



## Photo Gallery



## BUSINESS NEWS ANALYSIS REPORT

### Capital Market News

#### ICB drive to enhance liquidity support

Investment Corporation of Bangladesh (ICB) has moved to collect funds from different government organisations situated in divisional head quarters to support the country's ailing stock market. The state-run corporation has launched the drive along with its ongoing move for collecting funds from the premier bourse and banks situated in the capital Dhaka. The state-run ICB is trying to enhance liquidity support amid the stock market's recent tumble. The key index of the Dhaka Stock Exchange (DSE) eroded 388 points in the past six straight sessions and the DSE's market capitalisation came down to Tk 5,134 billion on Wednesday with a loss of Tk 273 billion in the just six days.

The ICB's managing director said different organisations such as schools, colleges, and city corporations have funds which are kept as deposits in banks. The state-run ICB receives funds from different organisations as TDR paying interest at a rate of around 6.0 per cent. Meanwhile, the ICB injected Tk 250 million into the stock market on Wednesday. The corporation received the fund from the Capital Market Stabilisation Fund (CMSF) on Tuesday.

The CMSF so far provided Tk 1.75 billion to the state-run corporation and the whole fund has already been invested into the stock market. The ICB also sought Tk 5.0 billion as term deposit from the premier bourse DSE. The corporation has also sent letters to different banks and financial institutions for renewing term loans so far received by the ICB.

<https://thefinancialexpress.com.bd/stock/icb-drive-to-enhance-liquidity-support-1652935097>

# Daily Business News

## May 19, 2022

### Industry News

#### BB cuts interest rate sharply to boost exports

The Bangladesh Bank on Wednesday reduced the interest rate of its pre-shipment refinance scheme sharply to facilitate exporters by making loans more convenient from the scheme. As part of the initiative, the BB reduced the interest rate for exporters to 3.5 per cent from 5 per cent. The central bank initially had set the interest rate at 6 per cent in April 13, 2020 when the refinance scheme worth Tk 5,000 crore was formed to revive the country's export-oriented local industries.

The central bank has lowered the interest rate at a time when the country is struggling hard to maintain a sound balance of payment in its international trade. BB officials said that the central bank in recent times had tightened the

rules for importers to contain the heavy growth of imports. On the other hand, the BB is in the process to facilitate exporters to boost exports so that the country's trade imbalance can be brought at a manageable level, they said.

To ensure the newly set interest rate at the customer-end, the BB will disburse funds to banks from the scheme at the rate of 0.5 per cent. Initially in April 2020, the interest rate for banks was set at 3 per cent and the rate was later revised to 2 per cent in April 2021. Wednesday's BB circular, however, has barred banks from issuing loans from the scheme in case of export of goods against export order of any shell company or against any export documents issued by a shell bank. No exporters will be eligible to get refinance under the scheme if repatriation of export proceeds for three consecutive times remains unsettled even after taking finance under the scheme.

The BB's circular also said that exporters would be able to get the pre-shipment credit facility from the refinance scheme for more than once. However, the repayment tenure of the refinance loan would be the highest six months for banks even if exporters are provided with extended repayment tenure by banks. Besides, banks will have to follow the BB-specified single borrower exposure limit in case of issuing pre-shipment credit to any single borrower or to a group of companies.

<https://www.newagebd.net/article/170924/bb-cuts-interest-rate-sharply-to-boost-exports>

### **Banks to face measures if wrongdoings found: BB**

The Bangladesh Bank on Wednesday warned that the central bank would take measures if it finds any irregularities in US dollar transactions by any bank, taking the scope of recent time dollar demand situation. The BB came up with the warning as the greenbacks were trading at far higher

rates in the banks against the BB-set interbank exchange rate of Tk 87.5 per US dollar. Many of the banks have charged their customers up to Tk 96 per US dollar for imports while the exchange rate of the greenback went up to Tk 102 in informal market.

Talking to the reporters on the ongoing dollar market situation and on the allegation of charging a higher rate by the banks on importers at the BB headquarters in the city, Bangladesh Bank executive director and spokesperson Md Serajul Islam said that the central bank would scrutinise the issue of imposing a higher rate by the banks on importers. The import payments for the current fiscal year 2021-2022 would reach \$ 80 billion whereas the export earnings would reach \$ 50 billion, leaving a trade deficit of \$ 30 billion, he said.

Of the deficit, remittance earnings would offset the deficit by \$ 20 billion - \$ 21 billion and then another \$ 6 billion - \$ 7 billion would come in the form of foreign direct investments, he said. And the BB will supply the rest \$ 3 billion - \$ 4 billion by selling the greenback to the banks, he said. In FY22, the BB has already supplied \$ 5 billion to the market and trying to keep the market stable, the executive director said. Pointing out the price spiral in the global market, Serajul said that the prices of commodities in the global market along with the freight fares have increased. Considering the facts, taka was devaluated and the US dollar exchange rate was set at Tk 87.5.

