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Stock Market & Company

Stocks plunge as panic grips investors

Newage, November 07, 2021

- Dhaka stocks plunged on Sunday with a fall in share prices of more than 300 companies as investors went for panic-driven sales amid a relentless fall in share prices in recent times. DSEX, the key index of the Dhaka Stock Exchange, dropped by 0.73 per cent, or 50.84 points, to close at 6,855.87 points on Sunday after gaining 8.4 points in the previous session.
- The DSEX lost 206 points in the last six sessions with just a positive day. Of the 374 scrips traded on the DSE on Sunday, 303 declined, 49 advanced and 25 remained unchanged. Among the prominent companies, share prices of Beximco Pharmaceuticals, GPH Ispat, LafargeHolcim Bangladesh, Robi and Square Pharmaceuticals dropped on Sunday.
- Turnover on the DSE inched up to Tk 1,145.55 crore on Sunday from Tk 1,068.42 crore in the previous session. DS30, a composition of 30 large capitalised companies, decreased by 0.08 per cent, or 2.31 points, to close at 2,598.97 points on Sunday.
- Shariah index DSES also shed 1.22 per cent, or 17.86 points, to settle at 1,444.32 points. DSMEX Index, an index of the SME platform, increased by 4.73 per cent, or 34.8 points, to close at 770.15 points on Sunday. BEXIMCO led the turnover chart with its shares worth Tk 222.71 crore changing hands on Sunday.
- NRB Commercial Bank, Alif Manufacturing Company, Fortune Shoes, Orion Pharma, IFIC Bank, British American Tobacco, Malek Spinning Mills, LafargeHolcim Bangladesh and Delta Life Insurance Company were the other turnover leaders on the day.

<https://www.newagebd.net/article/153999/stocks-plunge-as-panic-grips-investors>

BHBFC to increase authorised capital to Tk 10b, paid up capital to Tk 5b

The Financial Express, November 07, 2021

- The BHBFC will increase its authorised capital to Tk 10 billion and paid up capital to Tk 5.0 billion to meet the growing demand, once the concerned law in this regard is enacted, said the finance minister on Sunday.
- Finance Minister AHM Mustafa Kamal said this while addressing a function virtually this afternoon after inaugurating the payment of BHBFC's loan instalments through Sonali e-services. With this service, anyone can now pay instantly the loan instalments of the Bangladesh House Building Finance Corporation (BHBFC) side by side its government fixed fees and prices of all kinds of forms.
- The minister said soon after its inception, both the authorised and paid up capital of the BHBFC was Tk 1.10 billion each. But, considering the growing demand for house building financing, framing of a law is at the final stage at Jatiya Sangsad and once it is framed, the authorised capital of the corporation would rise to Tk 10 billion while the paid up capital to Tk 5.0 billion.

<https://thefinancialexpress.com.bd/stock/bhbfc-to-increase-authorised-capital-to-tk-10b-paid-up-capital-to-tk-5b-1636292723>

BB directive to supersede contradictory BSEC rules

The Daily Star, November 08, 2021

- Bangladesh Bank has sent letters to all banks and non-bank financial institutions directing to disregard the corporate governance code issued by the Bangladesh Securities and Exchange Commission (BSEC) in 2018 if it contradicts central bank directives. The letters were sent to top officials last Thursday.
- "Bangladesh Bank decided that there is no chance to follow the corporate governance code of 2018 if it contradicts any order of the central bank or financial institution act, including the code's directions on formation of nomination and remuneration committee," read the letter.
- The order adds to a growing list of policy matters over which the two regulators have differing directives, which many analysts blame for a recent market fall. Yesterday, the DSEX, the benchmark index of Dhaka Stock Exchange (DSE), dropped 50 points.
- But now the central bank is giving the order amidst its rift with the BSEC, he said, adding that the two regulators should sit together and resolve contradictory directives for the sake of the betterment of the financial market.

<https://www.thedailystar.net/business/economy/stock/news/bb-directive-supersede-contradictory-bsec-rules-2224571>

Bashundhara Paper Mills profit grows 45% on rising tissue paper sales

The Business Standard, November 07, 2021

- Bashundhara Paper Mills Ltd, one of the leading paper mills in the country, has posted a 45% profit growth in the 2020-21 fiscal year following an increase in demand for its products in the local market as well as a surge in export. The company registered Tk928 crore in annual revenue, an 8% growth from the previous year's Tk854 crore, according to its Company Secretary M Mazedul Islam.
- The sales growth was derived from two main sources – the increased demand for its market-leading tissue papers, hygiene products and more exports of paper and tissue paper, sanitary napkins, wet wipes, etc.
- Paper accounted for Tk375 crore in annual revenue, followed by tissue papers generating Tk329 in revenue, paper sack products Tk7.19 crore, mosquito coil Tk14.21 crore, and hygienic products including sanitary napkins that generated Tk161.48 crore in annual revenue.
- The company recommended a 12% cash dividend for its shareholders for the 2020-21 fiscal year while its earnings per share increased to Tk2.37 from Tk1.64 a year ago. Net asset value per share increased to Tk45.81 at the end of last June.

