

Stock Market & Company

Stocks snap four-week losing streak

Newage, April 17, 2021

- Dhaka stocks in the past week snapped a four-week losing streak as a section of investors went for bargain hunting after COVID restriction-related worries eased.
- DSEX, the key index of the Dhaka Stock Exchange, advanced by 1.05 per cent, or 55.41 points, over the past week to close at 5,310.19 points on April 15, the last trading session of the week, after losing 313.76 points in the previous four weeks.
- After a plunge in the first day of the week, the key index advanced in the last three sessions in the past week as investors went for bargain hunting, market operators said. Share prices of most of the companies dropped in recent days that provoked some investors to buy shares at lucrative prices, they said.
- The investors' attention was mostly to the mutual fund sector as the sector soared by 8.5 per cent over the week. In addition, share prices of non-bank financial institution, general insurance, bank and pharmaceutical sectors advanced by 2.7 per cent, 1.6 per cent, 1 per cent and 0.7 per cent respectively.
- The daily average turnover on the DSE also increased to Tk 504.8 crore in the past week compared with that of Tk 464.92 crore in the previous week. DSE's blue-chip index DS30 also increased by 1.83 per cent, or 36.43 points, to finish at 2,026.82 points.
- Robi Axiata, Bd Finance, Asia Pacific Insurance Company, Central Insurance Company, Purabi General Insurance, Beximco Pharmaceuticals, Sonar Bangla Insurance, LankaBangla Finance and LafargeHolcim Bangladesh were the other turnover leaders.

<https://www.newagebd.net/article/135625/stocks-snap-four-week-losing-streak>

First SME IPO gets BSEC nod

Newage, April 15, 2021

- The Bangladesh Securities and Exchange Commission on Thursday allowed Nialco Alloys Limited to raise Tk 7.5 crore to be listed on the SME platform of the country's stock exchanges. Nialco Alloys will be the first company to be listed on the small and medium enterprise board of the stock exchanges.
- The BSEC made the decision at a commission meeting presided over by its chairman Shibli Rubayat-UI-Islam, a BSEC press release said. In accordance with BSEC (Qualified Investor Offer by Small Capital Companies) Rules, 2018, Nialco will issue 75 lakh shares at Tk 10 each to eligible investors through qualified investor offer, it said.
- The company will utilise the proceeds in land development, purchasing machinery and meeting IPO expenses. The regulator also decided that individual investor who has investment of Tk 1 crore in the market will be considered as a QI.
- As per financial statements as of September 30, 2020, Nialco Alloys' net asset value per share (NAV without revaluation reserve) and earnings per share were Tk 12.43 and Tk 0.91 respectively

<https://www.newagebd.net/article/135457/first-sme-ipo-gets-bsec-nod>

ADN Telecom's IPO fund utilisation time extended

The Financial Express, April 17, 2021

- ADN Telecom has informed that the Bangladesh Securities and Exchange Commission (BSEC) has approved its application for alteration and the time extension of utilisation schedule of IPO proceeds.

- The utilisation of the remaining balance amount of Tk 288,582,868 under the head of BMRE (balancing, modernization, rehabilitation and expansion), has been extended for two years up to 31 December 2022, the company said in a filing on the Dhaka Stock Exchange (DSE) on Thursday.
- The company has also informed that the utilisation of the remaining balance amount of Tk 32,632,813 under the head of data center has been extended for one year up to 30 September 2021 and the change of address of the data center. The utilisation of the remaining balance amount of Tk 13,860,031 under the head of loan repayment as soon as possible towards paying off outstanding loan with The City Bank, said the company.
- ADN Telecom raised Tk 570 million in 2019 through initial public offering (IPO) under the book-building method to develop infrastructures, establish data centre and repay bank loans. Each share of the company, which was listed on the DSE in 2019, closed at Tk 41.80 on Thursday, gaining 2.22 per cent over the previous day. The company has reported earnings per share (EPS) of Tk 1.20 in six months for July-December 2020 as against Tk 0.89 for July-December 2019.

