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Stock Market & Company

DSEX hits record high, nears 7,300pts

Newage, September 28, 2021

- Dhaka stocks on Tuesday hit an all-time high with the key index nearing 7,300 points for the first time as a section of investors continued buying shares, especially those of large capitalised companies.
- DSEX, the key index of the Dhaka Stock Exchange, gained 0.62 per cent, or 45.52 points, to hit an all-time high of 7,297.24 points on Tuesday after gaining 14.57 points in the previous session.
- Among the prominent companies, share prices of Beacon Pharmaceuticals, BRAC Bank, SAIF Powertec, Bangladesh Submarine Cables Company, LafargeHolcim Bangladesh, and Shahjibazar Power Company soared on Tuesday. Of the 374 scrips traded on the DSE on Tuesday, 172 declined, 164 advanced and 39 remained unchanged.
- Average share prices of non-bank financial institution, textile, bank and energy sectors advanced by 2.2 per cent, 1.2 per cent, 0.8 per cent and 0.7 per cent respectively. Turnover on the DSE advanced to Tk 2,135.73 crore on Tuesday from Tk 1,980.87 crore in the previous session.
- DS30, a composition of 30 large capitalised companies, also increased by 0.58 per cent, or 15.57 points, to close at 2,691.82 points on Tuesday. Shariah index DSES gained 0.41 per cent, or 6.51 points, to settle at 1,585.28 points.
- Orion Pharmaceuticals led the turnover chart with its shares worth Tk 117 crore changing hands on the day. LafargeHolcim Bangladesh, BEXIMCO, Shahjibazar Power Company, SAIF Power, GPH Ispat, Active Fine, BBS Cables and Makson Spinning Mills were the other turnover leaders on the day.

<https://www.newagebd.net/article/150383/dsex-hits-record-high-nears-7300pts>

NRB Bank deliberately loses Tk 103cr to favour stock gamblers

The Daily Star, September 29, 2021

- RB Bank has incurred a loss of Tk 103 crore as it intentionally became involved in unethical trading practices in the stock market to favour gamblers, which weakened the financial health of the lender and put depositors' money at risk.
- The unethical trading activity took place between January and August this year when it gave illegal benefits to gamblers by buying shares at higher prices and selling at lower prices, according to a special internal audit carried out by the private commercial bank this month.
- The illegal trading activity has had an adverse impact on the depositors' money as the bank misused their funds in the name of investment in the stock market, said officials of the Bangladesh Bank. NRB Bank bought shares at comparatively higher prices and sold them at lower prices than the average market price with a view to giving a chance to the gamblers to make a profit, it said.
- NRB Bank bought 27.36 lakh shares of the insurer worth Tk 454 crore. However, it was later compelled to sell 19 lakh shares at a loss in order to comply with regulatory requirements.
- A bank can't invest more than 5 per cent of the total capital, share premium, and retained earnings in a single stock as per the Banking Companies Act 1991. The bank also bought the shares of Paramount Insurance Ltd in the similar fashion.
- On January 12, the bank started to purchase 100,000 shares of Paramount Insurance at Tk 144.30 apiece. The rate was the highest on the day and 22.17 per cent higher than a day before, the report said. The share started sliding the following day and slipped to Tk 122.80 on January 17. But NRB Bank did not purchase any shares at that time.
- However, when the share started to go up on January 20, the bank purchased 100,000 shares at Tk 148.79. The rate was 27.16 per cent higher than the price of January 17.

<https://www.thedailystar.net/business/economy/banks/news/nrb-bank-deliberately-loses-tk-103cr-favour-stock-gamblers>

Bay Leasing recommends 10% cash dividend

The Business Standard, September 28, 2021

- Non-banking financial institution Bay Leasing and Investment has recommended a 10% cash dividend for its shareholders for 2020. In 2019, it paid 7.50% cash and 2.50% stock dividends.
- The annual general meeting (AGM) of Bay Leasing has been scheduled for 4 November where the company's recommended dividend and financial report will be approved. The company set 18 October as the record date to determine the investors for the dividends.
- The consolidated earnings per share (EPS) of the non-bank financial institution were Tk1.14 in the last year, which was 7% higher than the previous year. Meanwhile, the consolidated net asset value per share of the company stood at Tk19.80 in the last financial year that ended on 31 December 2020. Its consolidated net operating cash flow per share was Tk5.94 in that year.

<https://www.tbsnews.net/economy/stocks/bay-leasing-recommends-10-cash-dividend-308773>

Shimanto Bank approves 3% stock dividend

The Business Standard, September 28, 2021

- The board of directors of Shimanto Bank has approved 3% stock dividend for its shareholders. The decision came from the bank's 5th annual general meeting (AGM) that was held virtually on Monday, said a press release.
- Director General of Border Guard Bangladesh and Chairman of the Bank Major General Md Shafeenul Islam, BGBM (BAR), ndc, psc presided over the meeting. Dividend Director's Report, Auditor's Report were approved, directors were elected and auditor was appointed in the AGM.
- Bank's Managing Director and CEO, Muklesur Rahman said that Shimanto Bank Ltd has successfully ensured profit since 2016. Directors and Shareholders of Shimanto Bank Ltd, auditors, retainers, top executives and other stakeholders were present in the AGM.

