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Stock Market & Company

Stocks plunge after 3-day rise

Newage, October 31, 2021

- Dhaka stocks plunged on Sunday after a three-day rise as investors remained jittery on the trading floor amid a continued volatility on the market. DSEX, the key index of the Dhaka Stock Exchange, dropped by 0.86 per cent, or 61.41 points, to close at 7,000.94 points on Sunday after gaining 177 points in the previous three sessions.
- Among the prominent companies, share prices of British American Tobacco Company, Beximco, LafargeHolcim Bangladesh and United Power Generation Company plunged on Sunday. DS30, a composition of 30 large capitalised companies, shed 0.7 per cent, or 18.31 points, to close at 2,620.6 points on Sunday.
- Average share prices of general insurance, energy, bank and non-bank financial institution dropped by 2.8 per cent, 1.4 per cent, 1.1 per cent and 0.9 per cent respectively. Turnover on the DSE declined to Tk 1,637.02 crore on Sunday from Tk 1,724.48 crore in the previous session. Of the 374 scrips traded on the DSE on Sunday, 122 advanced, 226 declined and 27 remained unchanged.
- Shariah index DSES also shed 0.6 per cent, or 8.89 points, to settle at 1,470.5 points. BEXIMCO led the turnover chart with its shares worth Tk 120.57 crore changing hands on the day.
- IFIC Bank, SAIF Powertec, Orion Pharma, Fortune Shoes, British American Tobacco Company, Malek Spinning Mills, GPH Ispat, Genex Infosys and LafargeHolcim Bangladesh were the other turnover leaders on the day.

<https://www.newagebd.net/article/153315/stocks-plunge-after-3-day-rise>

BSEC refuses AB Bank's rights offer again

The Financial Express, October 31, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has refused approval for AB Bank's right share offer again. "The stock market regulator has expressed its inability to approve the rights issue of AB Bank, considering dividend payment history and present financial position," according to a web posting on the Dhaka Stock Exchange (DSE) on Sunday.

- Earlier, the bank applied for issuance of rights shares at a ratio of 1R:6 (one right share for existing six shares) at an issue price of Tk 10 each after effecting stock dividend for the year ended on December 31, 2020. AB Bank disbursed 5.0 per cent stock dividends for the two consecutive years – 2020 and 2019. However, the bank declared 'no' dividends in 2018 and 2017.
- The bank's consolidated earnings per share (EPS) stood at Tk 0.44 for January-September 2021 as against Tk 0.28 for January-September 2020.
- Last year in June, the BSEC also refused approval for AB Bank's right share offer applied in 2017. The bank proposed rights issue 3:2R (2 rights shares against existing 3 shares) with a face value of Tk 10 each. But the BSEC refused approval as the bank did not submit any updated documents about the right share issue. Each share of the bank, which was listed on the DSE in 1983, closed at Tk 14.70 on Sunday, losing 2.65 per cent. Its shares traded between Tk 8.70 and Tk 17.40 in the last year.

<https://thefinancialexpress.com.bd/stock/bsec-refuses-ab-banks-rights-offer-again-1635690105>

GPH Ispat rakes in record profit since listing

The Business Standard, October 31, 2021

- Leading steel manufacturer GPH Ispat registered a record 454% profit last year since its share market listing in 2012, thanks to a combination of introducing new products, capacity expansion and ramping up export to China even amid the pandemic rampage.
- The steel-maker logged Tk166.08 crore profit in the 2020-21 fiscal year as its earnings per share (EPS) stood at Tk4.18, according to a GPH disclosure.
- As the company witnessed the record profit jump, it has recommended a 30% (20% cash and 10% stock) dividend for its shareholders – which is 20% higher than the previous 2019-20 fiscal year.
- The company says the bonus shares have been recommended to utilise the retained amount for capacity expansion. In the previous 2019-20 fiscal year, GPH Ispat's profit was only Tk29.94 crore, while the EPS was Tk0.79. In that year, the company paid a 10% dividend – 5% cash and 5% stock.
- In the disclosure, GPH Ispat said its annual general meeting (AGM) will be held online on 20 December. The record date has been fixed for 22 November. The stock dividend is subject to the approval of the shareholders at the AGM and subsequent approval of the securities regulator.



<https://www.tbsnews.net/economy/stocks/gph-ispate-rakes-record-profit-listing-323524>

DBH profit grows 49% in 3 quarters

The Business Standard, October 31, 2021

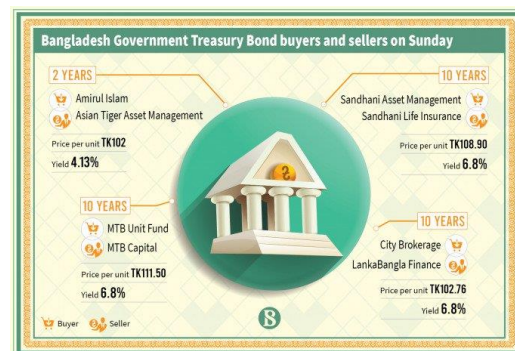
- Delta Brac Housing Finance Corporation (DBH) has posted a 49% growth in net profit in the January-September period this year riding on gains from capital market investments and a significant decline in cost of funds. The non-bank financial institution said on Sunday its profit rose to Tk81.12 crore, from Tk54.57 crore in the same period the previous year.
- In the first nine months, the earnings per share (EPS) stood at Tk4.58, which was Tk3.08 last year. According to its financials, the bank's net interest income increased by 16% to Tk23.06 crore thanks mainly to a drop in the cost of funds. Its investment income rose to Tk10.22 crore, against Tk59 lakh only in 2020.
- It also said it earned Tk4.07 crore more from fees and charges during the first nine months this year over the same period last year. In its disclosure, the non-bank financial institution said its board of directors approved the proposal to increase authorised capital from Tk200 crore to Tk400 crore.

