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Stock Market & Company

Stocks tumble after three-day gain

The Financial Express, November 14, 2021

- The stock market returned to the falling streak on Sunday, snapping a three-day gain, amid quick profit booking on major sector shares. The market started on a positive note and the key index rose about 30 points within the first 30 minutes of trading. But the rest of the session went steadily, eroding more than 65 points.
- DSEX, the prime index of the Dhaka Stock Exchange, went down by 65.85 points or 0.94 per cent to settle at 6,930, after gaining 196 points in the past three straight sessions.
- Two other indices also fell sharply with the DSE 30 Index, comprising blue chips, losing 24.97 points to finish at 2,655 and the DSE Shariah Index (DSES) dropping 12.60 points to close at 1,464.
- Turnover, a crucial indicator of the market, also fell to Tk 11.11, which was 26 per cent lower than the previous day's tally of Tk 15.06 billion.
- The top negative index contributors were BATBC, Beximco, Beximco Pharma, Robi, and LafargeHolcim, jointly contributing 30 points to DSEX, according to amarstock.com.



- Beximco was the most traded stock with shares worth Tk 1.54 billion changing hands, followed by BRAC Bank (Tk 654 million), Orion Pharma (Tk 473 million), IFIC Bank (438 million), and Genex Infosys (342 million).
- Sena Kalyan Insurance, which made its shares trading debut last week, was the day's top gainer, rising 10 per cent while Premier Cement was the worst lower, losing 9.94 per cent.
- The Chittagong Stock Exchange (CSE) also ended lower with the CSE All Share Price Index – CASPI –shedding 203 points to settle at 20,293 and the Selective Categories Index – CSCX, losing 122 points to close at 12,195.

<https://thefinancialexpress.com.bd/stock/stocks-tumble-after-three-day-gain-1636885037>

Square Pharma's profit increases by 27pc in July-Sept

Newage, November 14, 2021

- Square Pharmaceuticals Limited posted higher profits in July to September period compared to that in the same period in the previous year. Earnings per share price of Square Pharma was advanced by 27 per cent to Tk 5.64 each in July-September this year against Tk 4.44 a share in the same period in the previous year.
- The board of directors of the company approved the financial accounts for the period on Sunday. The company also posted net asset value per share Tk 108.71 for the July to September period.

<https://www.newagebd.net/article/154652/square-pharmas-profit-increases-by-27pc-in-july-sept>

Auditor finds anomalies in FAS Finance accounts

Newage, November 14, 2021

- The auditor of FAS Finance and Investment Limited has found various inconsistencies and irregularities, including inflated retained earnings, net asset value and profits, in the company's annual financial statement ending on December 31, 2020. The auditor has given its qualified opinion on the condition of the company in the Auditor's Report for the year ended on December 31, 2020.
- 'The accompanying financial statements have been prepared under going concern basis assuming that the company will continue its existence for foreseeable future. However, a significant amount of non-performing loan and loan loss provision, negative gross profit margin and net profit margin, recurring huge loss, shortage of fund and negative equity expose a concern about its (company's) going concern assumption,' the auditor said in its opinion posted on the Dhaka Stock Exchange web site on Sunday.
- When contacted, FAS Finance company secretary Md Zahid Mahmud said that he could not comment on the issue on Sunday. At the year ended, the company's non-performing loans stood at Tk 1,703 crore, which was 88 per cent of loan advance and lease investment, the report said.
- As a result, the required loan provision of loan advance and lease in the year amounted to Tk 898 crore, but Tk 164 crore was accounted as loan provision. So, the shortfall of loan loss provision for classified loans of the company was Tk 734 crore, it said.

<https://www.newagebd.net/article/154684/auditor-finds-anomalies-in-fas-finance-accounts>

Singer faces Tk 94cr VAT evasion charge

The Daily Star, November 15, 2021

- A field office of the National Board of Revenue has brought a VAT evasion allegation against Singer Bangladesh Ltd and claimed nearly Tk 94 crore as indirect tax from the electronics and home appliance seller. The multinational denied the allegation.
- Inspections last May revealed that Singer had not registered 314 sales centres and 19 warehouses, said Large Taxpayers Unit, Value Added Tax, which collects the indirect tax from big local and multinational companies. Singer's records of March officially showed it had 110 showrooms, said the NBR field office, adding that this discrepancy was a violation of rules.
- The inspections found that a 15 per cent VAT should be realised from Singer on products delivered from two of the unregistered warehouses between December 2020 and April 2021, said the LTU, VAT. The company's Genda, Savar warehouse delivered Tk 363.46 crore of appliances, the VAT on which amounts to Tk 54.52 crore, it said.

