



AT CAPITAL DAILY MARKET UPDATE – June 12, 2017

Overview:

The DSEX closed at 5,450.1 points, down by 5.1 points. Total turnover was worth BDT 3.70 bn. Prices of 103 issues were increased whereas that of 157 issues were declined, and the price of the rests were remained unchanged.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
MIDASFIN	26.9	+ 2.3%	PHOENIXFIN	25.1	(-2.3%)
BIFC	9.7	+ 2.1%	PREMIERLEA	17.7	(-1.7%)
NHFIL	47.3	+ 1.1%	FASFIN	17.8	(-1.7%)
DBH	112.5	+ 0.2%	FAREASTFIN	9.7	(-1.0%)
PRIMEFIN	11	+ 0.0%	ICB	175.2	(-0.8%)
IDLC	70.9	+ 0.0%	FIRSTFIN	11.7	(-0.8%)
UNIONCAP	24.9	+ 0.0%	ILFSL	13.9	(-0.7%)
UNITEDFIN	21	+ 0.0%	UTTARAFIN	56.6	(-0.5%)
IPDC	41.9	+ 0.0%	BDFINANCE	21.4	(-0.5%)
PLFSL	9.6	+ 0.0%	ISLAMICFIN	22.3	(-0.4%)

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,450.1	(-0.1%)	(-0.1%)	+ 8.2%
DSES	1,262.1	(-0.2%)	(-0.2%)	+ 5.9%
DS30	2,024.7	(-0.4%)	(-0.4%)	+ 11.8%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,092,434.2	3,096,003.4	(-0.1%)
	USD MM	39,444.3	39,489.8	(-0.1%)
TURNOVER	BDT MM	3,703.1	4,690.1	(-21.0%)
	USD MM	47.2	59.8	(-21.0%)
VOLUME	MM SHARES	106.5	126.0	(-15.4%)

Market commentary:

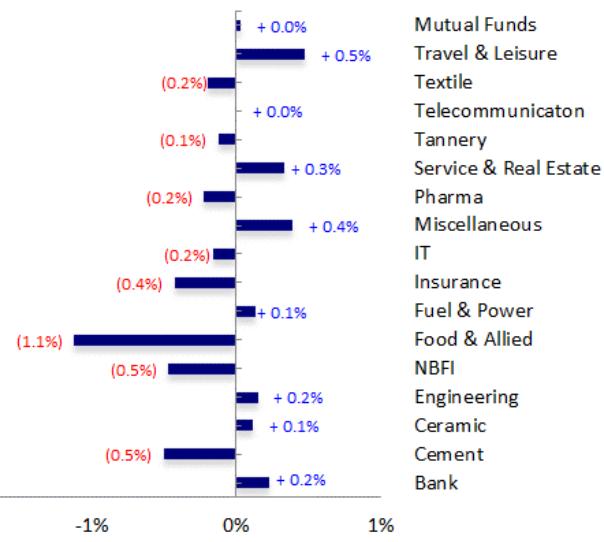
Market experienced volatility today, following the last sessions' trade pattern. DSEX, the broad index, fell 10.0 points in the first 30 minutes of the session before recovering in the subsequent hour, gaining ~15.0 points. DSEX, however, failed to retain the gain, shelving the entire gain. Market closed the session at 5,450.1, down by 5.1 points.

Losers outnumbered Gainers today – the ratio ratio was 1.5:1.

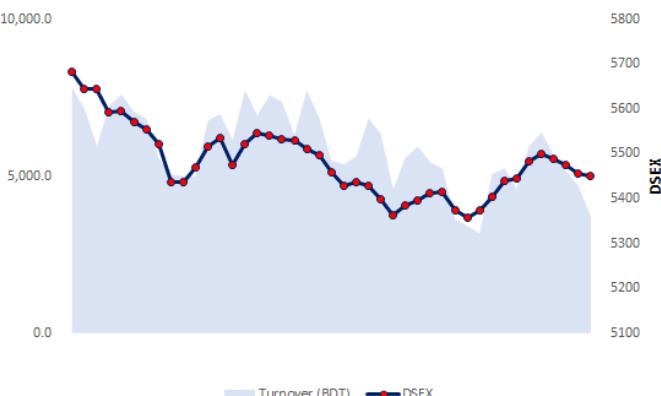
Among prominent sectors, Bank, Engineering, Telecommunication, and Fuel & Power sectors outperformed the market whereas Cement, NBFI, Pharma, and Food & Allied sectors underperformed the market today.

