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Stock Market & Company

Stocks fall sharply at opening

The Financial Express, April 27, 2021

- The market tumbled at the opening on Tuesday amid growing concern over the Covid-19 pandemic that ravaged India.
- The market fell sharply as soon as the market opened the DSEX, the prime index of the Dhaka Stock Exchange (DSE), eroded by 48.93 points or 0.89 per cent to stand at 5,436 points within the first 30 minutes of trading.
- Two other indices fell sharply till then with the DS30 index, comprising blue chips, lost 23.89 points to reach at 2,102 and the Shariah Index (DSES) plunged 15.51 points to stand 1,247 points till then.
- Turnover, another important indicator of the market, stood at Tk 2.46 billion within the first 30 minutes of trading when the report was filed at 10:30 am.
- Of the issues traded till then, 52 advanced, 212 declined and 58 remained unchanged on the DSE trading floor till then.
- Beximco - the flagship company of Beximco Group- was the most traded stocks till then with shares worth Tk 378 million changing hands, followed by National Feed Mills, LafargeHolcim, BATBC, and Agrani Insurance.



<https://thefinancialexpress.com.bd/stock/stocks-fall-sharply-at-opening-1619505862>

Insurance stocks rise despite market correction

The Daily Star, April 27, 2021

- Insurance stocks rose yesterday while the market witnessed a profit booking tendency for the second day in a row. DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plunged 63 points, or 1.15 per cent, to stand at 5,422.
- The market fell in the last two days as investors went for booking profits, according to a stock broker.
- When almost all other stocks were falling, insurance stocks were on the rise as some people bought them to allure general investors.
- Among 50 listed insurance companies, 31 advanced, 15 fell, and four remained unchanged.
- The DSE's turnover, an important indicator of the market, dropped 31 per cent to Tk 824 crore.
- Crystal Insurance topped the gainers list, rising 11.5 per cent, followed by Agrani Insurance, Dhaka Insurance, Emerald Oil, and Phoenix Insurance.

TOP TEN GAINERS

COMPANY NAME	RISE (IN %)
Crystal Insurance	11.5
Agrani Insurance	9.5
Dhaka Insurance	9.3
Emerald Oil	9.2
Phoenix Insurance	8.2
City General Insurance	6.6
National Feed Mills	5.7
Federal Insurance	5.2
Continental Insurance	5
C&A Textile	4.7

<https://www.thedailystar.net/business/news/insurance-stocks-rise-despite-market-correction-2084993>

Crystal Insurance to pay 10pc cash dividend for 2020

The Financial Express, April 27, 2021

- Crystal Insurance Company, which was listed on the stock market in December 2020, has recommended a 10 per cent cash dividend for the year ended on December 31, 2020.
- The record date is set for May 17, the company said in a filing with the Dhaka Stock Exchange (DSE) on Tuesday. The non-life insurer has also reported earnings per share (EPS) of Tk 4.58, net asset value (NAV) per share of Tk 20.98 and net operating cash flow per share (NOCFPS) of Tk 8.27 for the year ended on December 31, 2020, as against Tk 2.92, Tk 24.42 and Tk 5.46 respectively for the same period of the previous year.
- There will be no price limit on the trading of the shares of the company today following its corporate declaration; however, as per the BSEC order dated March 19, 2020, the floor price shall be applicable accordingly.
- Each share of the insurer, which was listed on the DSE on December 21, 2020, closed at Tk 47.80 on Monday. Its shares traded between Tk 15 and Tk 57.50 after listing with the stock market. The company's paid-up capital is Tk 400 million and authorised capital is Tk 1.0 billion, while the total number of securities is 40 million.