<https://www.tbsnews.net/economy/stocks/shimanto-bank-approves-3-stock-dividend-308806>

PP woven bag makers struggle for recovery

The Business Standard, September 28, 2021

- Khan Brothers PP Woven Bag Industries Ltd's business shrank drastically due to disruptions in trade during the Covid-19 pandemic. Although the situation is getting normal gradually, the export-oriented company's business is nowhere near what it was in the pre-pandemic period.
- Currently, the company is running on a limited capacity to supply polypropylene (PP) woven bags to local customers, accounting for only 10% of its total production capacity.
- Like Khan Brothers, other companies in the PP woven bag manufacturing sector have been struggling to recover their businesses after the economy reopened. A number of these firms have been able to continue their operations partially to meet local demands, but currently, their export volume is very low.
- Industries in this sector are engaged in manufacturing PP woven bags, flexible intermediate bulk container bags, recyclable and reusable shopping bags, and tarpaulin bags which are used for packaging cement, poultry and aqua feed, food grain, and seed.



<https://www.tbsnews.net/economy/stocks/pp-woven-bag-makers-struggle-recovery-308824>

Economy & Industry

Chinese FDI in Bangladesh sees huge jump

The Daily Star, September 29, 2021

- Foreign direct investment (FDI) from China to Bangladesh has jumped by about 200 per cent year-on-year to \$418 million in the past seven months, according to Chinese ambassador Li Jiming.
- From January to July this year, the trade volume between China and Bangladesh reached \$13 billion, up 58.9 per cent year-on-year. At the same time, Chinese contractors in Bangladesh registered turnover of \$3.18 billion, up 59.5 per cent year-on-year. Besides, after the zero-tariff benefit afforded to 97 per cent of Bangladesh's exports to China took effect, shipments to the East Asian nation have posted double-digit growth.
- During the January-July period, Bangladesh's exports to China increased by about 38 per cent year-on-year, Jiming said. Up till March this year, the total value of FDIs in Bangladesh stood at about \$20 billion, of which China provided around \$1.4 billion. Most Chinese investment comes in the local power sector, which received about \$443 million as of May this year, according to data from Bangladesh Bank.
- According to data compiled by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), bilateral trade between China and Bangladesh was about \$12 billion in 2019-20 fiscal year, which was heavily tilted towards China.

<https://www.thedailystar.net/business/global-economy/news/chinese-fdi-bangladesh-sees-huge-jump-2186406>

Inflation rises to 5.54% in August

The Business Standard, September 28, 2021

- The point-to-point inflation rate jumped by 0.18 percentage point in August to 5.54%, according to a report released by the Bangladesh Bureau of Statistics (BBS) on Tuesday. The inflation was 5.36% in July, 0.28 percentage points lower than in June.
- The inflation rate for both food and nonfood items increased last month. And, it increased in urban and rural areas too. Despite an increase in inflation rate for all types of commodities in all areas in August, the moving average inflation for the last 12 months declined compared with the average of the same period in the previous year.
- The BBS' regular release titled "Consumer Price Index (CPI), Inflation Rate and Wage Rate Index (WRI) in Bangladesh" revealed that the average inflation for the last 12 months was 5.53%, while the rate was 5.56% in the previous year.
- The point-to-point inflation, calculated by the consumer price index, indicates the degree of increase in the cost of living in a particular point of time in comparison with the same period a year ago. The August inflation of 5.54% means that a product or service that cost Tk100 in August 2020, is now causing consumers to spend Tk105.54.

<https://www.tbsnews.net/economy/inflation-rises-554-august-308809>

International

Asian markets start week with gains but eyes on Evergrande

The Daily Star, September 28, 2021

- Equity markets mostly rose in Asia on Monday following a broadly positive lead from Wall Street, while investors kept a nervous eye on developments in the crisis at troubled Chinese property giant Evergrande as it teeters on the brink.
- Hong Kong was among the best performers on bargain-buying after suffering a blow-out last week, though traders were still none the wiser about whether Evergrande paid interest on an offshore bond that was due last Thursday.
- While concerns about an economically disastrous collapse of the firm have abated for now, analysts warned there was a long way to go before markets were out of the woods.
- Reports at the weekend said Chinese authorities had ordered local housing chiefs to put the company's cash in ringfenced accounts to make sure it is used to complete construction projects. Observers said the move showed homeowners were taking priority for the government as it tries to temper social anger. But Beijing has remained largely silent on the crisis, leaving many to guess its plans.
- Hong Kong rose but Evergrande's electric-vehicle unit slumped by more than 10 per cent after it scrapped a proposed listing on the Shanghai Stock Exchange and warned it was running out of cash. Sydney, Seoul, Singapore, Manila, Mumbai and Bangkok were all in positive territory, though Shanghai, Wellington and Jakarta dipped. Tokyo was flat, days ahead of a leadership election in Japan's ruling party to replace Prime Minister Yoshihide Suga, with optimism that the winner will push for a huge new stimulus package for the stuttering economy.

<https://www.thedailystar.net/business/global-economy/news/asian-markets-start-week-gains-eyes-evergrande-2185596>

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