



AT Capital Market Update

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- After reviewing the latest weeks' political and macro environment we believe the political and macroeconomic risk still prevails and intensified more. The chance that these violence, damages will end soon is low. We think the probability of political tension escalates and risk premium increases are higher.
- The market went up 2.5% in the last two weeks in contrast to our earlier views. The recent weeks' increase in market was largely driven by short term speculation on some of the companies' yearly earnings and dividend declaration. The index move was driven by GP, Batashoe, Bxpharma, ACI, RAK Ceramic, Apex foot, MJLBD, Singer etc. Grameen phone (GP) declared a better than expected dividend. As a result the stock moved up by 6% in the last two weeks. Investors are betting on some of the companies' Q4 numbers and dividend declaration.
- Given the political chaos and blockades Q1 and Q2 numbers are expected to worsen. We have revisited the political, macro-economic and market scenario and opine that market yet to discount the risk premium that prevails.
- We forecast that the recent rally will be short lived and market will demand even more risk premium because of the negative outlook on politics, economy and resultant impact on company earnings.
- We maintain a defensive stands in line with our view on the market and economy.

DSE Performance

