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Stock Market & Company

DSEX exceeds 7300-mark to set new high

The Financial Express, September 29, 2021

- Stocks extended the winning streak on Wednesday with the prime index of the Dhaka Stock Exchange (DSEX) crossing the 7300-mark for the first time after inception nearly nine years back. DSEX, the benchmark index of the DSE, went up by 5.61 points or 0.07 per cent to settle at 7,302—the highest since its inception nearly nine years back on January 27, 2013.
- The DS30 index comprising blue chips also followed the suit to close at its historical high at 2,696, after gaining 5.05 points. The DS30 Index was also launched on January 27, 2013.
- However, the DSE Shariah Index (DSES) went down slightly by 1.62 points to finish at 1,583. Turnover, another important indicator of the market, stood at Tk 22.69 billion on the prime bourse, which was 6.28 per cent higher than the previous day's tally of Tk 21.35 billion.
- LafargeHolcim Bangladesh topped the turnover list after a long time with shares worth nearly Tk 2.05 billion changing hands, followed by Beximco, Orion Pharma, LankaBangla Finance, and Dragon Sweater.
- Sea Pearls Beach Resorts was the day's top gainer, posting a 9.36 per cent gain while Savar Refractories was the worst loser, losing 5.62 per cent.
- However, the Chittagong Stock Exchange (CSE), edged lower with the CSE All Share Price Index – CASPI –losing 11 points to settle at 21,323 and the Selective Categories Index – CSCX shedding 5.0 points to close at 12,800. Of the issues traded, 168 declined, 108 advanced and 37 remained unchanged on the CSE trading floor.



<https://thefinancialexpress.com.bd/stock/dsex-exceeds-7300-mark-to-set-new-high-1632909186>

Strategic Finance to issue Tk 500cr perpetual bond

Newage, September 29, 2021

- Strategic Finance and Investments Limited, a non-bank financial institution, has decided to raise Tk 500 crore, including Tk 50 crore in a public offer, through issuing a perpetual bond.
- The NBFI which was incorporated on March 9, 2020 has filed documents with the Bangladesh Securities and Exchange Commission seeking the stock market regulator's approval for the bond, BSEC sources said.
- The nature of the bond is coupon bearing fully-paid up, non-convertible, unsecured perpetual debt instrument with floating rate, according to the documents. Face value and issue price of securities are Tk 5,000 and coupon range could be 6.5 per cent to 10.5 per cent per annum.
- There is no maturity date, redemption is not applicable unless and until it is eligible for call option criteria. Ten per cent of the total bond size or Tk 50 crore will be listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange.
- The bond proceed will be utilised for the company's regular business activities such as generating liquidity to meet ongoing long-term financing requirements, to have appropriate asset-liquidity matching and to pay off debt with higher cost.
- Anjuman Ara Shahid, wife of Padma Bank chairman Chowdhury Nafeez Sarafat, is the founding chairperson of Strategic

<https://www.newagebd.net/article/150486/strategic-finance-to-issue-tk-500cr-perpetual-bond>

NRBs investment in capital market easier, says BSEC commissioner

The Daily Star, September 29, 2021

- Non-resident Bangladeshis (NRBs) can invest easily in the capital market as the government allows free inflow and outflow of funds of diaspora community, said a top official of Bangladesh Securities and Exchange Commission (BSEC) today.
- NRBs can invest through Non-Resident Investor's Taka Account (NITA) in order to encourage investment in the capital market, said BSEC Commissioner Shaikh Shamsuddin Ahmed at the second Global Business Summit Dubai 2021 today. NRB CIP Association and Business America Magazine jointly organised the summit.
- "Our capital market environment is great with a low price-earnings ratio and impressive prospect for higher market capitalisation. We are digitalising our operations," he said. Digital Beneficiary Owners' account and Digital booths are opening up around the globe to facilitate participation of non-resident Bangladeshis investment in stock market, he said.