<https://thefinancialexpress.com.bd/stock/crystal-insurance-to-pay-10pc-cash-dividend-for-2020-1619497501>

NCC Bank declares 15pc dividend for 2020

The Financial Express, April 27, 2021

- The board of directors of National Credit and Commerce (NCC) Bank has recommended 7.50 per cent cash and 7.50 per cent stock dividend for the year ended on December 31, 2020. The record date is set on June 3, the company said in a filing with the Dhaka Stock Exchange (DSE) on Tuesday.
- The bank has also reported consolidated earnings per share (EPS) of Tk 2.36, consolidated net asset value (NAV) per share of Tk 22.15 and consolidated net operating cash flow per share (NOCFPS) of Tk 2.03 for the year ended on December 31, 2020 as against Tk 2.26, Tk. 20.60 and Tk 4.51 respectively for the same period of the previous year.

- Each share of the bank, which was listed on the DSE in 2000, closed at Tk 13.50 on Monday. Its shares traded between Tk 11.50 and Tk 15 in the last one year. The company's paid-up capital is Tk 9.45 billion and authorised capital is Tk 20 billion, while the total number of securities is 945.92 million.

<https://thefinancialexpress.com.bd/stock/ncc-bank-declares-15pc-dividend-for-2020-1619497258>

Brokers, merchant banks have until 1 January to adjust margin loans

The Business Standard, April 27, 2021

- The capital market regulator has allowed stockbrokers and merchant banks another six months to adjust their margin loan rates to 12%, given market conditions. Now these entities will have until 1 January 2022 to comply with the provision, said the Bangladesh Securities and Exchange Commission (BSEC) in a directive on Tuesday.
- On 13 January 2021, the commission set 12% as the maximum interest rate on margin loans. It was supposed to be adjusted by February this year. But the BSEC later extended the tenure until 30 June 2021 upon request of top stockbrokers and merchant banks, given the present circumstances prevailing in the capital markets.
- As per the decision, stockbrokers and merchant banks that work as portfolio managers would be able to charge borrowing customers, no more than a 3% spread above the cost of funds. Nevertheless, margin loan interest rates will be capped at 12%.
- Previously, there was no fixed interest rate on margin loans. Stockbrokers and merchant banks would charge interest as they wished, as high as 14-18%. As per the rules for margin loans, at present, investors qualify for a margin loan amounting to a maximum of 50% of their investment.

<https://www.tbsnews.net/economy/stock/brokers-merchant-banks-have-until-1-january-adjust-margin-loans-238216>

AB Bank's annual net profit jumps 233%

The Business Standard, April 27, 2021

- AB Bank, a private sector lender, has posted a staggering 233% year-on-year growth in the consolidated earnings per share to Tk0.50 in the financial year 2020. The bank's board of directors also recommended a 5% stock dividend for the shareholders for last year.
- Record date for entitlement of dividend and right share is set on 19 May and the annual general meeting will be held on 10 June through a digital platform. Earlier on 3 June last year, the Bangladesh Securities and Exchange Commission (BSEC) refused to approve AB Bank's right share offer, saying the lender did not submit any updated documents about the right share issue.
- In 2017, the bank proposed rights issue 3:2R – two right shares against existing three shares – with a face value of Tk10 each. Meanwhile, in the first quarter of this year, the bank's consolidated earnings per share stood at Tk0.16, which was 100% higher from the same quarter of the previous year.

<https://www.tbsnews.net/economy/stock/ab-banks-annual-net-profit-jumps-233-238213>

IBBL board recommends 10% cash dividend for shareholders

The Business Standard, April 27, 2021

- The Board of Directors of Islami Bank Bangladesh Limited has recommended a 10% cash dividend for the shareholders for the year 2020. The recommended dividend will be presented for approval at the 38th Annual General Meeting of the bank scheduled to be held on 27 June.

- The record date for entitlement of dividend has been fixed on 20 May. The meeting also adopted unaudited financial statements for the first quarter ended on 31 March.