<https://www.newagebd.net/article/170923/banks-to-face-measures-if-wrongdoings-found-bb>

## **Economy News**

### **Bangladesh purchasing LNG at lower price than previous month**

The government is purchasing liquefied natural gas (LNG) from the open market at a lower price than the previous month due to falling prices on the international market. The Cabinet Committee on Government Purchase approved the procurement of 3.36 million metric million British thermal units (mmBtu) of LNG from Singapore's Vitol Asia Pte Ltd on Wednesday, reports bdnews24.com.

The meeting was chaired by Finance Minister AHM Mustafa Kamal. Cabinet Division Additional Secretary Md Zillur Rahman Chowdhury briefed reporters after the meeting. This time, each unit of LNG will cost \$26.4, down from \$29.25 in April, Chowdhury said. In April, national oil company Petrobangla bought the same amount of LNG from Vitol at a price 20 percent lower than in March, when each unit cost \$36.7.

<https://thefinancialexpress.com.bd/economy/bangladesh-purchasing-lng-at-lower-price-than-previous-month-1652884405>

### **Inflation in April 6.29%, highest in 18 months**

Inflation shot up to 6.29 percent in April – highest in 18 months – amid persistently high food prices and non-food prices, said Bangladesh Bureau of Statistics (BBS) last evening (May 18, 2022). In March, overall inflation was 6.22 percent. The previous high was recorded at 6.44 percent in October 2020. In April, food inflation, a measure of increase in prices of a basket of commodities, stood at 6.24 percent, down from 6.34 percent the previous month.

Non-food inflation surged 6.39 percent in April from 6.04 percent in March this year, according to BBS. People in rural areas bore the brunt of higher inflation than urban areas in April. General inflation was 6.59 percent in rural areas whereas it was 5.75 percent in urban areas,

according to BBS. Economists say that actual inflation could be higher than the BBS estimate as it has been using 2005-2006 prices for years to calculate the consumer price index.

<https://www.thedailystar.net/business/economy/news/inflation-april-629-highest-18-months-3026701>

## Company News

### **BSEC probes SSML's huge share buying by Abul Khayer, associates**

The Bangladesh Securities and Exchange Commission has initiated an inquiry into alleged acquisition of substantial shares of Safko Spinning Mills Limited (SSML) by Md Abul Khayer, commonly known as Hero, his associates and others. The BSEC formed a two-member inquiry committee headed by its deputy director Mohammad Asif Iqbal on May 11 to look into the matter. The Dhaka Stock Exchange Limited has already investigated the share trading of Safko Spinning Mills Limited and

submitted its investigation report to the commission.

The DSE in the report said that Md Sajib Hossain, Kazi Farid Hasan, Md Abul Khayer and associates had violated clause 4(1) of the BSEC (Substantial Share Inheritance, Acquisition and Takeover) Rules, 2018 by acquiring more than 10 per cent shares of SSML without complying with the requirements mentioned in the rules. Md Abul Khayer, who is a deputy registrar of the Department of Cooperatives, declined the allegation of violating the substantial share acquisition rules. He told New Age that he bought less than 5 per cent shares of Safko Spinning Mills.

The DSE also found that Md Sajib Hossain, Md Abdul Quddus Amin, Md Suleaman and Nurunnesa Saki had violated section 17(e)(ii) of the Securities and Exchange Ordinance, 1969 by executing trades that created a false and misleading appearance of active trading in securities. The premier bourse also mentioned that Md Sajib Hossain and his associates had violated section 17(e)(v) of the Securities and Exchange Ordinance,

1969 by directly and indirectly affecting a series of transactions of shares and raising the price of shares.

Share prices of Safko Spinning were at Tk 11.7 each on May 20, 2021. The prices soared to Tk 33.2 on September 8, 2021. The share prices of the company closed at Tk 21.6 each on Wednesday. The BSEC inquiry team has been asked to submit its report to the commission within 30 days. Safko Spinning Mills, which was listed on the stock exchanges in 2000, went into commercial production in the year 1997 with machinery imported from European countries, Japan and China.

<https://www.newagebd.net/article/170921/bsec-probes-ssmls-huge-share-buying-by-abul-khayer-associates>

## Price Sensitive News

Trading Code: CRYSTALINS

News Title: CRYSTALINS: Spot News

News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 22.05.2022 to 23.05.2022. Trading of the shares of the Company will remain suspended on record date i.e., 24.05.2022.

Post Date: 2022-05-19

Trading Code: DHAKABANK

News Title: DHAKABANK: Spot News

News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 22.05.2022 to 23.05.2022. Trading of the shares of the Company will remain suspended on record date i.e., 24.05.2022.

