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Stock Market & Company

Stocks dip further as falling market unnerves investors

Newage, November 03, 2021

- Dhaka stocks dropped for the fourth day on Wednesday as investors, unnerved by the ongoing downward trend on the market, kept selling shares. DSEX, the key index of the Dhaka Stock Exchange, slumped by 0.8 per cent, or 56.07 points, to close at 6,898.27 points on Wednesday.
- The DSEX lost 164 points in the last four sessions. Among the prominent companies, share prices of British American Tobacco Company, Beximco Pharmaceuticals, Square Pharmaceuticals, Orion Pharmaceuticals, Grameenphone and GPH Ispat dropped on Wednesday.
- Share prices of food, textile, non-bank financial institution and bank sectors slumped by 3.1 per cent, 1.7 per cent, 0.8 per cent and 0.2 per cent respectively.
- Turnover on the DSE dropped to Tk 1,154.43 crore on Wednesday from Tk 1,295.11 crore in the previous session. Wednesday's turnover was the lowest after June 29 when it was at Tk 1,148.08 crore.
- DS30, a composition of 30 large capitalised companies, shed 0.77 per cent, or 20.13 points to close at 2,585.8 points on Wednesday. Shariah index DSES also dropped by 0.47 per cent, or 7.01 points, to settle at 1,461.16 points.
- DSMEX Index, an index of the SME platform, increased by 1.23 per cent, or 8.48 points, to close at 697.83 points on Wednesday.
- BEXIMCO led the turnover chart with its shares worth Tk 149.15 crore changing hands on Wednesday. Orion Pharma, IFIC Bank, British American Tobacco, Delta Life Insurance Company, LafargeHolcim Bangladesh, Kattali Textiles, Saif Powertec, Alif Manufacturing Company and Beximco Pharmaceuticals were the other turnover leaders on the day.



<https://www.newagebd.net/article/153611/stocks-dip-further-as-falling-market-unnerves-investors>

Bangladesh regulator readies bond insurance product

The Financial Express, November 03, 2021

- The insurance regulator has now prepared "bond insurance product" as a financial tool for attracting bonds onto the capital market to enhance supply of chips for trading, officials say.
- Bond insurance is a type of insurance policy that a bond issuer purchases and that guarantees the repayment of the principal and all associated interest payments to the bondholders in the event of default.
- The Insurance Development and Regulatory Authority (IDRA), the regulator, has already sent the product to the securities regulator or BSEC for endorsement.
- The insurance regulator has been working to introduce insurance products for bond issuers over the past few months that will guarantee repayment of the principal and all associated benefits to the bondholders in the event of issuer default.
- IDRA, the regulator for 81 life and non-life firms in insurance sector, made the move for insurance coverage of the fixed-income instruments on the capital market.
- The draft rules say the investors would get 100-per cent yields or profits if the bond issuer failed to pay the interest to the investors. The principal amount, however, will be outside the risk coverage.
- People who are familiar with the developments earlier had told the FE that they would consider risk associated with both principal and yields. But now the product designed by the regulator will cover only interest or yields.

- Guarantees payment of interest in case of default
- Already submitted and awaits BSEC nod
- For 'Sukuk' or Islamic securities, bond insurance not mandatory-may offer in light of Sharia
- No protection for individual investors in case of default by bond issuers

<https://thefinancialexpress.com.bd/stock/bangladesh-regulator-readies-bond-insurance-product-1635993671>

Sonali Paper profit keeps soaring on share business

The Business Standard, November 03, 2021

- Paper-based packaging board manufacturing company Sonali Paper and Board Mills Limited, a concern of Younus Group of Industries, reported higher profit in the last fiscal year and it maintains growth in the first quarter of this fiscal year thanks to higher return from share business.
- It relisted in the main board of the stock exchanges from the over-the-counter market (OTC) in 2020. OTC is a platform for non-performing companies after being delisted from the main board.
- Between July and October, Sonali's share price jumped 245% to Tk679 based on its higher profit growth and it is going to issue right share and recommend handsome dividends, said a stock broker seeking anonymity. It declared a 20% cash and 20% stock for FY2021, which was 5% cash and 10% stock in the previous year.
- In FY2021, riding on the share business, the company reported a 235% growth in net profit to Tk8.94 crore, while it earned Tk5 crore from the capital market. But the company achieved only 3% growth in its core business.
- The same thing happened in the July-September period of the fiscal year 2021-22. During this quarter, they earned Tk12 crore from the share business, while it earned only Tk3.7 crore by selling paper-based packaging board. During this period, it posted 967% growth in net profit to Tk12.18 crore.

