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Stock Market & Company

Dhaka stocks drop for 3rd day

Newage, November 02, 2021

- Dhaka stocks dropped for the third day on Tuesday as investors, grappled with the persistent volatility on the market, kept selling shares to avoid further erosion in their investments. DSEX, the key index of the Dhaka Stock Exchange, slumped by 0.62 per cent, or 43.68 points, to close at 6,954.35 points on Tuesday.
- Among the prominent companies, share prices of LafargeHolcim Bangladesh, British American Tobacco Company, Square Pharmaceuticals and BEXIMCO dropped on Tuesday. Average share prices of all sectors except textile and telecommunication dropped on the day.
- Share prices of cement, food, bank and non-bank financial institution sectors slumped by 2.5 per cent, 1.88 per cent, 0.99 per cent and 0.81 per cent respectively. Turnover on the DSE inched up to Tk 1,295.11 crore on Tuesday from Tk 1,275.4 crore in the previous session.
- DS30, a composition of 30 large capitalised companies, lost 0.75 per cent, or 19.76 points, to close at 2,605.94 points on Tuesday. Of the 374 scrips traded on the DSE on Tuesday, 201 declined, 147 and 28 remained unchanged. Shariah index DSES also dropped by 0.42 per cent, or 6.28 points, to settle at 1,468.18 points.
- DSMEX Index, an index of the SME platform, lost 3.75 per cent, or 26.86 points, to close at 689.35 points on Tuesday. BEXIMCO led the turnover chart with its shares worth Tk 124.63 crore changing hands on Tuesday.
- IFIC Bank, Alif Manufacturing Company, Makson Spinning Mills, Orion Pharma, Malek Spinning Mills, Beximco Pharmaceuticals, British American Tobacco, Saif Powertec and LafargeHolcim Bangladesh were the other turnover leaders on the day.

<https://www.newagebd.net/article/153476/dhaka-stocks-drop-for-3rd-day>

City Bank arranges Tk 742cr for power plant

The Daily Star, November 03, 2021

- City Bank has arranged a Tk 742 crore syndicated loan with Bank Asia and Eastern Bank for a heavy fuel oil-based power plant being run by Manikganj Power Generations Ltd.
- The financing will help the power plant operate smoothly, said a City Bank official. The plant, located at Shingair of Manikganj, has a production capacity of 162 megawatts (MW) and is owned by Doreen Group. City Bank provided Tk 217 crore and credit guarantee of Tk 525 crore, of which Tk 355 crore is from Bank Asia and Tk 170 crore from Eastern Bank.
- Providing credit guarantee means City Bank will have to repay the fund to the two banks if the borrower fails to pay back the loans. The repayment tenure of the loan is 10 years.
- Tahzeeb Alam Siddique, managing director (MD) of Manikganj Power Generations Ltd, Mashrur Arefin, MD of City Bank, Md Arfan Ali, MD of Bank Asia, and Ahmed Shaheen, deputy managing director of Eastern Bank Limited, were present.

<https://www.thedailystar.net/business/economy/banks/news/city-bank-arranges-tk-742cr-power-plant-2220916>

Meghna Insurance wants to go public for Tk16cr

The Business Standard, November 02, 2021

- Meghna Insurance Company wants to raise Tk16 crore from the stock market to strengthen its business. The insurer has sought approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue an initial public offering (IPO) under the fixed price method.
- Once approved, the firm will issue 1.6 crore ordinary shares at a face value of Tk10 each. It wants to invest Tk2.40 crore in the government treasury bonds, Tk3.20 crore in listed securities, and Tk9.52 crore in fixed deposit receipts (FDRs).
- Meghna Insurance Company Limited has decided to enter the capital market after getting an exemption from the commission. In the January-March quarter of 2021, the net profit of the company was Tk2.67 crore, which was Tk5.24 crore in the same period a year ago.
- The total income of the company was Tk5.84 crore and the total asset was Tk109.74 crore till March 2021. Its paid-up capital was Tk24 crore, while the authorised capital is Tk100 crore. According to the audited report for 2020, the revenue of the company was Tk61.94 crore. Asian Tiger Capital Partners Investments, Prime Bank Investment, UCB Investment are working as issue managers of the company.