Post Date: 2022-05-19

Trading Code: ABBANK

News Title: ABBANK: Spot News

News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 22.05.2022 to 23.05.2022. Trading of the shares of the Company will remain suspended on record date i.e., 24.05.2022.

Post Date: 2022-05-19

Trading Code: STANDARINS

News Title: STANDARINS: Spot News

News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 22.05.2022 to 23.05.2022. Trading of the shares of the Company will remain suspended on record date i.e., 24.05.2022.

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Spot News

News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 22.05.2022 to 23.05.2022. Trading of the shares of the Company will remain suspended on record date i.e., 24.05.2022.

Post Date: 2022-05-19

Trading Code: MIRAKHTER

News Title: MIRAKHTER: Revised EPS for July 2021-March 2022

News: (Q3 Un-audited): Refer to their earlier news disseminated by DSE on 28.04.2022 regarding Q3 Financials, the Company has further informed that Consolidated EPS for the period from July 2021-March 2022 would be Tk. 1.80 instead of Tk. 1.83. Other information of the earlier disclosure will remain unchanged.

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: (Continuation news of CONTININS): In light of the ongoing discussions between regulators, government ministries and existing industry practices, the Company did not make any provisions for WPPF and no funds were set aside as contribution. The Company is closely monitoring the current situation and if there are any further clarification regarding this matter, the Company will act accordingly. (end)

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: (Continuation news of CONTININS): IDRA on this matter requesting for exemption for Insurance Companies. In addition to the Bangladesh Insurance Association, the IDRA themselves have communicated to the Ministry of Finance through a letter issued on 2 June 2021 (#53.03.0000.075.22.29.2021.30) requesting the ministry to consider Insurance Companies as similar to financial institutions and provide exemption from payment related to Worker's Profit Participation Fund. (cont.5)

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: (Continuation news of CONTININS): Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, Bangladesh Financial Institutions Division (BFID), on behalf of the financial institution sector, requested clarification from the Labor Ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Finance Ministry through (cont.4)

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: (Continuation news of CONTININS): This represents the value of Government Treasury Bond lying with Bangladesh Bank as statutory deposit required section-7(1) of Insurance Act-1938. The Company is currently working towards updating their Investment Policy and restructuring their investments to bring them in line with SRO No. 353-law/ 2019 dated 14 November 2019 issued by the IDRA. Note 2.15 Employees' Benefit Plan Worker's Profit Participation Fund: (cont.3)

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: (Continuation news of CONTININS): 2. We draw attention to Note 2.15 which describes the Company's rational and on-going discussions with regulators and government ministries regarding Worker's Profit Participation Fund. Our opinion is not modified in respect of this matter. Note 11.01 Government Treasury Bond: Balance of Government Treasury Bond was BDT 25,000,000 and was BDT 25,558,587 as at 31 December 2021 and as at 31 December 2020 respectively. (cont.2)

Post Date: 2022-05-19

Trading Code: CONTININS

News Title: CONTININS: Emphasis of matter

News: The auditor of the Continental Insurance Ltd. has given the "Emphasis of matter" paragraphs on the audited financial statements for the year ended December 31, 2021. Emphasis of Matter: 1. We draw attention to Note 11.01 of the financial statements, which describes matters related to implementation of investment policy for non-life insurance companies as issued by the IDRA. Our opinion is not modified in respect of this matter. (cont.1)

Post Date: 2022-05-19

Trading Code: SINGERBD

News Title: SINGERBD: Dividend Disbursement

News: The Company has informed that it has disbursed the cash dividend for the year ended December 31, 2021 to the respective shareholders.

Post Date: 2022-05-19

Trading Code: ASIAPACINS

News Title: ASIAPACINS: Emphasis of matters

News: (Continuation news of ASIAPACINS): It has yet to receive the approval of the fund from National Board of Revenue (NBR) under First Schedule Part-C of Income Tax Ordinance 1984. The company is yet to institute Worker's Profit Participation Fund (WPPF). Such non-establishment contravenes with section 232 & 234 of the Bangladesh Labour Act 2006. (end)

Post Date: 2022-05-19

Trading Code: ASIAPACINS

News Title: ASIAPACINS: Emphasis of matters

News: (Continuation news of ASIAPACINS): has been derived from the fund "Share Investment Fluctuation Reserve Fund" amounts to BDT 118,621,692 after adjusting the realized loss on disposal of shares and unrealized loss arising from the changes in fair value of the investment in shares amounting BDT 31,195,432 and BDT 45,499,827 respectively. The company has maintained a Gratuity Fund for the employees in line with Bangladesh Labour Act 2006. (cont.2)