<https://thefinancialexpress.com.bd/stock/adn-telecoms-ipo-fund-utilisation-time-extended-1618642242>

BSEC allows Midland Bank's employee shares to be part of IPO

The Business Standard, April 17, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has exempted Midland Bank from a provision of public issue rules, so that the new generation private sector lender can consider its employee shares as part of an initial public offering (IPO).
- As per public issue rules, IPO shares of the bank were issued only to the eligible investors and the general public including individuals and non-resident Bangladeshis. But now, after the exemption of the provision, the bank will be able to allot 35 lakh shares to its employees, which will be considered as a part of the IPO.
- Midland Bank, which was incorporated on 20 March 2013, will raise Tk70 crore from the stock market by issuing 7 crore shares through the IPO under the fixed-price method. LankaBangla Investments Limited is the issue manager of the IPO.
- The BSEC said after allotment of 35 lakh ordinary shares to Midland Bank's employees, the remaining 6.65 crore ordinary shares shall be distributed as per public issue rules. As per its audited financial statements in 2020, Midland Bank made a profit of Tk65.63 crore, which was Tk55.74 crore in 2019.

<https://www.tbsnews.net/economy/stock/bsec-allows-midland-banks-employee-shares-be-part-ipo-233077>

4 firms to join small cap board on relaxed rules

The Business Standard, April 17, 2021

- The four companies that will be listed on the small capital board are Master Feed Agrotec, Subra Systems Ltd, Oryza Agro Industries Limited and Mostafa Metal Industries. The securities regulator has exempted four firms from the rules regarding the qualified investors offer (QIO) to enlist them on the small capital boards of the bourses.
- Earlier, Master Feed Agrotec applied to the commission to raise Tk30 crore through an initial public offering (IPO) but failed. Its paid-up capital is Tk57.15 crore. The company now wants to raise Tk10 crore through QIO. Manufacturing and marketing poultry, fish and cattle feeds are the main activities of the company. It is also engaged in poultry and fish farming.
- Subra Systems' paid-up capital is Tk50 crore. Earlier, it applied for Tk30 crore IPO, but now the company wants to raise Tk15 crore through QIO. Oryza Agro applied for Tk25 crore IPO, its paid-up capital being Tk59.08 crore. The company now wants to raise Tk10 crore through QIO.
- The principal activities of the company are manufacturing and marketing fish and poultry feed. Mostafa Metal Industries Limited is a concern of the conglomerate Mustafa group. The company wants to raise Tk11 crore through QIO.

<https://www.tbsnews.net/economy/stock/4-firms-join-small-cap-board-relaxed-rules-233056>

Bsec's Market Intervention: Saving index from fall does little good

The Daily Star, April 18, 2021

- The Bangladesh Securities and Exchange Commission (BSEC) has taken many steps in the past decade to safeguard the index from falls, albeit without considering the long-term impacts. These measures ultimately left a dent on the market and investors' confidence.
- The main moves were stopping forced sales against margin loans in 2011, extending tenures of closed-end mutual funds in 2018, setting floor price last year and making phone calls to brokers and merchant bankers regularly to stop sales of big volume.
- Presence of retail investors is comparatively high in the market and they have a tendency to sell shares, even if it means incurring a loss, when the index goes down and criticise the regulator, he said.
- The regulator should keep to a middle-of-the-road policy, where it will try its best to refrain from its endeavours of impacting the nature of the free market but will try to protect small investors, he said.

MAJOR INTERVENTIONS BY BSEC

- Stopping forced sale of shares bought by margin loans in 2011
- Tenure extension of closed-end mutual funds in 2018
- Setting floor price in 2020
- Making phone calls to brokers and merchant bankers regularly to stop selling shares in big volumes

<https://www.thedailystar.net/business/economy/news/saving-index-fall-does-little-good-2079329>

