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Stock Market & Company

Stocks jump as major sectors soar

The Financial Express, November 10, 2021

- Stocks witnessed sharp gains on Wednesday, extending the winning streak for the second straight session, as buoyant investors went for buying on major sector shares. The market opened sharply higher and the upbeat trend continued till the end of the session with no sign of reversal, finally ending more than 114 points higher.
- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), jumped 114.09 points or 1.66 per cent to settle at 6,982. DSEX recovered about 183 points in the past two consecutive sessions. Two other indices also ended higher with the DS30 index, comprising blue chips, rose 44.71 points to finish at 2,660 and the DSE Shariah Index gained 24.08 points to close at 1,478.
- Turnover, a crucial indicator of the market, stood at Tk 11.63 billion on the country's premier bourse, which was 15.50 per cent higher than the previous day's six months lowest turnover of Tk 10.07 billion. The market capitalisation of the DSE also rose to Tk 5,560 billion on Wednesday, up from the previous day's mark of Tk 5,491 billion.
- Beximco - the flagship company of Beximco Group- topped the turnover chart with shares worth Tk 1.45 billion changing hands, followed by Orion Pharma (Tk 611 million), LafargeHolcim (Tk 466 million), Beximco Pharma (Tk 316 million) and IFIC Bank (Tk 263 million).
- The Chittagong Stock Exchange also ended sharply higher with its All Shares Price Index (CASPI)—soaring 336 points to close at 20,434 while the Selective Categories Index – CSCX – rising 202 points to close at 12,278. The port city bourse traded 9.98 million shares and mutual fund units with a turnover value of Tk 343 million.

<https://thefinancialexpress.com.bd/stock/stocks-jump-as-major-sectors-soar-1636539450>

ACC, BFIU asked to submit reports

Newage, November 10, 2021

- The High Court has asked the Anti-Corruption Commission and the Bangladesh Financial Intelligence Unit to submit in 30 days reports on alleged illegal stock market investments worth Tk 4 crore by Insurance Development Regulatory Commission chairman M Mosharraf Hossain. Mosharraf invested the money using four provident funds of two companies owned by him and his wife.
- A High Court bench of Justice M Enayetur Rahim and Justice Md Mostafizur Rahman on Tuesday issued the order. A lawyer certificate issued by Supreme Court advocate Sumaiya Ifrit Binte Ahmed on the court order said that the HC issued the order based on a public interest writ petition filed by Abu Saleh Mohammad Amin Mehedi, a stock market investor.
- As per the lawyer's certificate, the HC bench asked the Financial Institutions Division, National Board of Revenue, ACC, BFIU and Department of Labour to explain why their failure to investigate allegations of corruption, money laundering, abuse of power, misrepresentation, impersonation and breach of trust by Mosharraf and his wife Jannatul Mawa would not be declared unlawful.
- The court asked the government entities to explain why they should not directed to take appropriate steps for lodging a first information report against Mosharraf and Jannatul for money laundering under the Money Laundering Prevention Act, 2013 for making false statements in violation of section 165 of the Income Tax Ordinance and for the breaching of trust under section 406 of the Penal Code.

<https://www.newagebd.net/article/154291/acc-bfiu-asked-to-submit-reports>

Sonali Bank invests another Tk 500cr in ICB

Newage, November 10, 2021

- State-owned Sonali Bank has invested an additional Tk 500 crore in the Investment Corporation of Bangladesh to make the country's stock market strong and sustainable, said a press release.
- Sonali Bank has been playing an important on the capital market by financing the corporation from time to time alongside its own subsidiary Sonali Investment Limited, said the release. Regarding this, Sonali Bank deputy managing director Md Mojibar Rahman said, 'Adequate investment is needed for the development of the country and the capital market is one of the sources of this investment.'
- 'Without the development of the capital market, implementation of long-term and big projects in the country is almost impossible,' he added. 'Sonali Bank is, therefore, playing an active role in various ways to make the capital market sustainable.'

<https://www.newagebd.net/article/154253/sonali-bank-invests-another-tk-500cr-in-icb>

Vanguard AML BD Finance declares a 15pc cash dividend

The Financial Express, November 10, 2021

- The Trustee Committee of 'Vanguard AML BD Finance Mutual Fund One' (Trading Code: VAMLBDMF1) has approved the Audited Financial Statements for the year ended September 30, 2021.
- It also declared a 15 per cent (i.e. 1.50 per unit) cash dividend for the period and record date December 1, 2021, according to a press release. This fund has been managed by 'Vanguard Asset Management Ltd.'
- The fund has generated Earning Per Unit (EPU) Tk. 2.13 and the Net Asset Value (NAV) at market price for Tk. 14.63 per unit and at cost price for Tk. 12.37 per unit as of September 30, 2021.