- Similarly, Singer's Rajfulbaria, Savar warehouse delivered products of Tk 56.6 crore, on which VAT of Tk 8.49 crore is applicable, it added. Moreover, Singer claimed a Tk 30.88 crore input tax credit on electricity and utility bills of the 19 warehouses and transport services, it said.
- The company's turnover rose 8 per cent year-on-year in the January-September period of 2021 to Tk 1,334 crore. Meanwhile, its profit after tax declined 6 per cent to Tk 59 crore, according to its latest unaudited financial statements.

<https://www.thedailystar.net/business/organisation-news/news/singer-faces-tk-94cr-vat-evasion-charge-2230246>

National Polymer to issue Tk300cr zero-coupon bond

The Business Standard, November 14, 2021

- National Polymer Industries Ltd has decided to collect Tk300 crore through issuing zero-coupon bonds. The plan is subject to regulatory approval and the money would be used for the company's business expansion, alongside financing its operations.
- Unlike the coupon bearing bonds from which investors get interest on a periodical basis over the tenure of the bonds, zero-coupon bonds are sold at a lower price than their face value where the discount is the present value of all the future interest. Income from zero-coupon bonds is tax-waived in Bangladesh unless the investor is a bank or a financial institution or an insurer.
- For the 2020-21 fiscal year, the company announced a 10% cash dividend for its shareholders as its annual earnings per share (EPS) grew to Tk2.82 from Tk2.5 a year ago.

<https://www.tbsnews.net/economy/stocks/national-polymer-issue-tk300cr-zero-coupon-bond-329716>

Desco profit falls despite revenue growth

The Business Standard, November 14, 2021

- Dhaka Electric Supply Company (Desco) – the state-owned electricity distributor – posted a 46% decline in net profit, despite a slight growth in revenue due to an increase in energy consumption in the July-September period of FY22. The company's revenue went up by 6% in that quarter, compared to the same time of the previous year.
- According to the company's financials, in the first quarter of FY22, its net turnover rose to Tk1,293.55 crore from Tk1,219.62 crore in the same period of the previous year. Its net profit after tax declined to Tk5.50 crore, which was Tk10.53 crore in the same time of the previous fiscal year.
- The company's earnings per share (EPS) stood at Tk0.14 in the July-September quarter, which was Tk0.27 at the same time of the previous fiscal year. Its net asset value (NAV) stood at Tk2,600.21 crore in September 2021, which was Tk2,593.87 crore at the end of June this year.
- In the FY21 fiscal, the company made a profit of Tk73.91 crore and its EPS was Tk1.86, while its profit was Tk45.56 crore and EPS Tk1.15 in FY20. Based on the profit, the company had recommended a 10% cash dividend for its shareholders.

<https://www.tbsnews.net/economy/stocks/desco-profit-falls-despite-revenue-growth-329680>

Saif Powertec posts 40.5% year-on-year earnings growth for Jul-Sep quarter

The Business Standard, November 14, 2021

- Saif Powertec Limited, the operator of Chattogram Port, posted 40.5% year-on-year earnings growth for the July-September quarter. The company's revenue and profits have been on the rise for the last one year as activities in Chattogram Port have been increasing since the first wave of Covid-19.
- Saif Powertec's earnings per share (EPS) for the first quarter of this fiscal year stood at Tk0.52, which was Tk0.32 in the same quarter of last year. At the end of September, its net asset value per share stood at Tk17.64. Saif Powertec stocks closed at Tk44.2 in the Dhaka Stock Exchange on Sunday.

<https://www.tbsnews.net/economy/stocks/saif-powertec-posts-405-year-year-earnings-growth-jul-sep-quarter-329629>

Premier Cement sees 85% profit decline in Q1

The Business Standard, November 14, 2021

- Premier Cement Mills Limited posted an 85% drop in the July to September quarter of this year owing to an increase in the price of raw materials and intense competition in the cement industry. But, according to an unaudited financial statement, its revenue grew 12% to Tk292.07 crore in the quarter despite the strict Covid-19 lockdown from 1 July to 10 August this year.
- In the July to September quarter this year, the company posted a net profit of Tk1.31 crore, which was Tk8.55 crore in the same period of the previous year. During the period, its earnings per share were Tk0.12, which was Tk0.81 in the same period of 2020.
- As of 30 September 2021, its net asset value per share was Tk77.95. On 30 June 2021, the company recommended a 20% cash dividend for its shareholders. As of 31 October 2021, the sponsors and directors jointly held 47.34% shares, institutions 18.81%, foreign investors 0.03% and the general public held 33.82% shares in the company.