<https://www.tbsnews.net/economy/stocks/meghna-insurance-wants-go-public-tk16cr-324484>

Now resigns DSE's new chief regulatory officer

The Business Standard, November 02, 2021

- Following the resignation of immediate past Managing Director Kazi Sanaul Hoq, and Chief Financial Officer Abdul Matin Patwary, now the Dhaka Stock Exchange's (DSE) Chief Regulatory Officer (CRO) Md Shawkat Jahan Khan has resigned from his post in two months of joining the premier bourse.
- Being contacted on Tuesday, Khan confirmed the news of his resignation, but declined to comment further.
- DSE Managing Director (In-charge) M Shaifur Rahman Mazumdar told The Business Standard, "Mr Khan did not mention any reason behind his resignation and requested the concerned board committee of the DSE to process his resignation according to regulations."

<https://www.tbsnews.net/economy/stocks/now-resigns-dses-new-chief-regulatory-officer-324481>

Each resident investor avails 40 Acme Pesticides shares in IPO

The Business Standard, November 02, 2021

- Against their subscription for 1,000 primary shares in the initial public offering (IPO) of Acme Pesticides Limited, each resident individual investor is set to avail 40 shares, disclosed the Dhaka Stock Exchange (DSE).
- Non-resident investors have been individually set to own 63 shares as competition is little less for them, the premier bourse informed following the pro-rata share allocation event held on Tuesday in DSE Tower.

- Earlier this year, the capital market regulator introduced a pro-rata basis for primary share allocation in cases of oversubscription abolishing the lottery method to pick the lucky investors. Acme Pesticides IPO was 20.22 times oversubscribed.

<https://www.tbsnews.net/economy/stocks/each-resident-investor-avails-40-acme-pesticides-shares-ipo-324394>

Achia Sea Foods files for Tk15cr through QIO

The Business Standard, November 02, 2021

- Achia Sea Foods Ltd wants to raise Tk15 crore from the capital market through a qualified investor offer (QIO) to expand the business. The company has already applied to the Bangladesh Securities and Exchange Commission (BSEC) recently.
- Achia Sea Foods Ltd is a shrimp producer company in the frozen food processing industry. It was launched on 27 December 1993. The company is engaged in the processing and exporting of finished quality seafood products 'shrimps and fishes' in the foreign market.
- The company will issue 1.5 crore general shares, each priced at Tk10. According to the financial statements of 30 June 2021, the revenue of the company was Tk137.73 crore, which was Tk44.02 crore in the previous year.
- Consequently, the net profit of the company was Tk4.20 crore, which was Tk1.48 crore in the previous year. During the period, its earnings per share was Tk1.88 and net asset value per share was Tk17.07.

<https://www.tbsnews.net/economy/stocks/achia-sea-foods-files-tk15cr-through-qio-324409>

Sena Kalyan Insurance to debut 7 Nov

The Business Standard, November 02, 2021

- Sena Kalyan Insurance Company Ltd will make its debut on the Dhaka Stock Exchange and Chittagong Stock Exchange on 7 November. On 2 November, the Central Depository Bangladesh Limited (CDBL) credited the company's primary shares to investors' BO account.
- The company has been oversubscribed by 35.28 times. The company has completed its subscription during 3-8 October. Around 4.66 lakh investors applied for company shares to the tune of Tk564.53 crore. Earlier, BSEC allowed the insurer to raise Tk16 crore from the stock market through an IPO to strengthen its business.
- The firm will issue 1.6 crore ordinary shares at a face value of Tk10 each under the fixed price method. Out of Tk16 crore, the company will invest Tk3 crore in the government treasury bonds, Tk3.20 crore in listed securities in the capital market, Tk2.5 crore in lands, and Tk6.2 crore in FDRs.

<https://www.tbsnews.net/economy/stocks/sena-kalyan-insurance-debut-7-nov-324400>

Economy & Industry

Spinners doing well but denim is not

The Business Standard, November 02, 2021

- Spinning mill owners are doing business well as they hiked the prices of yarn because of the cotton price hike in the international markets. But businesses involved in the denim sector are on a losing streak due to the decreased demand for their produce.
- Investment bankers say the country's apparel sector has recorded growth in profit in the 2020-21 financial year, compared to the 2019-20 financial year amid the Covid-19 pandemic.
- Even many big companies declared huge investments as the demand for apparel products have increased over the previous period. With this, the shares of textile companies listed on the capital market saw a huge price hike.
- On the other hand, the demand for denim products has decreased although the demand for knit garments had risen in