<https://thefinancialexpress.com.bd/stock/vanguard-aml-bd-finance-declares-a-15pc-cash-dividend-1636548170>

Hamid Fabrics price keeps rising despite huge losses

The Financial Express, November 10, 2021

- Share price of Hamid Fabrics is witnessing an unprecedented hike despite the company has reported huge losses recently for the year ended on June 30, 2021. The fabrics-manufacturer recommended 5.0 per cent cash dividend only for general shareholders for the financial year (FY) 2020-21, down from 10 per cent cash dividend in 2019-20.
- Hamid Fabrics reported that it incurred losses of Tk 160 million in 2020-21 after making profits of Tk 38 million in the previous year. The company reported a loss of Tk 1.76 per share for the year ended on June 30, 2021 as against profit of Tk 0.42 per share for the same period a year earlier.
- Its revenue has significantly decreased in the last fiscal year mainly due to the economic impacts of Covid-19, the company said in a filing. The reduced profitability has severely affected the company's earnings per share. As such, the net operating cash flow has been affected due to lower revenue amid the pandemic.
- Despite all this bad news, Hamid Fabrics saw its share price jump over 67 per cent on October 28 after the dividend declaration as there was a price limit on that day. Since then, the company's share price has not stopped rising and soared 124 per cent within 10 trading days.
- Besides, the company's share prices rose 7.16 per cent further on Tuesday to close at Tk 37.40. It was also the two years' highest closing price on the DSE.

<https://thefinancialexpress.com.bd/stock/hamid-fabrics-price-keeps-rising-despite-huge-losses-1636520463>

Aziz Pipes' production closure raises questions

The Daily Star, November 11, 2021

- Closure, resumption, and closure. This is what described Aziz Pipes in the last 10 months in a nutshell. What seems to be a simple course for a company has not been that simple for the investors in the Dhaka Stock Exchange, as the directors of the listed plastic pipe and door producer seemed to have benefited from the price swings while retail traders found themselves on the receiving end.
- When Aziz Pipes announced the closure of its operations on January 11, the company's stock price plummeted to Tk 87 from Tk 136 in a span of three months. It rebounded to Tk 165 after the company said on August 22 that it would resume production from October 1.
- But when it suspended production for the second time this year on Monday, the stock slipped to Tk 96.4 and further to Tk 88.8 on Tuesday, raising questions whether the announcement stemmed from fundamental reasons or was a part of a ploy to manipulate the stock price.
- The company closed the factory's production activities because of a lack of working capital, complexity with bank loans, financial crisis, loan liability, raw material crisis, and lack of reserves, according to a regulatory filing on the exchange.
- On June 30 of 2020, the company's sponsors held 33.83 per cent shares of Aziz Pipes. It reduced to 23.93 per cent on August 31 this year.



<https://www.thedailystar.net/business/economy/stock/news/aziz-pipes-production-closure-raises-questions-2227091>

Alif Industries to raise Tk 300 crore through convertible bonds

The Daily Star, November 10, 2021

- Alif Industries, a listed textile company, has decided to raise a fund of Tk 300 crore by issuing convertible bonds in order to purchase land, machinery and retrofitting existing factory.
- The bond will be issued after taking approval from the stock market regulator and shareholders of the company, Alif Industries said today in a disclosure on the website of the Dhaka Stock Exchange (DSE). Face value of each bond would be Tk 1 lakh and tenure of the bond is six years.

- The bond's yield is 7 per cent base profit and 10 per cent of total dividend -- be it cash or stock dividend, according to the disclosure. The interest amount will be disbursed semiannually.
- Interest amount of the said bond is fully secured by bank guarantee, the company said. Moreover, the principle amount is also fully secured since the entire principle amount will be converted to AIL shares at a discounted price to the market, it added.

<https://www.thedailystar.net/business/news/alif-industries-raise-tk-300-crore-through-convertible-bonds-2226471>

EHL shareholders approve 15% cash dividend for 2020 - 2021

The Business Standard, November 10, 2021

- The shareholders of Eastern Housing Limited (EHL) have approved a 15% cash dividend for the financial year 2020 - 2021. Expressing satisfaction over the declaration of 15% cash dividend, the shareholders also approved the accounts for the year ended 30 June 2021, the directors' and auditors' report.
- The Company achieved net sales of Tk264 crore while it was Tk253 crore in the previous year. The company's net profit after tax stood at Tk37.29 crore for the financial year 2020-2021.
- EHL Chairman Manzurul Islam presided over the AGM. In his welcome speech, Manzurul Islam said that EHL maintained its profitability in 2020 - 21 because of its strong financial position, despite worldwide economic downtrend due to coronavirus pandemic.

