



AT CAPITAL DAILY MARKET UPDATE – August 6, 2017

Overview:

The DSEX closed at 5,907.6 points, up by 27.2 points. Total turnover was worth BDT 9.19 bn. Prices of 153 issues were increased whereas that of 146 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
UNITEDFIN	22.2	+4.2%	FAREASTFIN	12.1	(1.6%)
FASFIN	16.7	+3.7%	UNIONCAP	21.8	(1.4%)
ILFSL	16.4	+3.1%	NHFIL	52.9	(0.9%)
PREMIERLEA	18.3	+2.8%	MIDASFIN	29.8	(0.7%)
PRIMEFIN	13.9	+2.2%	ICB	186.6	(0.6%)
IPDC	47.6	+1.7%	BAYLEASING	27.3	(0.4%)
ISLAMICFIN	23.9	+1.3%	GSPFINANCE	30.6	(0.3%)
UTTARAFIN	64.7	+1.3%	FIRSTFIN	13.3	+0.0%
LANKABAFIN	57	+1.2%	PHOENIXFIN	28.5	+0.7%
BDFINANCE	19.3	+1.0%	PLFSL	13.1	+0.8%

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,907.6	+0.5%	+0.6%	+17.3%
DSES	1,313.1	+0.1%	(0.3%)	+10.2%
DS30	2,130.1	+0.3%	(0.3%)	+17.6%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,354,147.0	3,342,692.2	+0.3%
	USD MM	41,926.8	41,783.7	+0.3%
TURNOVER	BDT MM	9,193.2	10,780.0	(14.7%)
	USD MM	114.9	134.7	(14.7%)
VOLUME	MM SHARES	350.9	422.5	(16.9%)

Market commentary:

Market further registered its all-time high, crossing 5,900 mark for the first time since its inception. DSEX, the broad index, experience sideways movement in the first 90 minutes of the session. After that, DSEX rose sharply in the subsequent trading hour before remaining sideways till the end of the session. Market closed the session at 5,907.6, up by 27.2 points.

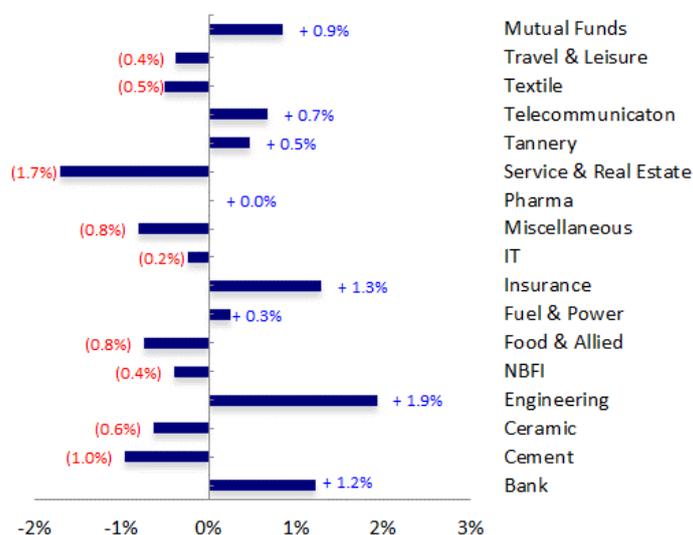
Both losers and gainers remained equally strength today – the ratio was almost 1 to 1.

Turnover decreased by 14.7% to BDT 9.19 bn. Bank sector dominated the turnover chart - the sector accounted for 26.2% of total turnover, followed by Engineering (16.7%) and, Textile sector (13.1%).

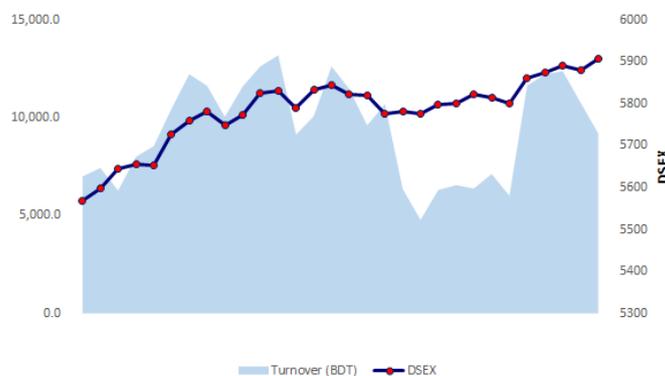
Most of the prominent sectors, except Bank, Engineering, and Telecommunication sectors, underperformed the market today.

