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Stock Market & Company

Stocks continue to lose steam

Newage, November 01, 2021

- Dhaka stocks edged down on Monday after a significant fall in the previous session as investors remained cautious on the trading floor amid the current downward trend on the market. DSEX, the key index of the Dhaka Stock Exchange, shed 0.04 per cent, or 2.9 points, to close at 6,998.03 points on Monday after losing 61.41 points in the previous session.
- Average share price of non-bank financial institution, telecommunication and bank sectors dropped by 2 per cent, 1.22 per cent and 0.7 per cent respectively. Turnover on the DSE declined to Tk 1,275.4 crore on Monday from Tk 1,637.02 crore in the previous session. Monday's turnover was the lowest after July 19 when it was at Tk 1,264.49 crore.
- Among the prominent companies, share prices of Beximco Pharmaceuticals, British American Tobacco Company and Eastern Bank Limited soared on Monday that saved the market from a significant fall. DS30, a composition of 30 large capitalised companies, however, gained 0.19 per cent, or 5.1 points, to close at 2,625.7 points on Monday.
- Of the 374 scrips traded on the DSE on Monday, 133 advanced, 205 declined and 38 remained unchanged. Shariah index DSES also added 0.26 per cent, or 3.96 points, to settle at 1,474.46 points.
- BEXIMCO led the turnover chart with its shares worth Tk 128.21 crore changing hands on the day. Fortune Shoes, IFIC Bank, Orion Pharma, Delta Life Insurance Company, SAIF Powertec, Malek Spinning Mills, Beximco Pharmaceuticals, Genex Infosys and Alif Manufacturing Company were the other turnover leaders on the day.

<https://www.newagebd.net/article/153412/stocks-continue-to-lose-steam>

Leading NBFIs log higher EPS in January-September

The Financial Express, November 01, 2021

- The country's leading listed non-banking financial institutions (NBFIs) have reported higher profit in the nine months for January-September 2021 compared to the same period of last year. Market insiders said earnings per share (EPS) of most of the NBFIs increased thanks to lower cost of funds, relaxed loan classification and capital gains through investment in stock market.
- The EPS of eight companies soared, three saw slight decline while one continued to incur losses, of the 12 NBFIs which published un-audited consolidated financial reports for January-September, 2021 as of Sunday.
- The companies whose EPS increased are Prime Finance & Investment, Bay Leasing & Investment, Bangladesh Finance, LankaBangla Finance, Delta Brac Housing Finance Corporation, United Finance, IPDC Finance and GSP Finance, Islamic Finance, IDLC Finance and National Housing Finance saw their EPS fall marginally while Union Capital remained in losses during the period under review, according to Dhaka Stock Exchange (DSE) data.
- Delta Brac Housing Finance has reported 49 per cent growth year-on-year in EPS for January-September 2021. It's net interest income increased by 16 per cent due mainly to decrease of cost of fund, according to the company.
- LankaBangla Finance's EPS has been soared by 89 per cent mainly because of surge in net investment income of Tk 864.18 million from capital market, increase in brokerage and underwriting commission of Tk 707.94 million and raise in the operational income of Tk 193.51 million offset by noteworthy increase in provisions and suspense for lease, loans and advances (Tk 1,339.20 million).

Un-audited EPS of 12 listed NBFIs for nine months

NBFIs	Jan-Sept, 2021	Jan-Sept, 2020	Change in %
Prime Finance	Tk 0.29	Tk 0.03	867
Bay Leasing	Tk 2.75	Tk 1.02	170
BD Finance	Tk 2.07	Tk 1.01	105
LankaBangla	Tk 1.67	Tk 0.88	89
DBH	Tk 4.58	Tk 3.08	49
United Finance	Tk 0.71	Tk 0.50	42
IPDC Finance	Tk 1.70	Tk 1.35	26
GSP Finance	Tk 1.27	Tk 1.01	26
Islamic Finance	Tk 0.89	Tk 0.99	-10
IDLC Finance	Tk 4.02	Tk 4.07	-1.23
NHFIL	Tk 2.11	Tk 2.13	-1.0
Union Capital	Tk (2.29)	Tk (2.63)	---

Source: DSE

<https://thefinancialexpress.com.bd/stock/leading-nbfis-log-higher-eps-in-january-september-1635741783>

Legacy shares soar despite poor dividend

The Daily Star, November 02, 2021

- The price of Legacy Footwear Limited's stock soared around 8 per cent yesterday in spite of its announcement earlier in the day that it was going to give out a minimal amount as dividend. The company's stock price closed at Tk 62.40 whereas it was Tk 58 on the previous day. Its Dhaka Stock Exchange (DSE) website disclosure said it was going to give out 1 per cent cash dividend, that too to only general shareholders.
- The price rise after the announcement of a minimal dividend is not logical, said a merchant banker, preferring anonymity. A vested group is spreading rumours that the stock will undergo manipulation, so people rushed to buy it, he said. So the dividend declared did not come into consideration, he said, adding that general investors should be cautious and refrain from making investments based on rumours.
- The company had not declared any dividend in 2019-20 but announced 5 per cent and 20 per cent in the preceding years respectively. Legacy Footwear has a paid-up capital of Tk 13 crore alongside 1.30 crore shares, shows the DSE data.