Post Date: 2022-05-19

Trading Code: ASIAPACINS

News Title: ASIAPACINS: Emphasis of matters

News: The auditor of the Asia Pacific General Insurance Co. Ltd. has given the "Emphasis of matters" paragraph on the audited financial statements for the year ended December 31, 2021. Emphasis of Matters: The company has reported a Share Investment Fluctuation Reserve Fund for the accumulated losses arising on the Investment in Shares and presented it as sundry creditors under current liability. This fluctuation reserve amounts to BDT 41,926,433 as at 31 December 2021 (cont.1)

Post Date: 2022-05-19

Trading Code: FEDERALINS  
News Title: FEDERALINS: Emphasis of matter  
News: (Continuation news of FEDERALINS): The company invested Tk. 61,000,000. Which is 5% (Approximately) of the assets. However, management have taken initiative to comply the said circular. Note 39.00 Status of Income Tax Assessment: The company is trying to amortize the outstanding Tax matters shortly. (end)  
Post Date: 2022-05-19

Trading Code: FEDERALINS  
News Title: FEDERALINS: Emphasis of matter  
News: (Continuation news of FEDERALINS): The above amount represents the value of 10(Ten) and 15(Fifteen) years Bangladesh Govt. Treasury Bond at Cost kept with Mercantile Bank Limited according to the provision of section 23(B) of Insurance Act-2010(The 1st Schedule item 2(B). As per SRO no.353-AIN/2019 Dated. November 11, 2019, Every non-life Insurance company should invest 7.5% of its assets to govt. treasury bond. (cont.4)  
Post Date: 2022-05-19

Trading Code: FEDERALINS  
News Title: FEDERALINS: Emphasis of matter  
News: (Continuation news of FEDERALINS): The company made past service cost for defined employees benefit obligation (gratuity) Tk. 16,600,806 during the year and the said cost stands at Tk. 51,404,300. Note 14.00 Statutory Deposit with Bangladesh Bank: Balance of Statutory Deposit with Bangladesh Bank was BDT 60,100,000 and was BDT 55,100,000 as at 31 December 2021 and as at 31 December 2020 respectively. (cont.3)  
Post Date: 2022-05-19

Trading Code: FEDERALINS  
News Title: FEDERALINS: Emphasis of matter  
News: (Continuation news of FEDERALINS): of the company are holding more than the 30% shares of the paid up capital required under gazette notification no. BSEC/CMRRC/2009-193/217/Admin/90. Dated: 15 July 2019 of Bangladesh Securities and Exchange Commission. Note 7.00 Gratuity: Balance of Gratuity was BDT 5,000,000 and was BDT 3,000,000 as at 31 December 2021 and as at 31 December 2020 respectively. (cont.2)  
Post Date: 2022-05-19

Trading Code: FEDERALINS  
News Title: FEDERALINS: Emphasis of matter  
News: The auditor of the Federal Insurance Company Ltd. has given the "Emphasis of matter" paragraphs on the audited financial statements for the year ended December 31, 2021. Emphasis of Matter: We draw attention to the fact disclosed in note- 4.02.04, 07, 14, 39. Note 4.02.04 Summarized list of Shareholders as on December 31, 2021: The sponsor shareholding is 34.90% against 60% as required by insurance act 2010 section 21(3) and schedule 1. On the other hand the sponsors and directors (cont.1)  
Post Date: 2022-05-19

Trading Code: SSSTEEL  
News Title: SSSTEEL: Category Change  
News: The Company will be placed in 'A' category from existing 'B' category with effect from May 22, 2022 as the Company has reported disbursement of 2% cash and 8% stock dividends for the year ended June 30, 2021.  
Post Date: 2022-05-19

Trading Code: PADMALIFE  
News Title: PADMALIFE: Reconstruction of Board & elected of Chairman  
News: The Company has informed that Mr. Mohammed Fakrul Islam, has been elected as the Chairman of the Reconstructed Board of Directors of the Company.  
Post Date: 2022-05-19

Trading Code: REPUBLIC  
News Title: REPUBLIC: Emphasis of matter

News: The auditor of the Republic Insurance Company Limited has given the "Emphasis of matter" paragraphs on the audited financial statements for the year ended December 31, 2021. Emphasis of Matter: In reference to the Insurance Act 2010 sponsors & directors of non-life insurance company should hold 60% of total paid up capital. But, the sponsors & directors of the company have just hold 31.67% of total paid-up capital. Our report is not qualified in this respect.

Post Date: 2022-05-19

Trading Code: CRYSTALINS

News Title: CRYSTALINS: Credit Rating Result

News: National Credit Ratings Limited (NCR) has assigned the entity rating (Surveillance) of the Company as "AA" in the long term and "ST-2" in the short term along with a Stable outlook based on audited financial statements of the Company as on December 31, 2021.

Post Date: 2022-05-19

# Daily Business News

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