



AT CAPITAL DAILY MARKET UPDATE – May 23, 2017

Overview:

DSEX was closed at 5394.8 up by 9.5 points. Total turnover was worth BDT 5.95 bn. Prices of 156 issues were increased whereas that of 123 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,394.8	+0.2%	(2.3%)	+7.1%
DSES	1,258.5	+0.3%	(1.3%)	+5.6%
DS30	1,997.5	+0.2%	(1.7%)	+10.3%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,072,642.6	3,065,469.0	+0.2%
	USD MM	39,191.9	39,100.4	+0.2%
TURNOVER	BDT MM	5,946.4	5,604.2	+6.1%
	USD MM	75.8	71.5	+6.1%
VOLUME	MM SHARES	157.9	160.2	(1.5%)

Market commentary:

Market stretched the reversal for the second consecutive session, marginally paring twelve-day long discrete correction. DSEX, the broad index, was sky rocketed during the first 30 minutes of the session, gaining ~25.0 points. DSEX, however, fell moderately till the mid-session, wiping out more than half of the initial gain. Since then, market was traded within a tight range of ~4.0 points till the end of the session. Market closed the session at 5,394.8, up by 9.5 points.

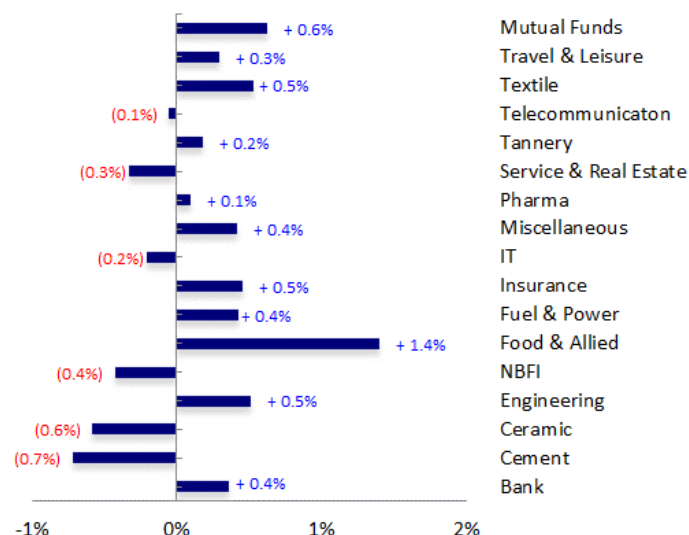
Turnover increased by 6.1% to BDT 5.95 bn. Fuel & Power sector dominated the turnover chart - the sector accounted for 19.6% of total turnover, followed by Textile (15.0%) and, Engineering sector (14.3%).

Among prominent sectors, Bank, Engineering, Fuel & power, Textiles, and Food & Allied sectors outperformed the market whereas Cement, NBF, Telecommunication, and Pharma sectors underperformed the market today.

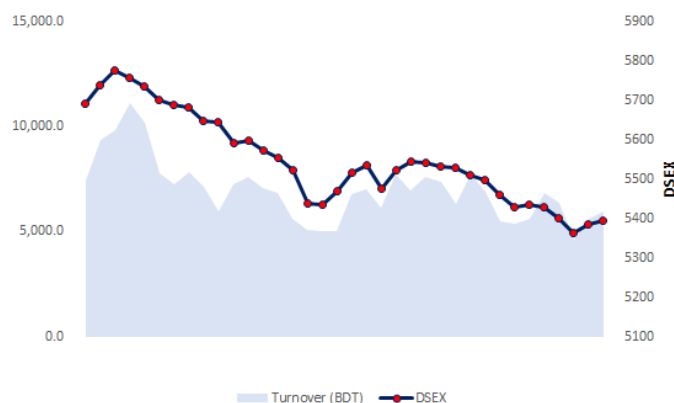
United Power topped the turnover chart today with the turnover of BDT 363mn - the stock gained 1.6%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
RUPALIBANK	26.6	+7.3%	NCCBANK	13.1	(9.7%)
REGENTTEX	29.6	+5.7%	AZIZPIPES	64.2	(4.9%)
ICB3RDNRB	7.4	+5.7%	DHAKABANK	16.9	(4.6%)
ASIAINS	22.3	+5.7%	CENTRALINS	21.3	(3.6%)
ATLASBANG	131.2	+5.4%	UNITEDAIR	5.4	(3.6%)
BEACHHATCH	14.7	+5.0%	ZEALBANGLA	42.3	(3.4%)
ICBSONALI1	8.7	+4.8%	HAKKANIPUL	53.9	(2.9%)
ISLAMIBANK	32.7	+4.8%	PF1STMF	7.6	(2.6%)
FASFIN	18	+4.7%	CONTININS	19.5	(2.5%)
PTL	33.1	+4.4%	STYLECRAFT	1,359.6	(2.3%)

