

Islami Commercial Insurance IPO gets nod

STAR BUSINESS REPORT

Islami Commercial Insurance Company has received the nod to raise Tk 20.26 crore in funds from the stock market through initial public offering (IPO).

The Bangladesh Securities and Exchange Commission gave the go ahead in a commission meeting on its premises yesterday chaired by its chairman, Prof Shibli Rubayat-Ul-Islam.

The company would issue 2.02 crore shares at a face value of Tk 10. To comply with an order of Insurance Development Regulatory Authority, it is going to be listed with the stock market.

With the IPO proceeds, the insurer would keep some in a fixed deposit and buy government securities and listed securities, according to a BSEC press release.

The company's net asset value per share without revaluation surplus is Tk 17.48 and its earnings per share was Tk 1.82 at the end of 2021.

The issue managers are ICB Capital Management, Prime Finance Capital Management and EC Securities.

The BSEC imposed a condition that no dividend can be distributed before the listing.

Premier Bank wins ISO certification

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Premier Bank has achieved an international organisation for standardisation (ISO) certification for the implementation of an information security management system.

M Reazul Karim, managing director, received the certificate from Ahmed Kamal Khan, group adviser of Software Shop, at its head office in Dhaka recently, said a press release.

Muhammed Ali, adviser of the bank, Syed Nowsher Ali and Sayed Abul Hashem, deputy managing directors, AYM Naimul Islam, Anisul Kabir and Mohammad Jamil Hossain, senior executive vice-presidents, Md Mashuqur Rahman, Md Tareq Uddin and Shibly Sadeque, executive vice-presidents, and Shahzada M Redwan, director of Software Shop, were present.



Life goes on, albeit at a price, as heavy rainfall over the last couple of days due to the formation of a depression in the Bay of Bengal has led to waterlogging in Khulna city, causing supply disruptions and prices of vegetables to rise by Tk 5 to Tk 8 per kilogramme in spite of a fall in the number of buyers. The photo was taken at Boyra Bazar yesterday. PHOTO: HABIBUR RAHMAN

Most stocks left without buyers

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Most stocks on Dhaka Stock Exchange (DSE) were left without a buyer yesterday over convictions that those were not deserving of the prevalent prices and the figures would have further dropped had the floor price been not in place.

The Bangladesh Securities and Exchange Commission (BSEC) last July set the floor price of every stock to halt the free fall of the market indices amidst global economic uncertainties that have impacted Bangladesh's economic indicators in the last couple of months.

Of the securities, 123 increased, 107 decreased and 141 remained unchanged, or in other words, did not find any buyer. The number of such companies failing to find buyers for their stocks have been increasing for the last couple of days.

However, after daylong fluctuations, stocks in Dhaka rose near the end of trading hours.

The DSEX, the benchmark index of the DSE, closed at 6,515, up 27 points, or 0.42 per cent.

The DS30, the index that consists of blue-chip companies, edged up 0.56 per

cent to 2,346, while the DSES, the Shariah-based index, went up 0.84 per cent to 1,429.

The Dhaka stocks edged into the black after a bumpy ride thanks to pressure from purchases in the last trading hour, said International Leasing Securities in its daily market review.

Most investors adopted a cautious stance as Bangladesh Bank embraced a floating exchange rate for inter-bank transactions that devalued the taka against the US dollar further.

Moreover, the National Board of Revenue (NBR) imposed a tax on capital gains of institutional investors from all government securities along with public companies, it added.

The investors remained reluctant to make fresh investments into stocks which decreased the turnover, it added.

Among the sectors, jute rose 7 per cent, travel 6.7 per cent and IT 3.2 per cent whereas financial institution dropped 0.9 per cent, textile 0.4 per cent and banks 0.2 per cent.

Based on the turnover, investors' participation was mostly centred on miscellaneous (22.3 per cent) followed

by pharmaceuticals (17.9 per cent) and engineering (9.7 per cent).

Turnover at the DSE fell 5 per cent to Tk 1,242 crore.

Among the individual stocks, Bangladesh Export Import Company was the security to be traded the most, accounting for 15 per cent of the turnover, as its scrips worth Tk 180 crore were transacted.

BDCOM Online topped the gainers' list, advancing 10 per cent. The Hakkani Pulp & Paper Mills, Sea Pearl Beach Resort & Spa, JMI Hospital Requisite Manufacturing, and Bangladesh Industrial Finance Company were among the stocks that saw significant gains.

Bay Leasing and Investment suffered the highest correction, sliding 5 per cent. Simtex Industries, Dacca Dyeing, IPDC Finance and IDLC Finance declined by more than 3 per cent.

Meanwhile, the Caspi, the all-share price index of Chattogram Stock Exchange, gained 72 points, or 0.38 per cent to end at 19,141.

