



AT Capital Market Update

Market remains flat despite positive fourth quarter earnings growth

- The market is trading in a narrower band despite prevailing political stability and low interest rate environment. In February, the DSEX posted flat return (-0.6%).
- Investors remain cautious before the earnings and dividend declarations by December-end companies.
- Technically the market seems to have a bearish bias. However, if the support line (4510) is broken a bearish near-term trend will be confirmed.
- Among the financial service sector companies, Dutch Bangla and Lanka Bangla Finance posted impressive growth in last quarter which supported those stocks.
- Among FMCG companies, Olympic, Glaxo-smith, Marico posted impressive growth in fourth quarter which might be the result of an improved political environment.
- Among construction sector companies, BSRMLTD posted substantial 7315% (Y-o-Y) growth in Q4 which came as a surprise among the investors and the stock posted 25.7% return on the declaration date.
- In the month of March, some other major Banks and NBFIs are expected to declare their earnings. But due to sluggish loan growth and higher classified loan we are not expecting any significant rally in financial service sectors.
- After much confusion and legal battles, the Supreme Court verdict finally cleared the path of liquidation and conversion process of closed-end mutual funds whose tenure has ended.
- Supreme Court ordered trustees of the AIMS First Guaranteed Mutual Fund and Grameen Mutual Fund One to complete the liquidation process within 14 days which is scheduled to end on March 2, 2016.
- BSEC asked the trustees to complete the liquidation process in due time cautiously to avoid any kind of possible negative impact on the market.
- Investors are keeping themselves refrain from making fresh investment as the expected liquidation by these funds might have some price impact on the market.

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Market Trades in a Narrower Band