COMPANY	EPS (2019-20)	EPS (2020-21)	GROWTH (%)	DIVIDEND (2020-21)	DIVIDEND (2019-20)
APEX SPINNING	Tk1.48	Tk2.93	97.97	20% cash	15% cash
ARGON DENIM	Tk1.46	Tk0.71	-51.37	10% cash and 5% stock	5% cash and 5% stock
DESH GARMENTS	Tk0.42	Tk0.4	-4.76	5% cash	3% stock
ENVIOY TEXTILE	Tk1.63	Tk0.56	-65.64	10% cash	5% cash
ESQUIRE KNIT	Tk1.97	Tk2.2	11.68	15% cash	15% cash
EVINCE TEXTILE	Tk0.19	Tk0.001	-99.47	2% cash	5% stock
HR TEXTILE	Tk1.11	Tk2.89	160.36	5% cash and 5% stock	10% cash
MAKSONS SPINNING	Tk -0.37	Tk 2.07	659.46	11% cash	2% cash
MALEK SPINNING	Tk -1.68	Tk 3.36	300.00	10% cash	nil
MATIN SPINNING	Tk 2.16	Tk 6.31	192.13	40% cash	18% cash
METRO SPINNING	Tk 0.08	Tk 0.99	1137.50	5% stock	2% cash
PRIME TEXTILE	Tk -2.67	Tk 0.62	123.22	2% cash	1% cash
PARAMOUNT TEXTILE	Tk 4.25	Tk 4.27	0.47	20% cash and 5% stock	15% cash and 5% stock
RAHIM TEXTILE	Tk 0.75	Tk 2.25	200.00	16% cash	11% cash
SQUARE TEXTILE	Tk 0.27	Tk 3.41	1162.96	20% cash	10% cash

the global market during the pandemic. The market of Denim products has not turned around. Hence, denim makers are on a losing streak.

- Spinning mill owners said yarn making entities usually stock cotton for at least six months. As the production of yarn had dropped significantly due to the pandemic, the stock of cotton was high. In the meantime, the price of yarn has increased as the prices of cotton hiked in the global market. They racked in huge profits utilising the advantage of the price hike of yarn made from the cotton they stocked at lower rates during the pandemic.
- Yarn manufacturers have posted a maximum 1000 % growth in profit in the 2020-21 financial year. The profit of Metro Spinning Limited of Maksons Group and Square Textile Limited of Square Group has increased by 1,100 %.

<https://www.tbsnews.net/economy/stocks/spinners-doing-well-denim-not-324469>

Weakening exchange rate driving down remittance flows

The Daily Star, November 03, 2021

- The flow of remittance to Bangladesh has been shrinking for the last several months as the number of people going abroad in search of jobs is declining and money transfers through informal channels like hundi have made a comeback with the ease of pandemic restrictions.
- Expatriate Bangladeshis sent home \$1.65 billion in October, down 4.6 per cent from the previous month and 21.7 per cent year-on-year, data from the Bangladesh Bank showed. Speaking about the factors for the sharp decline in remittance, Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue, says the first thing is that the number of Bangladeshis going abroad for jobs has fallen over time.
- Moreover, as people's international movement resumed after a lull for more than a year owing to coronavirus restrictions, the global hundi cartel, which operates an illegal cross-boundary financial system, has become active again. But the flow of remittance, which plays a major role in strengthening the country's foreign exchange reserves, fell 20 per cent year-on-year to \$7.05 billion in the first four months of the current fiscal year.

<https://www.thedailystar.net/business/economy/news/weakening-exchange-rate-driving-down-remittance-flows-2220921>

International

Most markets rise in Asia

The Daily Star, November 03, 2021

- Asian markets mostly rose Tuesday as traders bided their time ahead of key central bank meetings this week that are expected to see officials begin withdrawing their vast pandemic-era financial support, while keeping a wary eye on inflation and supply chain snarls.
- Another record close on Wall Street provided a fruitful lead thanks to a strong earnings season that has seen the vast majority of companies beat expectations despite concerns about the impact of surging input costs and spiking Covid infections in the third quarter.
- Hong Kong was among the best performers in early business Tuesday, helped by a surge in tech companies, which were enjoying some bargain-buying after a torrid year that has seen China tighten its grip on the sector.
- Property giant China Evergrande's payment of interest on a second overdue bond before a weekend deadline provided an extra lift and slightly eased fears about an imminent collapse. The Hang Seng Index climbed more than 1.5 percent, as did Seoul, while there were also advances in Shanghai, Singapore, Taipei, Manila and Jakarta. Tokyo dipped after soaring more than two percent on Monday, with Sydney and Wellington also slightly lower.
- While the Bank of England and Reserve Bank of Australia will be closely watched, the Federal Reserve's gathering is the main focus of attention. US authorities are forecast to start tapering their bond-buying programme this month but observers said the board's timeline on raising borrowing costs will be top of the agenda.

<https://www.thedailystar.net/business/global-economy/news/most-markets-rise-asia-2220861>

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