Of the issues that were traded on the port city bourse, 88 advanced, 91 declined, and 85 did not show any price movement.

Bay Leasing suffers loss in 2021

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Bay Leasing & Investment Limited incurred losses in the financial year that ended on December 31, 2021.

The non-bank financial institution reported negative earnings per share of Tk 0.99 against Tk 1.14 in 2020.

The consolidated EPS decreased due to a drastic fall in the profit after tax, driven by an increase of provision by 1,343 per cent although operational income went up by 68.36 per cent, said Bay Leasing in a post on the Dhaka Stock Exchange yesterday.

The provision has been kept against leases or loans and investment in shares of Tk 97.72 crore.

Consolidated net asset value per share was Tk 17.82 last year, again down from Tk 19.80 in 2020.

Consolidated net operating cash flow per share stood at a negative of Tk 0.48, versus Tk 5.94 in 2020, a year on year decrease of 91.12 per cent due to poor recovery from lease/loans and encashment of bank deposits or treasury placements, said Bay Leasing.

The board recommended a 5 per cent stock dividend only for the shareholders for 2021.

Shares of Bay Leasing were down 5.53 per cent to Tk 23.90 on the DSE yesterday.

BOLD, Universal College organise training

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The Bangladesh Organisation of Learning and Development (BOLD), a platform for trainers, facilitators and coaches, in association with Universal College Bangladesh (UCB) organised a "BOLD Trainers' Meet" on its premises yesterday with learning and development professionals.

With over 100 participants, the event informed of the BOLD talks in TEDx format, trainer certification, "HRD Awards" for organisations that invest in human capital, and a VAT exemption campaign, said a press release.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 15, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 70	-9.72 ↓	8.33 ↑
Coarse rice (kg)	Tk 47-Tk 52	-6.6 ↓	6.45 ↑
Loose flour (kg)	Tk 48-Tk 52	5.26 ↑	56.25 ↑
Lentil (kg)	Tk 98-Tk 105	-3.33 ↓	16 ↑
Soybean (litre)	Tk 172-Tk 177	2.35 ↑	31.7 ↑
Potato (kg)	Tk 24-Tk 30	-3.57 ↓	35 ↑
Onion (kg)	Tk 40-Tk 45	-10.53 ↓	-2.3 ↓
Egg (4 pcs)	Tk 43-Tk 47	-14.29 ↓	23.29 ↑

SOURCE: TCB



Kazi Alamgir, managing director of Bangladesh Development Bank, receives a cheque bearing dividends from Peninsula Balance Fund and Peninsula AMCL BDBL Unit Fund-1 at the bank's head office in Dhaka on Tuesday. Md Refat Hasan, deputy managing director of the bank, Md Shafiqul Islam, general manager, and Md Golam Hasnayan Khan and Mohammad Momtaz Uddin, deputy general managers, were present.

PHOTO: BANGLADESH DEVELOPMENT BANK

WB earmarks \$30b to offset food shortages

REUTERS, Sarajevo

The World Bank is willing to provide up to \$30 billion to combat global food shortages aggravated by Russia's invasion of Ukraine and has so far disbursed almost \$10 billion in financial aid pledged to Kyiv, a senior bank official said on Thursday.

Axel van Trotsenburg, the bank's managing director of operations, cited "an absolute need for international solidarity with Ukraine" during an interview with Reuters while on a visit to the Bosnian capital Sarajevo.

"And that solidarity has to be sustained not only in the short term but in the long term," he said.

Van Trotsenburg said the World Bank began providing support to Ukraine soon after the February 24 Russian invasion and had so far disbursed close to \$10 billion of \$13 billion in aid it had committed to Kyiv.

He said the bank had created a platform to combine its direct support and additional support from countries such as the United States, Britain and Japan, along with separate guarantees from European states, and also facilitate co-financing and parallel financing. It had also created a trust fund for donors.

While various countries have channelled support through the trust fund, he said, the largest sums had come from the United States with an average of at least \$1.5 billion out of nearly \$5 billion in external financing needed by Kyiv each month.

"We set up (a) system through which we could help the continuation of the state functions of Ukraine - paying teacher salaries, pensions, helping the health system. That has worked very well and some of our partner countries wanted to use that mechanism because we can then also trace money," van Trotsenburg said.

China's export pillar shows cracks from global slowdown

REUTERS, Beijing

China's exporters - the last reliable pillar of the world's second-largest economy as it struggled with the pandemic, weak consumption and a property crisis - are warning of hard times ahead as softer overseas markets force them to shed workers, shift to lower-value goods and even rent out their factories.

Alarm bells sounded for China's \$18 trillion economy when trade data last week showed export growth well short of expectations and slowing for the first time in four months.