<https://www.tbsnews.net/economy/stocks/premier-cement-sees-85-profit-decline-q1-329689>

MJL sees profits soar 71pc

The Daily Star, November 15, 2021

- MJL Bangladesh Ltd saw its profits surge to Tk 62.8 crore in the July-September quarter, up 71 per cent from Tk 36.7 crore during the same period a year ago, as the reopening of economic activities since August powered its lubricant sales. The company registered revenue of Tk 606 crore in the quarter, up 30 per cent from Tk 506 crore a year ago.
- "We had good business in the July-September quarter as industries and power plants ran, while there was increased vehicle movement," said Md Rokibul Kabir, company secretary of MJL Bangladesh.
- He went on to say that the company's profit soared as it could cut its administrative expenses and loan costs by 22 per cent and 18 per cent respectively in the July-September period. MJL's share price rose 0.53 per cent to Tk 94.90 yesterday at the Dhaka Stock Exchange.
- The company has the capacity to produce around 150,000 barrels of blended lubricants each year and imports about the same quantity of finished lube oil, which is mostly consumed by the domestic market.

<https://www.thedailystar.net/business/organisation-news/news/mjl-sees-profits-soar-71pc-2230236>

Mir Akhter to issue Tk250cr zero-coupon bonds

The Business Standard, November 14, 2021

- Construction company Mir Akhter Hossain Ltd has announced to issue zero-coupon bonds having a total face value of Tk250 crore. Since zero-coupon bonds are sold at a discounted price, the company's real receipt would be lower than the face value.
- It has a large portfolio of accomplished and ongoing construction projects that include roads, bridges, railways, airport, power plants, large hotel infrastructure, public office and commercial buildings. The company was listed on the stock market earlier this year.
- In the 2020-21 fiscal year, Mir Akhter Hossain's earnings per share (EPS) increased to Tk4.21 from the previous year's Tk3.43. Its board of directors recommended 12.5% cash dividends, which is subject to the approval of its shareholders in the upcoming general meeting. On the other hand, its quarterly EPS for the July-September period came down to Tk0.56, from Tk0.86 in the same quarter a year ago. On 30 September this year, the company's net asset value per share stood at Tk46.56.

<https://www.tbsnews.net/economy/stocks/mir-akhter-issue-tk250cr-zero-coupon-bonds-329704>

Economy & Industry

Listed pharmas post higher profits as demand picks up

The Daily Star, November 15, 2021

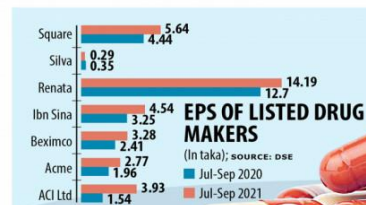
- Almost all listed pharmaceutical companies in Bangladesh logged higher profits in July to September thanks to higher sales as people shook off coronavirus fears to avail treatments and the lower cost of bank finances. Among the 10 major drug companies in Bangladesh, the profits of eight -- ACI Ltd, Acme Laboratories, Beximco Pharmaceuticals, IBN Sina, Renata, Square Pharmaceuticals, Orion Infusion, and Indo-Bangla Pharmaceuticals -- rose.
- The earnings of Orion Pharmaceuticals and Silva Pharmaceuticals dropped. ACI Ltd's profit grew 155 per cent compared to the same quarter a year ago. The profits of Acme Laboratories were up 41 per cent, IBN Sina's 39 per cent, Beximco Pharma's 36 per cent, and Square Pharmaceuticals' 27 per cent.
- Medicines worth \$56 million were exported during the period, up from \$42.17 million in the same three-month period last year, data from the Export Promotion Bureau showed.
- Renata clocked profits of Tk 139 crore in the first quarter of 2021-22, which was Tk 126 crore a year ago. Its earnings per share were the highest among all the listed drug-makers at Tk 14.19, the company's financial statements showed.
- The domestic market size of the pharmaceutical industry was around Tk 25,300 crore in 2020. Local companies met 98 per cent of the demand.
- The market size may grow to Tk 1 lakh crore in a decade, according to research of UCB Asset Management.