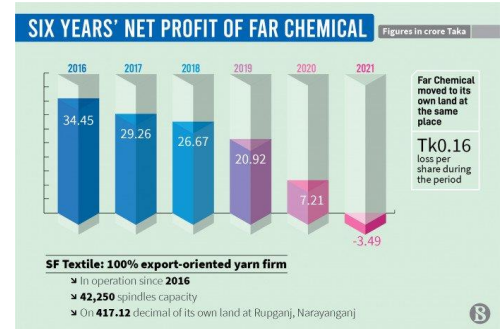
<https://www.thedailystar.net/business/economy/stock/news/legacy-shares-soar-despite-poor-dividend-2211771>

Far Chemical to merge with SF Textile

The Business Standard, November 01, 2021

- Far Chemical Industries Limited has decided to merge with SF Textile Industries Limited, a non-listed public limited firm, subject to the approval of shareholders and relevant authorities. The board of directors of the company also decided to shift its factory from Comilla EPZ to its premises at Rupganj, Narayanganj.
- According to the company statement, Far Chemical will take over all assets and liabilities of SF Textile Industries. SudipBanik, a manager of Far Group, said Far Chemical Industries has decided to shift its factory to its land at Rupganj, Narayanganj from the Export Processing Zone (EPZ) of Cumilla.

- The company management hoped that it may be possible to complete processing within six months after which it will be shifted to the new location, he added.
- Far Chemical Industries is a concern of Far Group. The Group was established in 1993 based on 100% export-oriented Sweater Industry. The group has two other firms- ML Dyeing and RN Spinning Mills that were listed in the capital market. Earlier, Far Chemical Industries recommended a 1% cash dividend for the year ending on 30 June 2021.

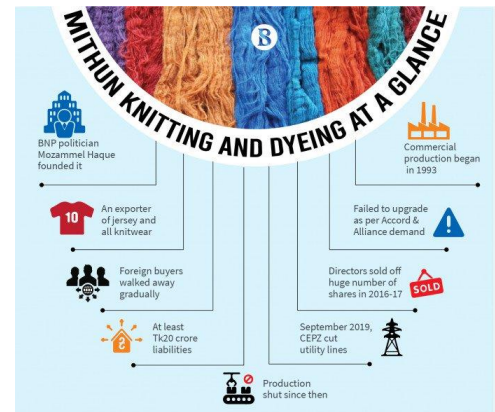


<https://www.tbsnews.net/economy/stocks/far-chemical-merge-sf-textile-323977>

Closed Mithun Knitting factory auctioned as liabilities mount

The Business Standard, November 01, 2021

- Chattogram Export Processing Zone (CEPZ) has auctioned the factory assets of Mithun Knitting and Dyeing Ltd that pulled down its shutter two years ago in the face of mounting liabilities. But the auction rate and the buyer of the listed textile company was all a hush-hush affair as CEPZ refused to disclose the information.
- Accord and Alliance was the foreign apparel buyers' designated group that worked on workplace safety in Bangladesh following the 2013 Rana Plaza garment collapse. Mithun Knitting failed to pass the workplace safety screening and did not invest in the compliances either.
- According to the Dhaka Stock Exchange, Mithun Knitting's total short-term loan hovered below Tk5.85 crore in mid-2008. After being listed in 1994, the company posted its last profit in 2016 which was less than Tk7 crore for that year.
- The company in the 2016-2017 fiscal year recorded a loss as the losses in the next two consecutive fiscal years surpassed Tk13 crore. According to a CEPZ source, the company owed more than Tk20 crore to various service providers while the dues to the EPZ alone crossed Tk1 crore.
- Reflecting their negative outlook and a lack of seriousness, most of the new generation directors of Mithun Knitting sold off a large portion of their shares in the company in 2016 and 2017 – just before it turned into a loss-making venture. In the bull market of 2021, Mithun Knitting shares surprisingly shot to over Tk26 from less than Tk8 in the Dhaka Stock Exchange despite no good news regarding production.