Sector Movement in DSE (May 23 - May 22)



Last 1 Month DSEX





News:

ADP execution slows in Jul-Apr

Implementation of the annual development programme in the first 10 months of the current fiscal year was slightly more than half of the revised allocation, mainly due to low spending by the ministries that got large allocations. According to the Implementation Monitoring and Evaluation Division, Tk 65,083 crore was utilised in July-April, which is about 54 percent of the revised allocation of Tk 119,296 crore for the year. Of the 10 large ministries and divisions, the bridges division spent only 37 percent of its revised allocation in 10 months.

There are only three projects under the bridges division, of which, the Padma Bridge project received the highest allocation. The division got a revised allocation of Tk 6,583 crore in the current fiscal year, of which Tk 2,492 crore was spent in 10 months. In the original ADP, allocation for the Padma Bridge project was Tk 6,026 crore in the current fiscal year. But upon revising it, Tk 4,674 crore was allocated. Of the amount, Tk 1,798 crore was spent in the first eight months. The planning ministry official said spending in the Padma Bridge project increased compared to the last fiscal year, though it is still low against the allocation. The total cost of the Padma Bridge project is Tk 28,793 crore, of which, Tk 12,273 crore has been spent till February. The official said the most complex work in the Padma Bridge project is piling, which is taking a long time.

In addition, the science and information technology ministry spent only 41 percent of its allocation in 10 months. Under the ministry, over Tk 1 lakh crore has been allocated in a single project: Rooppur Power plant. The ministry could not spend even half of its allocation in 10 months. The road transport and highways division spent 59 percent of its revised allocation in the first 10 months, health ministry 45 percent, railways 37 percent, secondary and higher secondary education division 50 percent, primary and mass education 53 percent. However, the power division implemented 67 percent of its revised allocation and the local government division 65 percent.

<http://www.thedailystar.net/business/adp-execution-slows-jul-apr-1409551>

Govt may hike duty to make up for VAT loss

The government may increase supplementary duty on some products and services, including tobacco and usage of mobile phones, to make up for the potential revenue loss from a cut in the planned VAT rate. The increased SD on these sectors may help cover a part of the revenue loss, said a senior official of the finance ministry yesterday. The measure is being considered as the government mulls reducing the VAT rate from 15 percent that will be applicable across the board once the new law comes into force from July 1. On May 21, Finance Minister AMA Muhith said the rate would be lowered slightly. Concerns are high that imposition of the unified 15 percent VAT rate on all goods and services, from multiple rates at present, may fuel costs of living and affect low and fixed income consumers. In response to a query on the reduced VAT rate, the finance minister on May 21 said it will be finalised on May 25 or 26. He reaffirmed that a single rate will be in effect instead of multiple rates. The minister held a meeting with Prime Minister Sheikh Hasina on May 14 on the proposed budgetary measures, including activation of the new VAT law for 2017-18. Insiders said the government may reduce the rate of the indirect tax to 12 percent. Earlier, Muhith told reporters that a one percentage point cut in the rate will cause a revenue loss of Tk 4,000 crore. The finance ministry official said SDs are to be increased on items that generate large amount of revenue. Cigarettes and usage of mobile phones are the two sectors that together bring more than a third of the total revenue collected from businesses and economic activities domestically.

At present, cigarettes are subject to as high as 64 percent SD and 15 percent VAT. Mobile phone users have to count 5 percent SD along with 15 percent VAT and 1 percent surcharge. Policymakers had also considered imposing VAT on English medium schools. But the Supreme Court ruled in February that the government can't collect VAT from the students of these schools, giving some relief to the guardians. As per the government plan, VAT will account for 40 percent of the total revenue collection target of Tk 236,000 crore in the upcoming fiscal year. The target is 31 percent higher than the revised target for the outgoing fiscal year. VAT, a consumption tax, is the biggest source of revenue.

<http://www.thedailystar.net/business/govt-may-hike-duty-make-vat-loss-1409548>