<https://www.tbsnews.net/economy/stocks/ehl-shareholders-approve-15-cash-dividend-2020-2021-327907>

Economy & Industry

Japan's SoftBank to acquire 20% stake in bKash

The Business Standard, November 11, 2021

- Japanese tech investment giant SoftBank is going to enter Bangladesh by acquiring 20% of stake in the mobile financial service (MFS) giant bKash.
- Brac Bank Ltd, the majority owner of bKash, in its board meeting approved the relevant share purchase and subscription agreement among bKash, its existing shareholders and the proposed investor SoftBank Vision Fund II BEAM (DE) LLC.
- The SoftBank Fund, which invested in India's e-commerce platform FlipKart, would make both primary and secondary investments in bKash, Brac Bank disclosed in a price sensitive information on Wednesday evening.
- The bank also announced that the new investment would not change its shareholding in bKash. This means the new investor will get some fresh shares and buy bKash stake from any one or more of the existing investors that include Money in Motion, Alipay, the International Finance Corporation, the Bill and Melinda Gates Foundation, and the bKash Employee Share Option Plan Trust.
- Earlier, SoftBank Vision Fund I invested in the Indian MFS firm PayTM. bKash is the MFS pioneer and the leading MFS company in Bangladesh. It is also the first unicorn in the country. A startup having a billion dollar in valuation is called a unicorn.

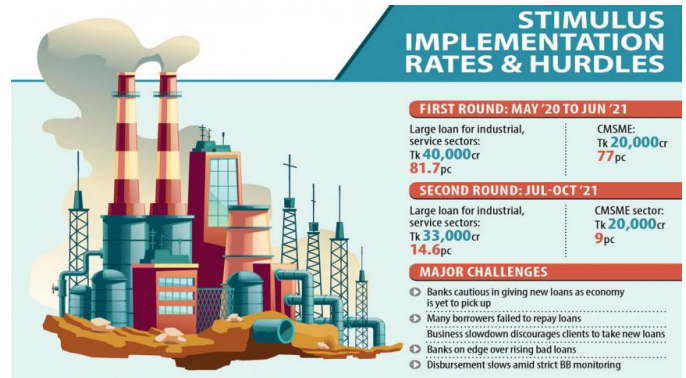
<https://www.tbsnews.net/economy/banking/japans-softbank-acquire-20pc-stake-bkash-328096>

Lending dismal under second stimulus package

The Daily Star, November 10, 2021

- Banks in Bangladesh are less keen on giving out loans under the second round of stimulus packages as many clients are in trouble to pay off their current debts, a development that may hurt the economic recovery. Lenders are also cautious in lending as the central bank has beefed up monitoring on how stimulus funds are being used.
- Banks disbursed only 9 per cent of Tk 20,000 crore among the borrowers of the cottage, micro, small and medium enterprises (CMSMEs) between July and October, according to data from the Bangladesh Bank.

- Bankers say a large number of clients have recently sought the renewal of their current loans taken from the stimulus packages as they are unable to pay instalments due to the ongoing business slowdown. Similarly, banks are also reluctant to disburse loans to the borrowers of large industries and service units.
- In the first four months of the current fiscal year, banks disbursed 14.6 per cent against the central bank's allocation of Tk 33,000 crore for the sector. The repayment tenure of the loans, disbursed in the form of working capital, under the two packages is one year.
- The business slowdown is still hammering the economy despite the sharp declines in coronavirus infections. As a result, borrowers can't repay loans on time.
- The disbursement rate of the stimulus loans aimed at large and CMSME borrowers was 81.7 per cent and 77 per cent, respectively, in the first round, which was implemented from May last year to June this year.
- The two stimulus packages collectively received Tk 60,000 crore in the first round and Tk 53,000 crore in the second phase. The interest rate on the stimulus loans is 9 per cent, with large borrowers accessing funds at 4.50 per cent and the firms in the CMSME sector at 4 per cent. The government is giving subsidies to implement the packages.



<https://www.thedailystar.net/business/economy/banks/news/lending-dismal-under-second-stimulus-package-2226211>

International

Global stocks lower on inflation fears

The Daily Star, November 11, 2021

- European and US stock markets ended Tuesday's trading in the red, dragged lower by continued inflation concerns and fatigue on Wall Street after a string of record-setting sessions. The cryptocurrency market, however, reached a new summit as bitcoin surged to \$68,513.
- The three major US equity indices finished lower after closing at records on Monday for the second session straight as traders cheered good jobs data and passage of a massive infrastructure overhaul legislation.
- US government data showed wholesale prices remained high in October and with signs of accelerating again, as the world's largest economy battles a wave of inflation. The US Labor Department will release consumer price data on Wednesday, which economists also expect to show an acceleration last month.
- Bitcoin, meanwhile, scaled new historic heights as the combined value of all cryptocurrencies topped \$3 trillion, according to data provider CoinGecko. The specter of inflation continues to loom large, with prices at multi-year highs owing to supply chain snarls, surging energy costs and a pick-up in demand as the economy returns to normal.
- The Federal Reserve has said it will be patient in hiking borrowing rates, though Vice Chair Richard Clarida on Monday said the economy could be ready for liftoff by the end of next year. Other top Fed officials have taken an even more dovish view on the outlook and the timing of a rate increase, but some economists think the central bank will have to be more aggressive to contain inflation.

<https://www.thedailystar.net/business/global-economy/news/global-stocks-lower-inflation-fears-2226896>

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