Economy & Industry

Bangladesh sees 17m 'new poor', loses 3pc jobs during pandemic

The Financial Express, April 18, 2021

- The Covid-19 pandemic has rendered about 3.0 per cent of the country's labour force jobless and created an estimated 16.38 million 'new poor', a study report has revealed.
- Day-labourers, numbering about 1.08 million, working in construction, informal services and transport, lost jobs, it said.
- On Saturday, the report predicted that small and medium enterprises and informal sector would face the highest number of job losses at the end of 2021.
- The Bangladesh Institute of Labour Studies (BILS) and the Centre for Policy Dialogue (CPD) conducted the joint study styled 'Impact of Covid-19 on the Labour Market: Policy Proposals for Trade Union on Employment, Gender and Social Security for Sustainable Recovery'.
- The report, however, has laid emphasis on effective social dialogues aimed at ensuring the recovery of the labour market during this trying time.
- There are as many as 8,551 trade unions in the country. But unfortunately, the majority of workers are not unionised and only 4.2 per cent of the total labour force are active trade union members. Trade unionism is active in a few sectors: transport (35.2 per cent of total workers involved in unionism), ready-made garment (11.6 per cent), construction (6.9 per cent) and jute (4.6 per cent).



<https://thefinancialexpress.com.bd/economy/bangladesh-sees-17m-new-poor-loses-3pc-jobs-during-pandemic-1618718519>

Initiatives urged to attract direct investments

The Business Standard, April 17, 2021

- Experts have called for effective measures to attract foreign investments in Bangladesh to support the country's graduation from the group of least developed countries (LDCs).
- The global flows of foreign direct investment (FDI) have been on the decline due to the Covid-19 pandemic and countries will fiercely compete for foreign investment as the world economic recovery starts taking shape, said the experts at the Economic Reporters' Forum (ERF) webinar titled "FDI for Export Diversification and Smooth LDC Graduation" on Saturday.
- Speakers at the event stressed the need for reforming the taxation system alongside tapping the FDI potentials in a wide range of sectors like agro processing, light engineering, non-cotton apparel, home textile, blue economy and education in the country to ensure export diversification and smooth LDC graduation.
- They also suggested extending the scope for whitening undisclosed money in the health infrastructure, economic zones, and in other infrastructure sectors alongside the existing sectors to create more employment opportunities.
- The annual flow of foreign investment in Bangladesh is only 1% of GDP, while in Vietnam it is about 6%. But there is no alternative to investment for economic progress in line with the government's GDP growth target.
- The MCCI president also suggested targeting the potential sectors, adopting a coherent policy strategy by the BIDA, signing more preferential trade agreements with potential countries, and thus extending all-out support to the BIDA to attract more FDI.
- DCCI President Rizwan Rahman underscored the need for reforming the tax rate as it is still high compared to the global and Asian average. He also suggested extending the provision for whitening undisclosed money in the health infrastructure, tourism and in economic zones alongside the real estate and capital market, otherwise there would be bubbles in the economy.

<https://www.tbsnews.net/economy/initiatives-urged-attract-direct-investments-233104>

International

Global stocks climb after record China growth

Newage, April 16, 2021

- Global stock markets rose on Friday as strong economic data out of China fuelled optimism over the global economic recovery. London's benchmark FTSE 100 index climbed above 7,000 points for the first time since February 2020, or just before the coronavirus pandemic took hold worldwide.
- Shares in miners and oil producers were scooped up Friday on news that China's economy — the world's second biggest after the US — expanded at a record pace in the first quarter. It followed figures on Thursday showing US jobless claims came in at their lowest level since the pandemic began, while retail sales soared in March.
- Wall Street's Dow index ended Thursday above 34,000 points for the first time and the S&P 500 clocked yet another record high. China saw expansion of 18.3 per cent in the first quarter, boosted by a sharper-than-expected increase in retail sales.
- The economic growth figure was the highest since records began three decades ago, enhanced by its chronically weak comparison figure from last year, though the reading was slightly below forecasts in an AFP survey.
- Traders have been buoyed also by falling US Treasury bond yields which soothed worries that strong economic recovery could send inflation rocketing and force the Federal Reserve to raise its record-low borrowing costs.

<https://www.newagebd.net/article/135542/global-stocks-climb-after-record-china-growth>

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