Those alarms are echoing in workshops across eastern and southern China's manufacturing hubs, in industries from machinery parts and textiles to high-tech home appliances, where businesses are scaling back while export orders dry up.

"It is very likely China's exports will slow further or even contract in the coming months, as leading economic indicators point to a global growth slowdown or even recession," said Nie Wen, a Shanghai-based economist at Hwabao Trust.

Exports are vital to China more than ever, with all other pillars of its economy on shaky ground. Nie estimates exports will account for 30-40 per cent of China's GDP growth this year, up from 20 per cent last year, even as outbound shipments slow.

"We had no export orders in the first eight months of all," said Yang Bingben, 35, whose company makes industrial-use valves in eastern China's export and manufacturing hub of Wenzhou.

He has let go all but 17 of his 150

workers and rented out most of his 7,500-square-meter (80,730 square foot) plant.

He sees little hope for the fourth quarter, typically his busiest season, and expects sales this year to drop 50-65 per cent from last year, with the stalling domestic economy unable to take up any slack from the slump in exports.

To support the sector, export tax rebates have been expanded, and a cabinet meeting chaired by Premier Li Keqiang on Tuesday pledged support for exporters and importers to secure orders, expand markets and improve the efficiency of port operations and logistics.

China over the years has moved to ease its economy's reliance on exports for growth, and reduce its exposure to global factors beyond its control, while some low-cost manufacturing has been shifting to other countries such as Vietnam as China grows richer and its costs rise.

In the five years before the pandemic, from 2014 to 2019, the share of exports in China's GDP shrank to 18.4 per cent from 23.5 per cent, according to World Bank figures.

But that share edged back up with the emergence of Covid-19, reaching 20 per cent last year, in part as locked-down, home-bound consumers worldwide snapped up China's electronics and household goods. That also helped to buoy China's overall economic growth.

The pandemic has come back to bite China this year, however. Its strict efforts to contain domestic Covid outbreaks led to lockdowns that disrupted supply chains and shipping.

India plans no more funding

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A Sri Lankan government source said India's decision was not a surprise and that New Delhi had "signalled" to them a few months ago that there would be little further large-scale support forthcoming.

The source, however, said that India would be invited to a donor conference that Sri Lanka was planning to hold with Japan, China and possibly, South Korea, later this year.

Another Sri Lankan government source said that talks between India and Sri Lanka for a \$1 billion swap arrangement and its request for a second \$500 million credit line to purchase fuel, made in May, had made little headway.

The sources declined to be named, since they were not authorised to speak to media.

India's finance ministry, and Sri Lanka's finance ministry and its central bank did not immediately respond to requests for comment.

Sri Lanka and the IMF reached a preliminary agreement in early September for a loan of about \$2.9 billion, which is contingent on the country receiving financing assurances from official creditors and negotiations with private creditors.

"Our focus is more on taking forward the IMF programme and getting ourselves out of this mess on our own," said one of the Sri Lankan sources.

Sri Lanka has worked to use its limited foreign exchange reserves to meet fuel imports and reallocate funding from multilateral agencies for other critical imports, including fertiliser, cooking gas and medicine, said the other Sri Lankan source.

The country of 22 million people has been battling shortages of essentials, including fuel, food and medicines, for months after its foreign exchange reserves dropped to record lows, stalling imports and stoking unprecedented public unrest.

Summit Power's profit

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receiving payment, and the USD-BDT exchange rate, said the official.

In order to secure fuel supply, SPL needs to keep a much larger working capital and bear a substantially higher financing cost.

"It has retained a percentage of earnings for business expansion to explore opportunities in renewable energy and other areas," said the official.

SPL owns and operates 15 power plants with a combined capacity of 976 megawatts. Another 163 MW has been added through its associate Khulna Power Company Ltd.

The power plants account for 10.3 per cent of the installed capacity of the privately run electricity units in Bangladesh.

Shares of the company closed unchanged at Tk 34.10 on the DSE yesterday.

SPL, along with co-sponsor

Summit Corporation Ltd (SCL), also intends to enter into an agreement with Summit Oil and Shipping Company Ltd (SOSCL) to provide necessary advances to the latter to settle outstanding and new letters of credit LCs.

The new LCs are to be opened particularly for Summit Barisal Power Ltd, Summit Narayanganj Power Unit II, Ace Alliance Power, and Summit Gazipur II Power Ltd so that they can continue their operation smoothly in accordance with the obligations of the companies under their respective power purchase agreements with the government, said SPL in another post.

The advances will be provided in proportion to the equity shareholding of SPL and SCL in the respective projects either by taking necessary loans from local banks or financial institutions or utilising SPL's own source of cash.