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Stock Market & Company

Stocks gain after 2-day fall

Newage, April 28, 2021

- Dhaka stocks advanced on Wednesday after a two-day fall as investors regained their buying mood after the Bangladesh Securities and Exchange Commission clarified issues related to the implementation of new margin loan interest rate.
- The BSEC on Tuesday issued a directive that 12 per cent ceiling on margin loan interest rate would be implemented on January 1, 2022.
- DSEX, the key index of the Dhaka Stock Exchange, advanced by 0.71 per cent, or 38.95 points, to close at 5,461.34 points on Wednesday after losing 75.81 points in the previous two sessions.
- A surge in share prices of BEXIMCO, LafargeHolcim Bangladesh, Beximco Pharmaceuticals, LankaBangla Finance and National Life Insurance added 23 points to the index.
- The insurance sector continued dominating the market trend as the sector logged 37 per cent of the day's total turnover and share prices of the sector soared by 3.3 per cent on Wednesday.
- Average share prices of miscellaneous, non-bank financial institution and energy sectors advanced by 2.1 per cent, 0.9 per cent and 0.2 per cent respectively. DS30, a composition of 30 large capitalised companies, advanced by 0.95 per cent, or 19.87 points, to close at 2,112.36 points on Wednesday.
- LafargeHolcim Bangladesh, British American Tobacco, Beximco Pharmaceuticals, LankaBangla Finance, National Feed Mills, Federal Insurance Company, BD Finance, Robi and Asia Pacific Insurance were the other turnover leaders on the day.

<https://www.newagebd.net/article/136626/stocks-gain-after-2-day-fall>

Marico Bangladesh declares 200pc final cash dividend

The Financial Express, April 28, 2021

- The board of directors of Marico Bangladesh has recommended a 200 per cent final cash dividend for the year ended on March 31, 2021. Thus, the multinational company declared a total of 900 per cent cash dividend for the year ended on March 31, 2021, including the 700 per cent interim cash dividend, which has already been paid.
- The record date is set for May 27, the company said in a filing with the Dhaka Stock Exchange (DSE) on Wednesday. The company has also reported earnings per share (EPS) of Tk 98.69, net asset value (NAV) per share of Tk 51.95 and net operating cash flow per share (NOCFPS) of Tk 105.55 for the year ended on March 31, 2021, as against Tk 84.01, Tk 44.05 and Tk 95.65 respectively for the same period of the previous year.
- Each share of the company, which was listed on the DSE in 2009, closed at Tk 2077.10 on Tuesday. Its shares traded between Tk 1,562.50 and Tk 2,472.20 in the last year. Its paid-up capital is Tk 315 million and authorised capital is Tk 400 billion, while the total number of securities is 31.50 million.

<https://thefinancialexpress.com.bd/stock/marico-bangladesh-declares-200pc-final-cash-dividend-1619587276>

AB Bank to issue rights share to strengthen equity capital

The Financial Express, April 28, 2021

- The board of directors of AB Bank has recommended for issuance of rights share for strengthening the equity capital base of the Bank at a sustainable level. The board has recommended at a ratio of 1R:6 (one rights share for existing six shares to be held) at an issue price of Tk 10 each after effecting stock dividend for the year ended on December 31, 2020, the bank said in a filing with Dhaka Stock Exchange (DSE) on Wednesday.
- The rights share issuance is subject to the approval of the shareholders, Bangladesh Securities and Exchange Commission (BSEC), and other regulatory authorities like Bangladesh Bank. The board of directors of the bank has recommended 5.0 per cent stock dividend for the year ended on December 31, 2020.
- The bank has also reported consolidated earnings per share (EPS) of Tk 0.50, consolidated net asset value (NAV) per share of Tk 32.26, and consolidated net operating cash flow per share (NOCFPS) of Tk negative 4.61 for the year ended on December 31, 2020, as against Tk 0.15, Tk 31.69 and Tk 35.99 respectively for the same period of the previous year.
- Its paid-up capital is Tk 7.96 billion and authorised capital is Tk 15 billion, while the total number of securities is 796.03 million.

<https://thefinancialexpress.com.bd/stock/ab-bank-to-issue-rights-share-to-strengthen-equity-capital-1619587391>

Heidelberg Cement nets 9 times higher profit

The Business Standard, April 28, 2021

- Heidelberg Cement Bangladesh Limited has witnessed nine times higher year-on-year growth in net profit to Tk46.51 crore in the first quarter of this year. The German-based multinational company, which incurred a loss of Tk8.08 crore last year, has declared a 20% cash dividend for its shareholders after a year gap.
- Last year its revenue stood at Tk1,168.10 crore, which was slightly lower than the previous year. But in the January-March quarter of this year, the cement manufacturer reported a 44% growth in revenue to Tk550.58 crore, and the earnings per share stood at Tk8.23.
- On 7 February, the company received a High Court direction for amalgamation, and to get the approval of the scheme for the merger, it will hold an extraordinary general meeting on 2 May. From 11-20 April, Heidelberg Cement's share prices soared by 38% to Tk233.6, from Tk168.6 each.
- For an unusual price hike, the Dhaka Stock Exchange (DSE) sent a query to the company. In response, Heidelberg Cement said there was no price-sensitive information behind the unusual price hike.