<https://www.thedailystar.net/business/economy/industries/investments/news/nrbs-investment-capital-market-easier-says>

Ctg bourse seeks to fire MD for misuse of power

The Daily Star, September 30, 2021

- The board of the Chattogram Stock Exchange (CSE) has sent the bourse's managing director Mamun-Ur-Rashid on forced leave for a month and sought approval from the regulator to remove him for misuse of power. The board has already assigned the bourse's general manager Md Ghulam Faruque to play the role of the acting managing director.
- The decision came at the board meeting on September 16. Earlier, the Anti-Corruption Commission (ACC) took legal actions against Rashid for his alleged involvement in irregularities in giving out loans to a firm when he was the managing director of Standard Bank.
- ACC Assistant Director Muhammad Zoynal Abedin filed the case against Rashid and seven others for allegedly embezzling about Tk 4 crore from the bank.

<https://www.thedailystar.net/business/organisation-news/news/ctg-bourse-seeks-fire-md-misuse-power-2187261>

DSE SME platform makes debut on Thursday

The Business Standard, September 29, 2021

- The SME platform of the Dhaka Stock Exchange (DSE) is making its debut on Thursday, by trading shares of six companies. Four of the companies – Apex Weaving and Finishing Mills, Bengal Biscuits, Himadri Ltd, and Wonderland Toys Ltd – are from the over-the-counter (OTC) market.

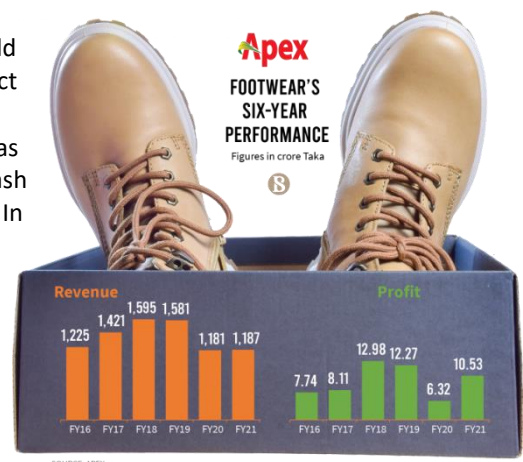
- Key features of the DSE SME platform: Only qualified Investors registered under the Electronic Subscription System are allowed to participate under the DSE SME Platform. If any investors other than qualified investors have shares of companies trading under the DSE SME platform, they only have the option to sell the shares.
- All the shares trading under the DSE SME Platform shall be considered as marginal securities. Other relevant matters will be the same as the mainboard of the DSE.

<https://www.tbsnews.net/economy/stocks/dse-sme-platform-makes-debut-thursday-309286>

Apex's cost control meets with profit despite flat sales

The Business Standard, September 29, 2021

- Despite the pandemic-led flat sales, Apex Footwear Limited witnessed a 67% jump in net profit thanks to tightening the belt by the footwear-maker. At the end of the 2020-21 fiscal year, the company's sales slightly increased by 0.48% to Tk1,187 crore as the profit stood at Tk10.53 crore.
- The managing director said their sales ticked up as the footwear-maker could enter some new foreign markets. Besides, Apex focused on product diversification that would push up the sales further in future.
- At the end of FY21, Apex's earnings per share stood at Tk9.36, which was Tk5.62 a year ago. The company's board of directors also declared a 35% cash dividend and 5% stock dividend for the shareholders for the last fiscal year. In FY20, Apex paid a 25% cash dividend to the shareholders.
- Apex widened up its focus on the local market in 2015. In 2019, the shoemaker declared Tk100 crore investment for building a new factory with a December 2020 deadline. But Covid-19 pandemic got in the way of the business expansion.
- The government is pursuing a mid-term plan to boost leather and footwear exports. But the export figures of top shoe exporters like Apex are not speaking volumes about that.
- Industry players estimate that the size of Bangladesh's footwear market is Tk17,000 crore, where pairs of shoes sold each year are not less than 20 crore and may be up to 25 crore, according to an EBL Securities research. Besides, the market is growing 12-1% each year.



