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Stock Market & Company

Stocks dip as investors' worries intensify

Newage, November 08, 2021

- Dhaka stocks plunged for the second day on Monday as investors continued selling shares fearing further erosion in their investments amid a downward trend on the market in recent weeks.
- DSEX, the key index of the Dhaka Stock Exchange, lost 0.82 per cent, or 56.23 points, to close at 6,799.64 points on Monday after losing 50.84 points in the previous session.
- The DSEX lost 257 points in the last seven sessions with just a positive day.
- Of the 374 scrips traded on the DSE on Monday, 295 declined, 55 advanced and 26 remained unchanged. Among the prominent companies, share prices of British American Tobacco, Robi and United Power Generation Company dropped on Monday.
- Turnover on the DSE declined to Tk 1,075.13 crore on Monday from Tk 1,145.55 crore in the previous session. DS30, a composition of 30 large capitalised companies, decreased by 0.58 per cent, or 15.28 points, to close at 2,583.68 points on Monday.
- Shariah index DSES also shed 0.47 per cent, or 6.89 points, to settle at 1,437.43 points. DSMEX Index, an index of the SME platform, increased by 8.76 per cent, or 67.49 points, to close at 837.65 points on Monday.
- BEXIMCO led the turnover chart with its shares worth Tk 92.26 crore changing hands on Monday. Genex Infosys, NRB Commercial Bank, Orion Pharma, IFIC Bank, Alif Manufacturing Company, Beximco Pharmaceuticals, British American Tobacco, LafargeHolcim Bangladesh and Malek Spinning Mills were the other turnover leaders on the day.



<https://www.newagebd.net/article/154104/stocks-dip-as-investors-worries-intensify>

Most listed private power companies see profit growth in FY21

The Financial Express, November 08, 2021

- Most listed power generation companies in the private sector logged higher profit year-on-year in the fiscal year (FY) 2020-21, thanks to higher income from subsidiaries, reduced corporate tax and lower interest rates. Out of the 23 companies listed in the 'fuel & power' sector on the Dhaka Stock Exchange (DSE), nine are engaged in power generation owned by private sector people.
- Of them, seven booked higher profit while two saw their profit decline in the FY2020-21 compared to the same period a year earlier, according to the audited financial statements.
- The earnings per share (EPS) of United Power Generation & Distribution Company, Shahjibazar Power Company, Baraka Patenga Power, Doreen Power Generations & Systems, GBB Power, Baraka Power and Summit Power increased during the period under review.
- Of the companies, consolidated EPS of United Power, a concern of United Group, surged the most, rising 83.59 per cent year-on-year to Tk 18.80 for the year ended on June 30, 2021.
- Newly listed Baraka Patenga Power's consolidated EPS increased 48.05 per cent year-on-year to Tk 6.47 for the year ended on June 30, 2021, riding on higher-income of its own business and its subsidiaries during the period.
- Another power company of the group, Baraka Power's consolidated EPS stood at Tk 2.96, an increase of 22.82 per cent from Tk 2.41 last year. Doreen Power's consolidated EPS also jumped over 46 per cent year-on-year to Tk 8.09 for the year ended on June 30, 2021.

EPS of nine private sector listed power generation companies			
Companies	EPS in FY2020-21	EPS in FY2019-20	Change in %
United Power	Tk 18.80	Tk 10.24	83.59
Shahjibazar	Tk 6.53	Tk 4.38	49.10
Baraka Patenga	Tk 6.47	Tk 4.37	48.05
Doreen Power	Tk 8.09	Tk 5.53	46.29
GBB Power	Tk 1.50	Tk 1.14	31.57
Baraka Power	Tk 2.96	Tk 2.41	22.82
Summit Power	Tk 5.25	Tk 5.17	1.55
Energypac Power	Tk 2.30	Tk 3.83	-39.95
Khulna Power	Tk 0.87	Tk 3.40	-74.41

Source: DSE

<https://thefinancialexpress.com.bd/stock/most-listed-private-power-companies-see-profit-growth-in-fy21-1636343930>

Southeast Bank fined Tk 10 lakh for flouting stock rules

The Daily Star, November 09, 2021

- The Bangladesh Bank has imposed a fine of Tk 10 lakh on Southeast Bank for breaching rules by making an excessive amount of investment in a single company in the stock market. The private commercial bank was the latest lender to have faced penalty for breaching security rules.
- Southeast Bank parked 22.05 per cent of its paid-up capital with National Life Insurance Company Ltd (NLICL), in clear violation of the Bank Company Act 1991, according to a central bank probe. A lender is allowed to invest a maximum of 10 per cent of its paid-up capital and 5 per cent of the total capital in a company.
- The investment made by the bank in NLICL was 9.83 per cent of the total capital, said the report. The paid-up capital of the bank stands at Tk 1,188 crore. The higher-ups of the two companies – Southeast Bank and NLICL – colluded with each other, it said.
- In addition, the lender sought another six months to sell the rest of the shares in order to follow the rules. But, the central bank's probe found that the shares were transferred from one account to another account of the bank, the BB document said.
- Southeast Bank has resorted to trickery as the actual sales of the shares did not take place, it said. The BB will fine Southeast Bank Tk 50,000 per day until it brings down the number of shares in line with the regulatory ceiling.

<https://www.thedailystar.net/business/economy/banks/news/southeast-bank-fined-tk-10-lakh-flouting-stock-rules-2225366>

Bangas posts 61% drop in profit

The Business Standard, November 08, 2021

- Biscuit maker Bangas Limited reported a 61% fall in profit year-on-year in the 2020-21 fiscal year. For the year, the company, however, has declared a 4% cash dividend for its shareholders.