- Meanwhile, the quarterly net sales of another multinational company, Lafarge Holcim, has risen to Tk631.8 crore, resulting in a 23% growth over the same period of last year.

<https://www.tbsnews.net/economy/stock/heidelbergcement-nets-9-times-higher-profit-238723>

Sonali Life's IPO subscription opens May 30

The Financial Express, April 28, 2021

- The IPO subscription of Sonali Life Insurance Company will open from May 30, aiming to raise Tk 190 million under the fixed price method. The life insurer's initial public offering (IPO) subscription will be continued until June 3, according to the abridged prospectus of the company published on Tuesday.
- The company's IPO subscription was supposed to open in March this year. However, its IPO subscription deferred in May after the company applied for the deferral.
- As per the BSEC approval, the Sonali Life Insurance will raise a capital worth Tk 190 million under the fixed price method issuing 19 million ordinary shares at an offer price of Tk 10 each.
- As per the audited financial statement for the year ended on December 31, 2019 the company's net asset value (NAV) per share is Tk 25.47 (without revaluation) and life insurance fund worth Tk 953.3 million. ICB Capital Management and Agrani Equity & Investment Ltd are jointly working as issue managers of company's IPO process.
- The authorised capital of Sonali Life Insurance, which was incorporated in Bangladesh on 7 July 2013, is Tk 1.0 billion. Currently, its paid-up capital is Tk 285 million and its post-IPO paid-up capital will be Tk 475 million.

<https://thefinancialexpress.com.bd/stock/sonali-lifes-ipo-subscription-opens-may-30-1619584241>

Mosleh Uddin joins SBAC Bank as MD and CEO

The Business Standard, April 27, 2021

- Mosleh Uddin Ahmed has recently joined South Bangla Agriculture and Commerce (SBAC) Bank as Managing Director (MD) and Chief Executive Officer (CEO). SBAC bank confirmed the matter via a press release issued in this regard on Tuesday.
- In the process of career progression, Mosleh Uddin capitalised the opportunities to work many other banks and also held many responsible positions like Area Head Corporate Banking at the City Bank Ltd, Regional Head of Credit at the State Bank of India, Dhaka, and Head of Leasing Unit in Prime Bank Ltd etc.
- He graduated in Electrical and Electronic Engineering from RUET also obtained Diploma in Computer Science. He has also completed MBA from IBA, University of Dhaka. He participated in different training Courses on Senior Leadership Management, Advanced Credit Risk Management and Trade Finance from University of Cambridge, AIT Bangkok, Central Bank of Malaysia, State Bank Staff College Hyderabad, Mumbai and Delhi etc. Besides, he has also participated in many other workshops at home and abroad.

<https://www.tbsnews.net/economy/banking/mosleh-uddin-joins-sbac-bank-md-and-ceo-238123>

Mercantile Bank director Shaheed Reza likely to appeal his removal

The Business Standard, April 28, 2021

- AKM Shaheed Reza is likely to move an appeal against a Bangladesh Bank order to remove him from the post of a director of Mercantile Bank. Reza, also a former chairman of the private sector lender, told The Business Standard (TBS) on Wednesday morning that he was planning to file a petition with the appellate section of the central bank against his removal.
- The central bank's order on Tuesday said loans sanctioned for various nonexistent entities involving Prashanta Kumar Halder (PK Halder), former managing director of Reliance Finance, were wrongly transferred to bank accounts of different institutions involving him, Shaheed Reza, by corrupt and fraudulent irregularities.

- However, denying allegations made against him, Shaheed Reza said he had borrowed about Tk128 crore in 68 cheques from International Leasing. Of this, he has also paid back more than Tk30 crore.
- However, the central bank order said AKM Shaheed Raza was involved in the corruption and irregularities of PK Halder and had transferred the loan to another institution after its approval in the name of a different company.
- As a result of this irregularity, the Bangladesh Bank has removed him from the post of director and, from the day of this order, he will not be able to join the post of director of Mercantile Bank or any other bank for the next two years.

