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Stock Market & Company

Stocks tumble despite blue-chips boost

The Financial Express, October 04, 2021

- The prime index of Dhaka Stock Exchange (DSE) dropped on Monday, snapping a five-day winning streak, despite a rise in prices of blue-chip stocks amid increased purchase by institutional investors.
- DSEX, the prime index of the DSE, plunged by 28.49 points or 0.38 per cent to settle at 7,327, after gaining 119 points in the past five trading days. However, the blue-chip index, DS30, rose by 23.55 points or 0.85 per cent to close at a new peak at 2,765.
- Share prices of 79 per cent traded issues ended lower as out of 376 issues traded, 297 closed lower, only 48 higher and 31 issues remained unchanged on the DSE trading floor. Turnover, another important indicator of the market, stood at Tk 27.55 billion on the prime bourse, which was 13 per cent higher than the previous day's tally of Tk 24.39 billion.
- A total number of 339,715 trades were executed in the day's trading session with a trading volume of 578.94 million shares and mutual fund units. The market capitalisation of the prime bourse stood at Tk 5,820 billion on Monday, down from Tk 5,829 billion in the previous session.
- Beximco topped the DSE turnover list after three-break with shares worth Tk 1.76 billion changing hands, closely followed by LafargeHolcim (Tk 1.74 billion), Orion Pharma (Tk 1.05 billion), Beximco Pharma (Tk 764 million) and LankaBangla Finance (Tk 721 million). Orion Infusions was the day's top gainer, posting a 9.82 per cent gain while Shurwid Industries was the worst loser, losing 9.65 per cent.
- The Chittagong Stock Exchange (CSE) also ended marginally lower with the CSE All Share Price Index – CASPI –losing 37 points to settle at 21,473 and the Selective Categories Index – CSCX shedding 19 points to close at 12,897.
- Of the issues traded, 238 declined, 66 advanced and 18 remained unchanged on the CSE trading floor. The port city's bourse traded 25.77 million shares and mutual fund units with turnover value of Tk 1.15 billion.

<https://thefinancialexpress.com.bd/stock/stocks-tumble-despite-blue-chips-boost-1633347421>

Need more investments to boost the market: BSEC chairman

The Business Standard, October 04, 2021

- Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-Ul-Islam has said the country needs more investments in different sectors to boost the capital market. "The investors are getting returns from the capital market confidently as the market now stands on a stable position," the BSEC chairman told the inauguration of the fifth World Investor Week-2021 on Monday.
- He said some people mislead investors by saying that the indices go up and get overvalued. But the indices are not overvalued in terms of economy, GDP, and per capita income. "Actually, indices are not the fact. The fact is the price earning [PE] ratio which is still low in Bangladesh," he added.
- The chairman further said the market has a huge opportunity even to extend. "We are searching for investment partners who will invest in different sectors including textile, engineering, IT," said the BSEC chairman, adding, "We already have visited Dubai, USA and Switzerland in search of investment partners."
- The key messages of the International Organization of Securities Commissions (IOSCO) World Investor Week campaign in 2021 are based on two themes — sustainable finance, fraud, and scam prevention.

<https://www.tbsnews.net/economy/stocks/need-more-investments-boost-market-bsec-chairman-311539>

BSEC approves BD Thai Food's Tk15cr IPO

Newage, October 03, 2021

- The Bangladesh Securities and Exchange Commission on Sunday allowed BD Thai Food and Beverage Limited to raise Tk 15 crore through an initial public offering. The BSEC made the decision at a commission meeting presided over by its chairman Shibli Rubayat-Ul-Islam, a BSEC press release said.
- The company will float 1.5 crore shares at an issue price of Tk 10 each. The company would utilise the proceeds to purchase machinery, construct buildings, develop land and meet IPO expenses.
- As per the entity's audited financial statements for the year ended on June 30, 2020, the company's net asset value per share (with valuation) and five years' weighted average earnings per share were Tk 14.23 and Tk 0.63 respectively.
- The company's paid-up capital is Tk 66.5 crore and shares of all existing shareholders will be locked in for three years from the first trading day on the exchange. The sponsor-directors of the company cannot receive any dividend until the company's EPS crosses Tk 1, the press release said.
- BLI Capital Limited and Unicap Investment Limited are the issue managers of the company. BD Thai Food can distribute 15 per cent shares of the IPO to its employees only and those shares would be locked in for two years.