- The company will have to pay Tk30.49 lakh in dividend for the year, but its net profit was Tk18 lakh only. The company's earnings per share (EPS) stood at Tk0.23 in FY21, down from Tk0.60 a year ago. On 30 June 2021, its net asset value per share was Tk21.02.
- From the July to March period of FY21, its revenue was Tk15.59 crore. The paid-up capital of Bangas is Tk7.62 crore.
- As of 30 September this year, the sponsors and directors jointly hold 30.99% shares, institutions hold 5.53% shares and the general public holds 63.48% shares of the company. The last trading share price of the company on the Dhaka stock exchange was Tk120 on Monday.

<https://www.tbsnews.net/economy/stocks/bangas-posts-61-drop-profit-326974>

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

The Business Standard, November 08, 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>

Two Orion companies declare cash dividends

The Business Standard, November 08, 2021

- Orion Pharma Ltd and Orion Infusion Ltd – two companies belonging to Orion Group – have recommended a 12% and 10% cash dividends, respectively, for their shareholders for the financial year that ended on 30 June 2021. The dividends were recommended at the companies' board meetings on Monday evening.
- The approval of those dividends will be finalised at their annual general meetings (AGMs). Both the AGMs are slated for 19 December this year and the record date for both is 29 November. According to the price-sensitive information released by the companies, Orion Pharma reported consolidated earnings per share (EPS) of Tk4.01 till 30 June 2021 and Orion Infusion posted an EPS of Tk1.37.
- During the period, the consolidated net asset value (NAV) per share including the revaluation surplus of Orion Pharma stood at Tk79.76. Besides, the NAV per share of Orion Infusion stood at Tk13.10.

<https://www.tbsnews.net/economy/corporates/two-orion-companies-declare-cash-dividends-327010>

Economy & Industry

South Korean Kido to invest \$36.2m in Adamjee EPZ

The Business Standard, November 08, 2021

- Kido Industrial Company, a renowned apparel manufacturer based in South Korea, will invest \$36.17 million in the Adamjee export processing zone (EPZ) to establish a new company and renovate an existing firm that it recently acquired.
- Of the amount, the company will make a fresh investment of \$31.17 million for establishing a new company, named Kido Dhaka Company limited. Also, the company plans to initially spend \$5 million in the renovation of the factory of French Fashion Knitting and plans on taking it up to \$14 million in stages.

- The Bangladesh Export Processing Zones Authority (Bepza) signed an agreement with the investor company Kido in this regard at the capital's Bepza complex on Monday.
- The factories, operational at the Adamjee EPZ, produce garments, garments accessories, textiles, sweaters, fabrics, socks, OPC drums and seat trim covers, among other items. So far, \$613.19 million has been invested in the EPZ. At present, 50 industrial units are operating and the establishment of 14 more industrial units is currently underway.
- The Adamjee EPZ, which was established in 2006, exported goods worth \$704.86 million in the last fiscal. The total volume of goods exported from this EPZ is worth \$6.14 billion.

<https://www.tbsnews.net/economy/corporates/south-korean-kido-invest-362m-adamjee-epz-327031>

Banking sector reform, subsidy to top agenda

The Daily Star, November 09, 2021

- The International Monetary Fund will inquire about Bangladesh's progress in reforming the local banking and subsidy sectors as well as ongoing vaccination drive as it is set to hold its first dialogue with the government since the coronavirus outbreak.
- The Article IV consultation to be held from December 5 to 15 will focus on five key areas, namely the banking, subsidy, revenue and exchange rate reforms, the Covid-19 vaccination programme, as well as \$3 billion in loans that will be extended to the country over a three-year period.
- In 2019, the IMF gave a detailed proposal to Bangladesh on how to improve the situation of the banking sector. The crisis-lender has not pursued it because of the pandemic. The upcoming mission will push for the reform agenda, said sources at the finance ministry and Bangladesh Bank (BB).
- The issue of non-performing loans (NPL) will get priority. Official figures put the NPL rate at about 8.18 per cent in June. But in 2019, the IMF said the ratio of bad assets, which stood at 11.50 per cent in the year, would double as not all sources of problem assets are captured by the central bank's definition of defaulted loans.

<https://www.thedailystar.net/business/economy/banks/news/banking-sector-reform-subsidy-top-agenda-2225361>

International

Twitter votes Elon Musk should sell 10pc of Tesla stock

Newage, November 08, 2021

- Twitter has spoken — after Elon Musk polled his more than 62 million followers on whether he should sell 10 per cent of his Tesla shares, by Sunday a majority had voted 'yes'. 'I was prepared to accept either outcome,' said Musk, who regularly takes to Twitter to make unexpected announcements or surprising comments. He did not specify when or how he plans to sell the shares.
- The electric car maker's query on Saturday night follows a proposal by US Congressional Democrats to tax the super wealthy more heavily by targeting stocks, which are usually only taxed when sold. Musk had already criticised the proposal at the end of October, tweeting: 'Eventually, they run out of other people's money and then they come for you.'
- He broached the topic again on Saturday, writing on Twitter: 'Much is made lately of unrealised gains being a means of tax avoidance, so I propose selling 10% of my Tesla stock.' He also shared a poll asking followers whether they agree 'yes' or 'no'.
- By Sunday, 57.9 per cent of those who voted had picked 'yes'. Musk owned about 17 per cent of Tesla's outstanding shares as of June 30, currently worth \$208.37 billion, according to Bloomberg.

<https://www.newagebd.net/article/154102/twitter-votes-elon-musk-should-sell-10pc-of-tesla-stock>

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