PHARMAS WITH HIGHEST PROFIT GROWTH

COMPANY NAME	GROWTH (IN %)
ACI Ltd	155
Acme	41
Ibn Sina	39
Beximco	36
Square	27
Renata	12

REASONS BEHIND HIGHER PROFITS

- Higher sales of prescription medicines
- A rise in seasonal diseases such as cold and fever
- Higher sales of Covid-related medicines
- Better export earnings
- Lower rates of interest



<https://www.thedailystar.net/business/organisation-news/news/listed-pharmas-post-higher-profits-demand-picks-2230256>

Most spinning mills enjoy profitability improvement

The Business Standard, November 14, 2021

- Leaving behind the years of squeezing profit margin amid low prices against increasing costs, spinning mills nowadays are enjoying high profits since the global economic reopening a year ago. The top-tier spinning mills listed on both Dhaka and Chattogram bourses are posting stellar growth in their profits as the price they are enjoying has outgrown their costs amid an increase in sales, especially for the spinners who produce comparatively higher value yarns.
- Matin Spinning Mills, a concern of DBL Group, posted 212% year-on-year growth in its quarterly profits for the July-September quarter this year.
- Its quarterly earnings per share stood at Tk2.68 for the first quarter of the current fiscal year, which was Tk0.86 in the corresponding period of the previous year.
- Maksons Spinning Mills, which had been struggling to maintain a less than decent bottom line before the pandemic, is now flying high as its sales and profit margins have improved.
- It secured Tk0.75 in EPS for the first quarter of this fiscal year, which was a meagre Tk0.11 in the same period a year ago. Following years of struggle to contain costs amid a downward pressure in yarn price, its stock price plunged below the Tk5 level in mid-2020.



- In the latest quarterly financial disclosure recently, another listed spinner Malek Spinning Mills said its turnover increased alongside an improvement in gross profit margin. Also, Metro Spinning Mills which produces cotton yarn near Dhaka was struggling until the good days began a year ago. Its quarterly EPS of Tk0.05 in July-September 2020 shot to Tk0.4 in the same quarter this year, registering a dramatic 700% year-on-year growth.
- Safko Spinning, previously a struggling spinner that produces cotton yarn, posted Tk0.02 in quarterly profits per share this year, while it had incurred a Tk2.09 in net quarterly loss per share in July-September, 2020. The profit is still too low for Safko shareholders, but at least they are happy to see a comeback. Its stock price soared sharply in recent days.
- Spinners with the internal legacy of management problems that often caused production disruption or irregular disclosures, such as Delta Spinners, Dulamia Cotton are found posting deterioration in earnings and it is not a big shock to analysts.

<https://www.tbsnews.net/economy/stocks/most-spinning-mills-enjoy-profitability-improvement-329698>

International

US states file updated antitrust complaint against Google

The Daily Star, November 15, 2021

- A group of US states led by Texas have filed an amended complaint against Alphabet Inc's Google accusing the tech giant of using coercive tactics and breaking antitrust laws in its efforts to boost its already dominant advertising business.
- The updated allegations are the latest in an onslaught of regulatory scrutiny of Google over its practices. The tech company faces several lawsuits, including one by the Justice Department for monopolistic practices. Earlier this week, Google lost an appeal against a \$2.8 billion European Union antitrust decision.
- The amended US lawsuit, filed in a federal court in New York late Friday, accuses Google of using monopolistic and coercive tactics with advertisers in its efforts to dominate and drive out competition in online advertising. The lawsuit also highlights Google's use of a secret program dubbed "Project Bernanke" in 2013 that used bidding data to give its own ad-buying an advantage.
- For example, in a 2015 iteration of the program, Google allegedly dropped the second-highest bids from publishers' auctions, accumulated money into a pool and then spent that money to inflate only the bids belonging advertisers who used the company's Google Ads.
- They otherwise would have likely lost the auctions, the states alleged. Neither Alphabet nor the Texas Attorney General's office responded immediately to requests for comment on the lawsuit.

<https://www.thedailystar.net/business/global-economy/news/us-states-file-updated-antitrust-complaint-against-google>

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