Paramount Textiles topped the turnover chart today with the turnover of BDT 145mn - the stock lost 1.9%.

Sector Movement in DSE (June 12- June 11)



Last 1 Month DSEX





News:

Review cap on credit card interest

About 70 percent of credit card-users pay off their loans before incurring any interest, leaving banks to rely on the remainder to make profits, said bankers. The Association of Bankers Bangladesh (ABB), a forum of banks' chief executives, explained this in a letter to the central bank recently, after Bangladesh Bank's move to cap credit card interest rates. The proposed 5 percent cap on interest rate of consumer loans will take a toll on earnings, as the cost of fund for the rest 70 percent users has to be included into the pricing of the 30 percent, it said. The ABB also pointed out four major new provisions, which require the central bank's urgent review. In the guideline, the central bank said credit cards in taka can be issued by any scheduled commercial bank in Bangladesh, and the card in foreign currency is to be issued by authorised dealer banks only. Here, the ABB proposed inclusion of non-bank financial institutions as the credit card issuing authority as well. Interest on consumer credit now stands at 11 to 12 percent, which means the cap would bring down the interest on the payment tool to 16-17 percent from the existing highest rate of 36 percent, it said. The reason for such high rate is most issuing banks offer 45-50 days interest-free period to cardholders, the association said. Though, cardholders do not incur any interest for the period, the issuing bank has to absorb the cost of fund for these days, it said. "The current range of interest rate is charged to cover the high operating and servicing costs of the business, as well as the numerous value-added features and benefits offered to encourage customers to use the product." If the annualised rate is revised to the proposed 5 percent cap, the probable new annualised rate will be around 20 percent. "That means, with the present consumer behaviour—the customer will be paying around 10 percent of interest. If banks deduct the cost of fund, provisioning requirement, credit loss and management expenses—the product will be non-viable commercially." Moreover, cardholders expect different lifestyle perks and benefits like complimentary dining, travel, rewards and lounge facilities as part of the card offer. Banks do not charge for these benefits; rather they cover the costs from the revenue, said the ABB. "With the revised interest rate framework, such customer benefits will be difficult to provide. As a result, credit card as a product will lose customer attraction." Till date, the major acquiring banks have deployed more than 30,000 points of sale (POS) machines at about 20,000 merchant outlets, according to the association.

<http://www.thedailystar.net/business/review-cap-credit-card-interest-1418953>

Square Pharma to subcontract production

Square Pharmaceuticals Ltd will subcontract some of its production to two local companies to meet increasing demand for existing medicines and introduce new ones. The two medicine-makers are Naafco Pharma Ltd and Sharif Pharmaceuticals Ltd, says a post on the Dhaka Stock Exchange website. Square Pharmaceuticals Ltd, a listed company, is the largest medicine-maker in Bangladesh with a market share of 18.8 percent, according to LR Global Industry Insights 2017. Its six manufacturing units in Dhaka fulfil requirements set by highly regulated markets in Europe, Australia and the US. Another five units in Pabna target markets under the Association of Southeast Asian Nations and the South Asian Association for Regional Cooperation as well as the rest of the world. Square Pharmaceuticals has approval to export 700 products and sell 900 products in local markets. The company now exports products to 37 countries. Naafco Pharma started production of human medicines in 2015. The current production range encompasses tablets, capsules, powders, pellets, injectables, and liquids in the form of suspensions and solutions, according to the company's website. Sharif Pharmaceuticals set up a state-of-the-art manufacturing facility in 2011.

<http://www.thedailystar.net/business/square-pharma-subcontract-production-1418950>