<https://www.tbsnews.net/economy/stock/ibbl-board-recommends-10-cash-dividend-shareholders-238207>

Economy & Industry

Brac Bank to get \$30m IFC loan

The Daily Star, April 28, 2021

- International Finance Corporation (IFC), a member of World Bank Group, is set to provide Brac Bank a \$30 million loan to come to the aid of small and medium enterprises (SMEs) and larger companies hit hard by the impacts of the Covid-19.
- With the financing, Brac Bank is expected to extend loans to its SME and corporate customers, supporting businesses that were now coping with a new wave of Covid-19 in Bangladesh. The financing package is part of the IFC's \$8 billion global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis.
- This new investment comes under the Working Capital Solutions (WCS) programme of the Covid-19 response envelope, which is providing \$2 billion globally to emerging-market banks, enabling them to support struggling firms.
- This project will also be supported by the International Development Association's Private Sector Window Blended Finance Facility, which is also supporting the IFC's WCS programme with a first-loss guarantee of up to \$215 million in eligible countries.
- In Bangladesh, the IFC has provided a total of \$260 million in working capital solutions to banks and liquidity support to companies since the beginning of the Covid-19 crisis, including this new funding to Brac Bank.

<https://www.thedailystar.net/business/news/brac-bank-get-30m-ifc-loan-2084977>

11 banks, NBFIs assigned to disburse loans among smaller enterprises

The Financial Express, April 28, 2021

- SME Foundation has assigned 11 banks and non-bank financial institutions (NBFIs) to disburse Tk 3.0 billion as loan among the pandemic-hit cottage, micro, small and medium enterprises (CMSMEs) of different sectors under the stimulus package.
- Of the total Tk 3.0 billion allotted for SME Foundation under the government declared Tk 27 billion package, Tk 1.0 billion will be disbursed before June and Tk 2.0 billion in the upcoming fiscal year 2021-22.
- According to the Foundation, the designated banks and NBFIs - Brac Bank, Premier Bank, Mutual Trust Bank, Bank Asia, South East Bank, Dhaka Bank, Dutch Bangla Bank, Prime Bank, BASIC Bank, IDLC Finance and Lanka Finance - will disburse the fund among the pandemic-hit entrepreneurs following a policy guideline and agreed modality.
- Besides, efforts are also going on to sign agreements with Bangladesh Krishi Bank, Rajshahi Agriculture Development Bank and the similar government and private entities to disburse the fund in different remote and rural areas.
- The loan amount will be from Tk 100,000 to Tk 7.5 million, to be disbursed based on the bank-client relations and mutual agreement on monthly instalment basis up to 24 months. Group loans will also be released.

<https://thefinancialexpress.com.bd/trade/11-banks-nbfis-assigned-to-disburse-loans-among-smaller-enterprises-1619581629>

International

World Bank lifts sanction from Canadian company involved in Padma Bridge corruption

The Business Standard, April 28, 2021

- The World Bank (WB) has lifted up the sanctions from Canada's SNC-Lavalin two years early stating that the company has met all corporate integrity condition.
- The company as well as over 100 affiliates was debarred by the bank for 10 years in 2013 because of its relation to the Padma Multipurpose Bridge Project in Bangladesh misconduct and misconduct under another Bank-financed project, reports Global Construction Review.
- At the time, the engineer and contractor was engulfed in a multifaceted corruption crisis with allegations of bribery stemming from its work in Libya, Angola, Algeria, Bangladesh and its home town of Montreal.
- A number of executives were charged, including its former chief executive, Pierre Duhaime, who pleaded guilty in 2019 to helping a public servant commit breach of trust in the contract to build the McGill University Hospital Centre in Montreal.
- The company itself was charged with corruption in 2015, with police accusing it of offering around \$47m in bribes to Libyan officials in the decade to 2011. These charges were dropped in a 2019 settlement with police, which saw an SNC-Lavalin company paying a C\$280m fine.
- The company and its subsidiaries will now be able to bid for work on projects financed by the World Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Asian Development Bank and the Inter-American Development Bank.

<https://www.tbsnews.net/world/world-bank-lifts-sanction-canadian-company-involved-padma-bridge-corruption-238291>

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