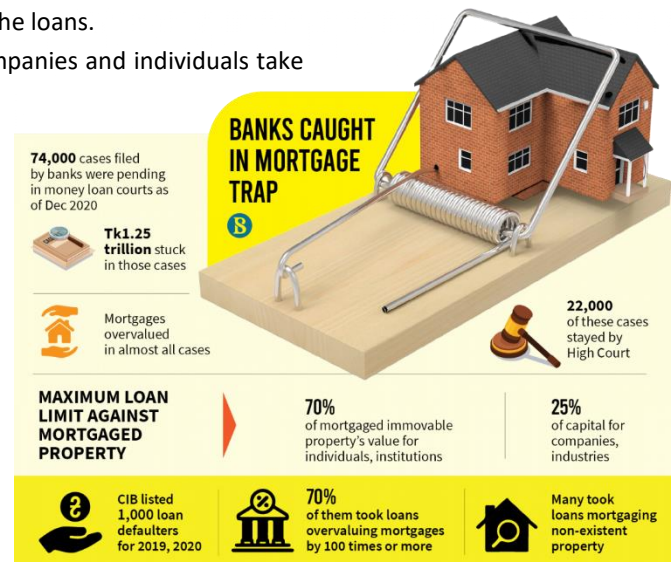
<https://www.tbsnews.net/economy/banking/mercantile-bank-director-shaheed-reza-likely-appeal-his-removal-238777>

Economy & Industry

Banks in overvalued mortgage trap

The Business Standard, April 28, 2021

- Mortgage a piece of property overvalued manyfold and take out hundreds of crores of Takas from Banks and financial institutions as loans against that inflated value. The errant companies have 'helpful' financial institution officials on their sides who would approve such inflated value and even lobby for the loans.
- This has become a regular practice in the financial market as companies and individuals take loans and become defaulters while the banks and financial institutions are left with trash collateral hardly covering the loan amounts. Examples are many.
- JACQUARD Knitex Limited – based in Tongi, Gazipur – borrowed Tk85 crore from Janata Bank's Tongi branch in 2010 by offering 113 kathas of land as collateral in the Nishatnagar area of Tongi. The mortgage deed was executed showing the market price of each katha of the land at Tk1 crore. As the company failed to repay, the loan amount including principal and interest stood at Tk183 crore in 2019. In the same year, the company was declared a defaulter by the Credit Information Bureau (CIB).
- As per the Section 12(3) of the Artha Rin Adalat act, Janata Bank put up the 113-katha mortgaged land for auction. Even though auction notices were published thrice, no one showed interest in buying the property.



<https://www.tbsnews.net/economy/banking/banks-overvalued-mortgage-trap-238795>

ADB projects GDP growth at 5.5pc-6pc in FY21 for Bangladesh

Newage, April 28, 2021

- Asian Development Bank on Wednesday estimated that the second wave of coronavirus infection might erode up to 1 percentage point of Bangladesh's potential gross domestic product growth in the current fiscal year 2020-2021.
- 'GDP growth in FY2021 is expected to moderate to 5.5-6 per cent from the initial forecast of 6.8 per cent due to the resurgence of Covid-19 cases,' ADB country director Manmohan Parkash said at a virtual press briefing on the day.
- Manila-based multilateral lender organised the briefing to release its latest Asian Development Outlook 2021. In the ADO, the ADB initially forecasted 6.8 per cent GDP growth for Bangladesh for the current FY21 based on data available before March.

- Bangladesh economy grew by 5.24 per cent in the last FY2020 while the government projected 8.2 per cent growth rate for the current FY2021. The government, however, has already revised down the projection to 7.4 per cent and set to make further cut in projection to 6.1 per cent due to adverse impact of Covid-19 outbreak.

<https://www.newagebd.net/article/136588/adb-projects-gdp-growth-at-55pc-6pc-in-fy21-for-bangladesh>

International

US to send more than \$100 million in Covid-19 supplies to India

The Daily Star, April 29, 2021

- The supplies, which will begin arriving on Thursday and continue into next week, include 1,000 oxygen cylinders, 15 million N95 masks and 1 million rapid diagnostic tests, the statement said.
- The United States also has redirected its own order of AstraZeneca manufacturing supplies to India, which will allow it to make over 20 million doses of Covid-19 vaccine, according to the White House.
- "Just as India sent assistance to the United States when our hospitals were strained early in the pandemic, the United States is determined to help India in its time of need," the White House said in a fact sheet outlining the aid.
- India's death toll from the coronavirus pandemic surged past 200,000 on Wednesday, worsened by shortages of hospital beds and medical oxygen. The last 24 hours brought 360,960 new cases for the world's largest single-day total, taking India's tally of infections to nearly 18 million.

<https://www.thedailystar.net/coronavirus-deadly-new-threat/news/us-send-more-100-million-covid-19-supplies-india-2085733>

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