<https://www.tbsnews.net/economy/apexs-cost-control-meets-profit-despite-flat-sales-309271>

Economy & Industry

Kamal hints at merger of Padma with state bank

The Daily Star, September 30, 2021

- The government might allow Padma Bank to merge with a state bank as the beleaguered lender is desperately trying to avoid a complete collapse. The remark from the finance minister comes nearly two months after Padma Bank, erstwhile Farmers Bank, pleaded with the finance ministry to merge it with a state-run bank in its desperate effort to avoid further deterioration of its financial health.
- Five state-run financial institutions, namely Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank, injected Tk 715 crore into the bank to acquire 60 per cent of its stakes.
- In a letter last month, Padma Bank said it faced a lot of constraints since the start of its new journey in 2019, including a severe shortfall of liquidity. It said to have managed to improve its liquidity status over the next two years and grow confidence among depositors while continuing the process of regularising default loans in phases.
- The finance ministry last week sent the application of Padma Bank to the Bangladesh Bank seeking opinion, said sources.
- The bank's operating losses stood at Tk 120 crore in the first half of 2021, resulting from the Covid-19-induced economic slowdown. The capital shortfall would amount to Tk 2,100 crore as of June this year, the bank said.

<https://www.thedailystar.net/business/economy/banks/news/kamal-hints-merger-padma-state-bank-2187266>

Bangladesh Bank sells \$786m to banks this fiscal year

The Business Standard, September 28, 2021

- The price and sale of the dollar have been increasing gradually in the country's market as the Covid-19 situation is improving slightly. From July to 28 September in the current fiscal year, the central bank has sold some \$786 million to banks.
- On 28 September, the central bank sold around \$100 million. Of the sales, state-owned Agrani Bank bought \$55 million and the rest of the \$45 million were sold to other banks. Earlier on Monday, state-owned Rupali Bank bought \$85 million from the central bank.
- The country received \$3.68 billion in remittance in the July-August period of this year, down from \$4.56 billion in the same period of last year, according to the Bangladesh Bank. In August this year, remittance growth fell by around 8% to \$1.81 billion, compared to August 2020.
- The country's trade deficit widened by \$1.36 billion in the first month of fiscal 2021-2022 amid an export earnings' contraction against moderate import payments. The latest Bangladesh Bank data showed that the country's trade deficit rose to \$1.36 billion in July of FY22 from \$85 million in the same month of FY21.

<https://www.tbsnews.net/economy/banking/bangladesh-bank-sells-786m-banks-fiscal-year-309292>

International

China Evergrande to sell \$1.5b stake in Shengjing Bank to state firm

The Daily Star, September 30, 2021

- Scrambling to avoid defaulting on its debts, cash-strapped China Evergrande Group said on Wednesday it plans to sell a 9.99 billion yuan (\$1.5 billion) stake in Shengjing Bank Co Ltd to a state-owned asset management company.
- Shengjing Bank, one of the main lenders to Evergrande, had demanded that all net proceeds from the disposal be used to settle the financial liabilities of the property developer due to the lender, Evergrande said in an exchange filing.
- That requirement suggests that Evergrande, which missed a bond interest payment last week, will be unable to use the funds for other purposes such as another interest payment to offshore bondholders of \$47.5 million due on Wednesday.
- The payment deadline is being closely watched by investors as the developer's next big test in public markets. Shares of Evergrande rose as much as 15 per cent on Wednesday. Evergrande has rapidly become China's biggest corporate headache as it teeters between a messy meltdown with far-reaching impacts, a managed collapse or the less likely prospect of a bailout by Beijing.
- The 1.75 billion shares, representing 19.93 per cent of the issued share capital of the bank, will be sold for 5.70 yuan apiece to Shenyang Shengjing Finance Investment Group Co Ltd, a state-owned enterprise involved in capital and asset management, Evergrande said in its filing. Shenyang Shengjing's stake in the bank will be increased to 20.79 per cent after the deal to become the bank's largest shareholder. Evergrande's stake in the bank would be reduced to 14.75 per cent from 34.5 per cent.
- The bank's non-performing loan ratio stood at 3.04 per cent by the end-June, higher than the industry-wide average of nearly 2 per cent.

<https://www.thedailystar.net/business/global-economy/news/china-evergrande-sell-15b-stake-shengjing-bank-state-firm>

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