City Bank topped the turnover chart today with the turnover of BDT 361mn - the stock gained 4.8%.

Sector Movement in DSE (August 06 - August 03)



Last 1 Month DSEX





News:

Interest rates on lending fall again in June

Interest rates on lending decreased again in June after an increase in May as commercial banks were forced to cut the rates in June against the backdrop of businesses' persistent reluctance to borrow from banks due to a sluggish business situation in the country. Interest rates on lending had increased in May after a 29-month fall. The weighted average interest on lending decreased to 9.56 per cent in June from 9.66 per cent in May this year. The banks were forced to cut the lending rates due to a sluggish credit demand from the businesspeople amid dull business for long, a BB official told New Age on Thursday. The BB data, however, showed that the weighted average interest rate on the banks' deposit products increased to 4.93 per cent in June from 4.84 per cent in May of 2017. The BB official said that some banks had increased the rates of interest on their deposit products in the month as they were now trying to disburse hefty amount of loans with a view to strengthening their profit base. He, however, termed the increase as a temporary phenomenon. The country's businesspeople have adopted a 'wait and see' approach in regards to expanding their business by taking bank loans due to the sluggish business trend, he said. Due to the lower credit demand from the industrial sector, banks are now having huge excess liquidity that has forced them to rush to invest in government treasury bills and bonds. The BB data showed that interest rates on all types of T-bills and bonds also dropped in recent months, as most of the banks submitted high number of bids at the auctions of the instruments to invest their idle funds. The BB official said the banks had trimmed their interest rates on lending throughout last year to encourage entrepreneurs, but their (entrepreneurs) response was yet to reach a satisfactory level. The BB is frequently asking the banks to disburse more credit to the SME and agriculture sectors to stimulate the private sector credit growth. A number of banks have been disbursing consumer loans in recent times to the clients to ensure their profitability. The banks have also cut the interest rates on consumer loans to 8 per cent-11 per cent from 16 per cent-18 per cent. The BB data showed in June the weighted average rate on lending stood at 8.66 per cent at the state-owned commercial banks, 9.10 per cent at the specialised development banks, 7.86 per cent at the foreign commercial banks, and 9.88 per cent at the private commercial banks. The weighted average rate on deposit in June stood at 4.47 per cent at the state-owned commercial banks, 5.98 per cent at the specialised development banks, 5.15 per cent at the private commercial banks, and 1.66 per cent at the foreign commercial banks.

<http://www.newagebd.net/article/21258/interest-rates-on-lending-fall-again-in-june>

BD needs \$9.55b additional annual FDI, foreign aid

Bangladesh will need around US\$ 7.0 billion in additional foreign direct investment per annum over the next thirteen years for financing the programmes that would help it achieve the Sustainable Development Goals. The amount is three times the FDI the country currently receives annually. Added up to its daunting task of arranging external funds for implementing the UN-mandated development recipe is pulling another amount of around US\$ 2.55 billion each year in foreign aid and grants during the period, a recent estimate by the Planning Commission reveals. In total, the country will require around US\$ 928 billion worth of additional resources during the period of 2017 to 2030 for achieving the 17 Sustainable Development Goals set by the United Nations for its member-countries. Out of this total amount, US\$ 796.09 billion has to come from domestic sources while US\$ 132 billion from external sources. The findings were part of an SDG needs assessment and financing strategy carried out by the General Economics Division of the Planning Commission recently. Out of the total amount of external resources required for SDG financing, around 73 per cent has to come in the form of FDI. Experts, however, observed that given the recent trend in FDI flow into the country, meeting the FDI portion of SDG finances would be one of the big challenges facing the country in this respect. Bangladesh received around US\$ 2.33 billion worth of foreign direct investment in 2016, up by only 4.4 percent from US\$ 2.23 billion it received back in 2015. Although the annual FDI inflow has more than doubled in last six years from US\$ 1.13 billion in 2011, the growth curve has often been erratic and inconsistent. "The ideal way in this regard would be to increase the FDI flow gradually over time," said Professor Selim Raihan of the South Asian Network for Economic Modelling (SANEM), who has worked with the Planning Commission in developing this financing strategy. "According to our projection, the goal should be to attract US\$ 2.7 billion of additional FDI by 2020, US\$ 6.5 billion additional FDI by 2025 and US\$ 10 billion by the year 2030," he added. When contacted, the government officials concerned also agreed that the projection of annual FDI receipt outlined in the SDG-financing assessment is 'ambitious'.

<http://print.thefinancialexpress-bd.com/2017/08/05/179741>