<https://www.newagebd.net/article/150823/bsec-approves-bd-thai-foods-tk15cr-ipo>

Loan moratorium, salary cuts push up profits for GSP Finance

The Business Standard, October 04, 2021

- Salary cuts, and a loan moratorium facility of Bangladesh Bank, have helped GSP Finance, a non-banking financial institution (NBFI), post a 33% growth in net profit for the first half of this year. NBFIs can collect funds from banks and individuals as term deposits but cannot operate current accounts like banks.
- According to its first-half un-audited financial statement, the company reported a consolidated net profit of Tk11.24 crore and consolidated earnings per share of Tk0.79, which was Tk8.45 crore and Tk0.59, respectively, for the same time frame a year ago.
- Also, in the January-March quarter, the company maintained excess provisions against its classified loans as per the central bank's instruction.
- But in the second quarter, the NBFI managed to reverse some provisions against the classified loans to the balance sheet in line with the central bank's new directives on a loan moratorium.



- But its net interest income – the core business of the company – dropped 9% to Tk17.81 crore, owing to prevailing lower interest rates. At the end of 30 June this year, GSP Finance's classified loans stood at Tk120 crore, which was 17% of total disbursement.

<https://www.tbsnews.net/economy/stocks/salary-cuts-loan-moratorium-pumps-profits-gsp-finance-311485>

BSEC to sue board of Shurwid Industries

The Daily Star, October 04, 2021

- The stock market regulator yesterday decided to file a case against the board of directors of Shurwid Industries Ltd for recommending dividends for fiscal 2018-19 in an attempt to manipulate its share prices.
- The decision came in a commission meeting held at the securities exchange building in Dhaka chaired by Prof Shibli Rubayat UI Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC). The PVC product manufacturer announced 10 per cent cash dividend on November 3, 2019 for the year ending on June 30, 2019.
- However, the company did not pay the dividend to shareholders, prompting the BSEC to form an investigation committee. The committee found that Shurwid Industries Ltd recommended the dividend despite not having the capability to pay the money.
- "The company announced the dividend to cheat people," said the BSEC in a press release yesterday. So, the decision was taken to file a case against the then board of directors, it added.

<https://www.thedailystar.net/business/economy/stock/news/bsec-sue-board-shurwid-industries-2190271>

Economy & Industry

World Investor Week-2021 starts

Newage, October 04, 2021

- The World Investor Week-2021 began on Monday with the aim of protecting investors from fraud and scams, and to raise awareness among investors. The programme started on the Bangladesh Securities and Exchange Commission premises and will continue until October 10.
- The programme titled 'Role of Sustainable Finance and Fraud & Scam Prevention in Protecting the Interest of the Investors and Investors awareness' was held on Monday at the BSEC office premises. The BSEC is celebrating the week in cooperation with the other capital market stakeholders. BSEC chairman Shibli Rubayat-UI-Islam presided over Monday's programme.