<https://www.tbsnews.net/economy/stocks/closed-mithun-knitting-factory-auctioned-liabilities-mount-323995>

Krishibid feed debuts on DSE tomorrow

The Business Standard, November 01, 2021

- Krishibid Feed Limited is slated to make its debut on the SME platform of the Dhaka stock exchange on Wednesday. On 28 October, the company credited its primary shares to investors' BO account. The company completed its subscription during 10-14 October and oversubscribed by 25.42 times.
- As many as 513 qualified investors applied for the company's shares to the tune of Tk559.37 crore. Earlier, the company received approval from the BSEC to raise Tk22 crore from the capital market through a QIO. The feed maker will issue 2.20 crore general shares at Tk10 each.
- According to the company's financial statements, its earnings per share (EPS) was Tk1.67 till 31 December 2020. The net asset value without revaluation reserve was Tk18.47. The company cannot issue bonus shares for three years after its listing on the SME platform. The issue manager of the company is MTB Capital Limited.

<https://www.tbsnews.net/economy/stocks/krishibid-feed-debuts-dse-tomorrow-323950>

CSE conducts mock trading of treasury bond

The Financial Express, November 01, 2021

- Bangladesh Securities and Exchange Commission (BSEC) and bourses have accelerated the ongoing joint move for commencing trading of treasury bonds to diversify the country's stock market along with enhancing its depth.
- Dr. Shaikh Shamsuddin Ahmed, a BSEC commissioner, said this on Monday at a programme organised by Chittagong Stock Exchange (CSE) to conduct trial trading of treasury bond. On the day, the port city bourse CSE conducted trading of some treasury bonds under the large scale piloting.
- CSE chairman Asif Ibrahim, joint secretary of the financial institutions division Dr. Nahid Hasan, joint secretary of finance division Md. Firoz Ahmed, and executive director of the securities regulator Md. Saifur Rahman, among others, attended the CSE's programme. Meanwhile, Dhaka Stock Exchange (DSE) recently has conducted a transaction of T-bonds on a trial basis through a virtual programme.

<https://thefinancialexpress.com.bd/stock/cse-conducts-mock-trading-of-treasury-bond-1635742574>

Maksons Group's two listed cos see staller profit growth in Q1

The Business Standard, November 01, 2021

- Metro Spinning Mills and Maksons Spinning, two concerns of Maksons Group, witnessed stellar growth in the July-September quarter of the fiscal 2021-22, thanks to the higher price of yarn. At the end of the first quarter, Metro Spinning's earnings per share jumped 700% to Tk0.40 and the Maksons Spinning Mills earnings per share grew 582% to Tk0.75.
- According to the Export Promotion Bureau, apparel shipments grew by 41.66% in September this year compared to the same month last year. The highest earnings, \$1.90 billion, came from knitwear shipment, while woven items fetched \$1.51 billion, both posting over 41% growth from a year-ago period.
- Meanwhile, after April this year, Metro Spinning's share price jumped 355% to Tk35 till September. At the end of the Monday trading session, its share price closed at Tk26.90 at the Dhaka Stock Exchange. Besides, Maksons share price also grew 441% to Tk34.60 in the same period and it closed at Tk31.90 on Monday.
- Maksons declared a 11% cash dividend for the shareholders for the fiscal year 2020-21 and Metro Spinning recommended a 5% stock dividend.

<https://www.tbsnews.net/economy/maksons-groups-two-listed-cos-see-staller-profit-growth-q1-323974>

Alif Group to acquire C&A Textiles

The Business Standard, November 01, 2021

- Alif Group has reached an agreement with C&A Textiles to take over the firm that has not been in production for a long time.
- In a media call, arranged by the Alif Group to disclose details on the acquisition, Alif Group's Managing Director Azimul Islam said, "Previously we have bought CMC Kamal Textile and Sajeed Industries which is currently doing rather well under Alif Group. Likewise, we want to take C&A Textile forward." Responding to a query on if there is any ill intent behind the decision to acquire the company, Azimul responded saying, "No business can grow with ill-motives."
- Earlier, the group announced the acquisition of Central Pharma and BD Welding, which are listed on the stock exchange. This led to a significant increase in the share price of those companies. But later the group backed away from the acquisition decision.
- The Bangladesh Securities and Exchange Commission (BSEC) also fined Alif Group's managing director and others for manipulating shares of Legacy Footwear. Asked about these issues, Azimul Islam said there were several problems with the acquisition of Central Pharma and BD Welding. So we did not proceed.
- In a presentation on C&A Textile, it was said that the company's factory in the BSCIC area of Chattogram closed down in 2016. By 2021, the company is under loans amounting to Tk 250 crore with interests and other debts standing at around Tk22 crore. Alif Group managing director said that initially, they will deposit Tk30-50 crore as share money deposit.