<https://www.tbsnews.net/economy/stocks/bashundhara-paper-mills-profit-grows-45-rising-tissue-paper-sales-326578>

Interest income saves Rahima Food's bottom-line

The Business Standard, November 07, 2021

- Rahima Food Corporation has bounced back to profit thanks to the interest income from its cash assets which covered the fixed costs amid no production in the last fiscal year. The once edible oil and vegetable ghee producing company posted earnings per share of Tk0.07 in fiscal 2020-21 against its Tk1.2 losses per share a year ago.
- In the first nine months of the last fiscal year, the company earned Tk83.73 lakh in interest income from its over Tk17 crore cash and cash equivalent assets, which were Tk1.64 crore and Tk20.88 crore respectively in the corresponding period of the previous year.
- Its operating costs slightly dropped to Tk49.36 lakh in the July 2020-March 2021 period.
- The actual change in net profit came due to the one-off accounting expense of Tk4.33 crore against capital losses on disposal of fixed assets in the previous fiscal year, which did not repeat now.
- Instead, the company set aside some amount for workers' profit participation fund and taxes for the 2020-21 fiscal year.
- Also, the company announced a 1% cash dividend for its shareholders other than the sponsor-directors. Its last dividend was 10% in cash for the 2012-13 fiscal year.



<https://www.tbsnews.net/economy/stocks/interest-income-saves-rahima-foods-bottom-line-326572>

Auditors find accounting irregularities by Fortune and ITC

The Business Standard, November 07, 2021

- Auditors have found deviations from accounting standards by Fortune Shoes and IT Consultants (ITC), according to the Dhaka Stock Exchange (DSE). The auditor's qualified opinion published by the country's premier bourse on Sunday reveals that Fortune Shoes Ltd has accounted for its realised gains from its investment in marketable securities for the fiscal year that ended on 30 June.
- The gain increased the company's disclosed profits against each share. However, the company had an unrealised loss of over Tk26 lakh in the same portfolio on 30 June, which should have been accounted for as unrealised loss in the other comprehensive income segment and the company did not do it.
- Realised profit is what an owner of an asset books after selling that off, while unrealised profits remain on paper until sold off. ITC, on the other hand, did not comply with the International Accounting Standard while charging depreciation on property, plant and equipment, opined its auditor.
- The Institute of Chartered Accountants of Bangladesh (ICAB) already has fully adopted the international accounting, financial reporting and auditing standards in its bid to make Bangladeshi financial reports credible to global users.

<https://www.tbsnews.net/economy/stocks/auditors-find-accounting-irregularities-fortune-and-its-326569>

Economy & Industry

Exporters fear \$360m losses due to strike

The Business Standard, November 08, 2021

- Exporters, with \$360 million worth of goods stuck because of the ongoing strike enforced by truck and covered van owners, are now bracing for a heavy blow as the latter are still reluctant to withdraw it until their three-point demand, including the reverse of diesel price hike, is met.
- Apparel industry leaders say their losses caused by the ongoing strike will be big as a number of factories are facing a raw material crisis, while some are resorting to very costly air freight for shipments to meet deadlines from buyers.

- The Bangladesh Covered Van-Truck Prime Mover Goods Transport Owners' Association has decided to continue this strike, demanding withdrawal of increased fuel price, increased toll on Jamuna and Mukta Pur bridges and tolls imposed by city corporations and municipalities.
- Export products worth \$350 million have remained stuck at the Inland Container Depots (ICDs) in the Chattogram port owing to the strike. No export product entered the port for loading from ICDs. Besides, goods-laden containers are not leaving the port due to the strike.
- About 9,700 TEUs (twenty-foot equivalent units) of containers remained stranded in the ICDs waiting for shipping as vehicles did not enter the port from Friday to Sunday. Most products are readymade garments exports.

<https://www.tbsnews.net/economy/bazaar/exporters-fear-360m-losses-due-strike-326614>

Fresh move to revive 3 old state enterprises

The Daily Star, November 08, 2021

- The government has initiated a fresh move to help three old state-owned enterprises turn around after its previous attempts largely went in vain. Karnaphuli Paper Mills Ltd (KPML), Chittagong Chemical Complex Ltd (CCCL), and Khulna Newsprint Mills Ltd (KNML) -- all built in the Pakistan era -- have been causing losses to the government for decades either for closure or lower production.
- This prompted Bangladesh Chemical Industries Corporation (BCIC), which runs the factories, to publish three expressions of interest (EoI) notices recently, as it sought applications from international consulting firms to conduct feasibility studies on the three locations.
- Experts, however, expressed concerns about whether the initiative would be successful. Rather, they said the government should form a public enterprise reform commission to decide their fate. BCIC issued the EoIs for KNML and CCCL in May and for KPML last September.
- It received five applications for the feasibility study concerning KNML from companies in the US, China, Finland and Iran, said an official of the corporation. Nine firms from countries such as France, the US, China and Singapore showed interest to carry out the feasibility study about CCCL.

<https://www.thedailystar.net/business/economy/news/fresh-move-revive-3-old-state-enterprises-2224576>

International

China's forex reserves rise for first time since July

The Daily Star, November 08, 2021

- China's foreign exchange reserves in October rose on a monthly basis for the first time since July, official data showed on Sunday, as the dollar slipped against a basket of other major currencies.
- China's reserves, the world's largest, reached \$3.218 trillion at the end of October, up 0.53 per cent from a month earlier, according to data from the State Administration of Foreign Exchange (SAFE). That was higher than the \$3.197 trillion forecast in a Reuters poll of analysts and up from \$3.128 trillion in October 2020.
- However, it remains lower than the \$3.232 trillion at the end of August. The dollar index dropped by 0.1 per cent in October.
- "Despite the recurring Covid-19 pandemic and uncertainties among global economic recovery...China's economy continues to recover with strong resilience and huge potential, which would provide support for maintaining overall stability in the scale of foreign exchange reserves," the SAFE said in a statement on Sunday.
- China held 62.64 million fine troy ounces of gold at the end of October, unchanged from the previous month of 62.64 million fine troy ounces. The value of its gold reserves edged up to \$110.83 billion from \$109.18 billion at the end of September as gold prices rose.

<https://www.thedailystar.net/business/global-economy/news/chinas-forex-reserves-rise-first-time-july-2224511>

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