<https://www.newagebd.net/article/150938/world-investor-week-2021-starts>

Defaulters get extension for one-time-exit

The Business Standard, October 04, 2021

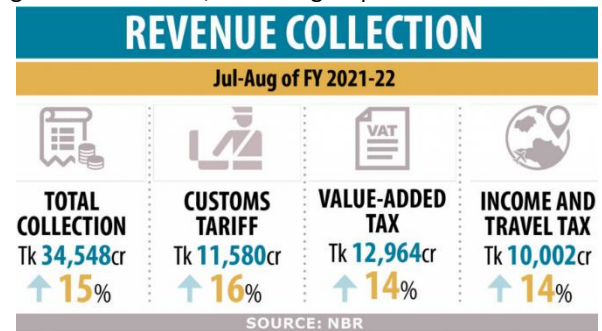
- The Bangladesh Bank has extended time for one-time-exit or rescheduling of default loans until 31 December 2021. The central bank issued the directive in a circular published on Monday. The directive said considering the prolonged phase of the second wave of Covid-19, the scope for loan rescheduling has been extended for those who earlier got the facility for one-time-exit.
- Earlier, on 21 September, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) called on the central bank to extend the loan payment time for one year during a meeting with the Governor Fazle Kabir. The latest directive came considering the ready-made garment exporters' appeal.
- In a letter to the Bangladesh Bank governor, the BGMEA said that many failed to pay back their loans during the Covid pandemic despite getting a one-time-exit facility for a year. Given the circumstances, the ready-made garment exporters' association urged the central bank for further extension of another year.

<https://www.tbsnews.net/economy/banking/defaulters-get-extension-one-time-exit-311509>

Tax receipts rise as economy recovers

The Daily Star, October 05, 2021

- Revenue collection soared nearly 15 per cent to Tk 34,548 crore in the July-August period of the current fiscal year from Tk 30,160 crore, powered by a recovery in economic and business activities since lifting of the countrywide lockdown early August.
- Surging imports extended support to revenue collection growth through overseas trade, according to provisional data from the National Board of Revenue (NBR).
- Despite the strong gain, the revenue collector still lagged Tk 5,215 crore behind its target of Tk 39,759 crore for the first two months of the fiscal year.
- The NBR has been tasked with collecting Tk 330,000 crore from the whole of the fiscal year ending in June.
- In July, the first month of the fiscal year, taxmen posted only a 4 per cent year-on-year growth in tax collection, since the economic activities suffered for countrywide restrictions for roughly three weeks to battle the second wave.
- The lifting of the bar along with vaccinations unleashed business activities, enabling the VAT authority to log a 14 per cent increase in indirect tax to Tk 12,964 crore in the July-August period of the current fiscal year from Tk 11,350 crore a year ago.



<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-rise-economy-recovers-2190906>

International

Inflation, Evergrande keep world shares on back foot

The Daily Star, October 05, 2021

- World stocks were on the back foot on Monday and the dollar stayed close to one-year highs on concerns that higher inflation, supply shortages and China's property sector problems would put global economic recovery at risk.
- Stock markets slipped to 2-1/2-month lows last week, following a torrid September that saw them shed more than 4 per cent as US Treasury yields surged 20 basis points, the Federal Reserve signalled its readiness to start unwinding stimulus this year and Chinese property giant Evergrande headed for default. Those factors remain in play, with trading in Evergrande shares suspended, days after it missed a second set of interest payments on offshore debt.
- Media reports that Evergrande would sell a stake in its property management unit for over \$5 billion did little to sooth sentiment. Asian shares weakened, led by a 2.7 per cent loss in Hong Kong while Japan's Nikkei slipped around 1 per cent.
- European bourses seesawed around flat and Wall Street futures were firmly in the red, with those for the tech-heavy Nasdaq down 0.7 per cent. A couple of events are focusing investors' minds. First up is Monday's OPEC-plus meeting, which comes as crude prices hover near three-year highs of close to \$80 a barrel.
- Gas prices too show no sign of easing, rising to a new high of 96 euros per megawatt hour in Europe. More important is Friday's monthly U.S. payrolls data which a Reuters poll forecast will show 500,000 jobs added last month.
- US economic data on Friday showed robust consumer spending and factory activity, but fears are inflation will keep accelerating, due to spiking energy prices, labour shortages and supply glitches. That could force central banks to tighten policy sooner and further than expected.
- Already, the core US PCE price index, the Fed's preferred inflation measure, increased 3.6 per cent in August from a year earlier, its biggest rise in three decades while euro zone inflation hit a 13-year high

<https://www.thedailystar.net/business/economy/stock/news/inflation-evergrande-keep-world-shares-back-foot-2190856>

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