<https://www.tbsnews.net/economy/stocks/sonali-paper-profit-keeps-soaring-share-business-324955>

S Alam Cold Rolled declares 10% cash dividend

The Business Standard, November 03, 2021

- S Alam Cold Rolled Steels Limited, a concern of S Alam Group, has recommended a 10% cash dividend for the fiscal year 2020-21. The board of directors of the company took the decision at a meeting held on Wednesday evening. In the last fiscal, its earnings per share was Tk0.88, which was 60% higher than the previous year.
- The company said in its statement that the profit increased due to revenue increase. It was listed with the stock exchanges in 2006. Its share price fell by 4.07% to close at 33 on Wednesday at the Dhaka Stock Exchange.

- The company was established in 2000 in Chattogram and started its commercial operation in 2004. At present, its annual production capacity is 1.20 lakh tonnes. Afterward, in order to meet the increasing demand of non-oxide furnace type sheet throughout the world and in this region, S Alam Cold Rolled set up a galvanising line with an annual capacity of 72,000 tonnes of sheets.

<https://www.tbsnews.net/economy/stocks/s-alam-cold-rolled-declares-10-cash-dividend-324952>

Economy & Industry

Drastic traffic through Benapole-Petrapole; bottleneck harming Bangladeshi importers

The Business Standard, November 04, 2021

- Trade traffic at the Benapole Land Port in Jashore has increased impressively since the lockdown ended. Every day around 300 – 350 trucks cross the port to India with export items. During the lockdown, there were only about 100 trucks. About the same number of trucks, 300 or so, come in from India with imports, which used to be around 150 trucks during the lockdown.
- However, the increase in traffic has led to a congestion of cargo trucks, both at the Indian port of Petrapole and in Benapole. There have also been a few complications in Petrapole causing freight trucks carrying imports to get stuck on their way to Bangladesh. The Benapole port authorities say that without these complications, more cargo trucks could have arrived at the port, increasing trade volume.
- **Benapole at a glance:** Benapole Land Port is one of 23 land ports in the country. The port is some 84 kilometres away from India and a freight truck can reach Kolkata within just three hours from the port and it takes around the same time for a cargo truck from Kolkata to reach Benapole port. Due to the transportation system being convenient, traders prefer this route for trading purposes.
- According to Benapole port sources, from FY2014 – 15 to FY2018 – 19, more than 18 lakh tons of goods were exported through the port. In FY2018 – 19, some four lakh tons of goods were exported, while in FY2019 – 20, more than three lakh tons of goods were exported. In FY2020 – 21, nearly three lakh tons of goods were exported.

<https://www.tbsnews.net/dropped/trade/drastic-traffic-through-benapole-petrapole-harming-bangladeshi-importers>

StanChart offers deposit solution to IDLC Finance

The Daily Star, November 04, 2021

- Standard Chartered Bangladesh has recently signed an agreement with IDLC Finance for the latter to use its "Straight2Bank Pay" solution. IDLC Finance has recently launched an Online Digital Deposit Service, says a press release.
- The solution will enable the service to act as a single gateway with multiple payment options for the collection of deposits from the IDLC's depositors. Real time application programming interface integration will allow instant transfer of deposit information.
- IDLC Finance depositors can also open fixed deposit accounts anywhere, anytime and make payment using the multiple payment options. Such solutions will enable today's corporates and financial institutions to digitalise collection processes for both online and offline channels, said Alamgir Morshed, head of financial institutions of Standard Chartered Bangladesh.

<https://www.thedailystar.net/business/economy/banks/news/stanchart-offers-deposit-solution-idlc-finance-2221661>

International

UK, India plan to connect world's green power grids

The Daily Star, November 04, 2021

- Britain and India introduced a plan on Tuesday to improve connections between the world's electricity power grids to accelerate the transition to greener energy.
- Linking the grids would allow parts of the world with excess renewable power to send it to areas with deficits. For instance, countries where the sun has set could draw power from others still able to generate solar electricity.
- The "Green Grids Initiative" at the COP26 climate talks in Glasgow, Scotland, was backed by more than 80 countries and could set a model for how rich countries help poorer ones to reduce their emissions and meet the goal of capping global warming at 1.5 degrees Celsius (2.7 Fahrenheit) above pre-industrial norms.
- "If the world has to move to a clean and green future, these interconnected transnational grids are going to be critical solutions," Indian Prime Minister Narendra Modi said in a statement.
- US independent energy expert Matthew Wald said the plan underscored how renewable energy sources need more transmission lines since they must often be built far from cities, unlike coal or gas-fired plants whose fuel can be shipped in.
- But Wald said planners in various countries - including the former Soviet Union - have long dreamed of cheap transmission across time zones with limited progress. Although powerline technology has improved in recent years, Wald and others said the plan would require spending large sums.
- The plan is part of a broader attempt to speed up the roll out of affordable low-carbon technology, covering more than 70 per cent of the global economy.

<https://www.thedailystar.net/business/global-economy/news/uk-india-plan-connect-worlds-green-power-grids-2221686>

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