<https://www.tbsnews.net/economy/stocks/dbh-profit-grows-49-3-quarters-323485>

Treasury bonds hit a milestone of multiple trading

The Business Standard, October 31, 2021

- Treasury bonds hit a milestone by being traded multiple times for the first time at the Chittagong Stock Exchange (CSE) on Sunday. The port city bourse arranged the piloting of the multiple trading of government-owned treasury bonds to observe if any technical issues arise or not.
- On that day, four bonds with the tenure of two years and 10 years changed hands. Individual investors Amirul Islam, MTB Unit Fund, Sandhani Asset, and City Brokerage bought the bonds.
- The trading took place through Dhaka Bank Securities, Mona Financial Consultancy and Securities, Square Securities, City Brokerage, and LankaBangla Securities.
- "This is a milestone and a great thing for our stock market," Professor Shaikh Shamsuddin Ahmed, commissioner of the Bangladesh Securities and Exchange Commission (BSEC), said at the inaugural ceremony on the experimental transactions.
- Earlier on 14 October, the trading of government treasury bonds has resumed after 16 years on the secondary market of the Dhaka Stock Exchange (DSE). On that day, the units of the newly-listed Tk4,500 crore treasury bond, issued by the Bangladesh Bank with a 10-year tenure, were traded for Tk1.10 lakh.
- At present, there are 264 treasury bonds worth more than Tk2.5 lakh crore with their tenures ranging from two years to 20 years, data from the central bank showed. Out of which, 222 treasury bonds with tenures from 2-20 years are listed on the stock exchanges. But since 2005, no bonds were traded on the secondary market of the stock exchanges.



<https://www.tbsnews.net/economy/stocks/treasury-bonds-hit-milestone-multiple-trading-323509>

Economy & Industry

Liquidity crunch looms as imports, credit demand on the rise

The Daily Star, November 01, 2021

- Banks will come under a liquidity crunch within three to six months due to an escalation of import financing and a rising demand for loans from businesses as the economy returns to normalcy, warned several top executives yesterday. The excess liquidity had stayed at historically high levels as of June because of the economic slowdown caused by the coronavirus pandemic, but the trend has already begun reversing.
- Five managing directors of banks yesterday said that both import financing and private sector credit growth would rise exponentially in the months ahead, which will subsequently create a liquidity crunch. Some banks are already feeling the pinch of the liquidity shortage, they said.
- Surplus funds in the banking industry stood at Tk 219,600 crore as of September, down from 5 per cent a month ago, according to data from the Bangladesh Bank.
- In June, the excess liquidity rose to a record high of Tk 231,711 crore. This compelled the central bank to revive the Bangladesh Bill, an instrument used to mop up excess liquidity, in August.
- Imports are expected to rise further in the coming months. The pickup in imports has pushed the private sector credit growth. The credit growth stood at 8.77 per cent in September, up from 8.42 per cent a month earlier.



<https://www.thedailystar.net/business/economy/news/liquidity-crunch-looms-imports-credit-demand-the-rise-2210886>

VAT detectives realise Tk3.48cr evaded VAT from Incontrade

The Business Standard, October 31, 2021

- The VAT Audit, Intelligence and Investigation Directorate on Sunday recovered Tk3.48 crore in evaded VAT from Incontrade Ltd, an inland container depot (ICD) based in Chattogram. Earlier, the NBR's VAT intelligence agency in an investigation uncovered the dodging of the amount by the company and filed a case against it under the VAT Act.
- A team, led by Tanvir Ahmed, deputy director of VAT intelligence directorate, conducted an investigation into its activities between July 2014 and June 2017. According to the investigation report, Incontrade is bound to pay VAT as per the law, but it did not do so.
- During the investigation, the VAT intelligence agency took into consideration the company's annual audit reports, copies of treasury invoices and other documents submitted at different times while making the report. They also took into account various information and statements in the company's defence during the investigation.
- During the investigation, the company's payable VAT deduction at source amounted to Tk38.76 lakh during July 2014-June 2017, but it dodged the amount. The company was charged Tk21.80 lakh in interest at a monthly 2% rate as a penalty for VAT evasion.

<https://www.tbsnews.net/economy/vat-detectives-realise-tk348cr-evaded-vat-incontrade-323482>

International

Saudi Aramco Q3 profits soar 158pc on higher oil prices

The Daily Star, November 01, 2021

- Saudi Aramco's earnings rose 158 percent year-on-year in the third quarter on higher oil prices and volumes sold as the global economy recovered, it said on Sunday.
- Aramco's profits surge comes as world leaders prepare for the UN's COP26 climate summit starting in Glasgow later on Sunday, a key meeting in the battle against global warming. Aramco's net income was \$30.4 billion in the third quarter, up from \$11.8 billion in Q3 last year, with free cash flow more than doubling to \$28.7 billion. Shareholders will receive \$18.8 billion in dividends.
- The profits are the biggest since Aramco listed on the Saudi stock exchange in December 2019, before suffering a 44.4 per cent slump in 2020. "The increase in net income was primarily the result of higher crude oil prices and volumes sold," the Saudi oil giant said in its earnings statement.
- The latest rise comes after profits nearly quadrupled in Q2 as the world economy bounced back from the Covid crisis, lifting demand and pushing oil prices back above \$80 a barrel.

<https://www.thedailystar.net/business/global-economy/news/saudi-aramco-q3-profits-soar-158pc-higher-oil-prices-2210826>

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