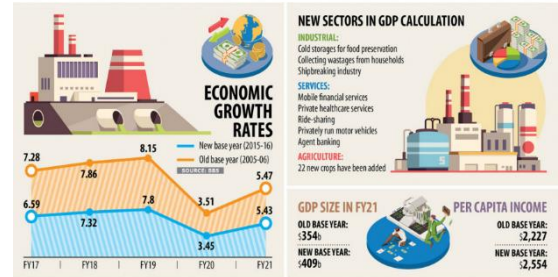
<https://www.tbsnews.net/economy/corporates/alif-group-acquire-ca-textiles-324010>

Economy & Industry

GDP size up, growth down as new base year takes effect

The Daily Star, November 02, 2021

- The economic growth rates posted in recent years were revised downwards but the size of the economy expanded thanks to a new base year adopted by the Bangladesh Bureau of Statistics (BBS). For example, Bangladesh's gross domestic product (GDP) grew at a pace of 8.15 per cent in fiscal 2018-19, the highest on record, as per the base year 2005-06. But the growth rate fell to 7.88 per cent as per the new base year of 2015-16.
- According to the new base year, Bangladesh was an economy of Tk 34,840 billion in current prices in FY21, up 15.7 per cent from Tk 30,111 billion as per the previous base year.
- In constant prices, it stood at Tk 27,939 billion in FY21 as per the new base year, up from Tk 12,072 billion as per the old base year, according to a document of the BBS.
- In terms of dollars, the GDP size stood at \$409 billion in the last fiscal year if Tk 85 per USD exchange rate is taken into account. Per capita income rose to \$2,554 in FY21 as per the new calculation, which was \$2,227 as per the old one. Only the Maldives (2014) and India (2011-12) come close, while Pakistan (2005-06) and Sri Lanka (2010) are well behind.
- The new base year uses data on about 144 crops while computing the contribution of the agriculture sector to the GDP, which was 124 crops in the previous base year.



<https://www.thedailystar.net/business/economy/news/gdp-size-growth-down-new-base-year-takes-effect-2211826>

Foreign cos keen to invest \$1.16bn in Bangladesh

The Business Standard, November 01, 2021

- Foreign investors who participated in the weeklong trade and investment summit have expressed their interest in investing \$1.16 billion in Bangladesh, said Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI), on Monday. A Chinese company alone wanted to invest \$1 billion in the infrastructure sector, he told the media while highlighting the summit's outcome in the chamber's conference room.
- Some 20 companies from 13 countries, such as Vietnam, China, Thailand, the United Kingdom, Japan, Sri Lanka, the Philippines, Hong Kong, Nigeria, Pakistan and Iran, want to invest in different sectors through joint ventures, while investors from six countries showed their interest for direct investment in infrastructure, pharmaceuticals, baby bottle, umbrella, agro and food processing, and IT sectors, according to him.
- The commerce ministry and the DCCI jointly organised the seven-day trade and investment summit that ended on Monday. Some 369 business-to-business meetings were held with organisations from 38 countries that took part at the virtual event.
- The sectors that have foreign investment opportunities are power, energy, dairy products, ICT, digital land management, air conditioner and LED light, port and terminal development, infrastructure, renewable energy, payment gateway, readymade garment, leather, solar energy, fast moving consumer goods, jewellery, telecommunication, jute and jute made carpets.

<https://www.tbsnews.net/economy/bangladesh-receives-116b-investment-proposals-323941>

International

World leaders seek ways to strengthen global supply chains

The Daily Star, November 02, 2021

- US President Joe Biden and 16 other world leaders on Sunday discussed action to make supply chains more resilient in the face of any future health crises, as well as climate change and even planned attacks. Supply chain problems have emerged as the global economy has pulled out of a pandemic-induced recession and threaten to slow recovery.
- They have already stoked inflation. "We have to take action now, together with our partners in the private sector, to reduce the backlogs that were facing. And then, we have to prevent this from happening again in the future," Biden told world leaders at a meeting to address supply chain bottlenecks on the sidelines of the G20 in Rome.
- "Now that we have seen how vulnerable these lines of global commerce can be, we cannot go back to business as usual. This pandemic won't be the last global health crisis we face. We also need to increase our resilience in the face of climate change, natural disasters, and even planned attacks," he said.
- Apart from the United States, leaders and representatives from the European Union, Australia, Britain, Canada, Democratic Republic of Congo, Germany, Indonesia, India, Italy, Japan, Mexico, the Netherlands, Republic of Korea, Singapore and Spain took part in the meeting. A written White House summary of the talks said countries expressed willingness to work together to make supply chains more resilient.

<https://www.thedailystar.net/business/global-economy/news/world-leaders-seek-ways-strengthen-global-supply-chains>

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