interest rates and warn of more to come. The US reading lent hope that the worst of the inflation surge may have passed and could allow the Federal Reserve to ease back from its hawkish rate hike drive later in the year.

<https://www.newagebd.net/article/171952/global-stocks-extend-rally-as-china-eases-curbs>

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