



AT CAPITAL DAILY MARKET UPDATE – August 17, 2017

Overview:

DSEX was closed at 5861.1, down by 22.1 points. Total turnover was worth BDT 8.32 bn. Prices of 129 issues were increased whereas that of 155 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,861.1	(0.4%)	(0.2%)	+16.4%
DSES	1,304.2	+0.0%	(1.0%)	+9.4%
DS30	2,109.1	(0.2%)	(1.3%)	+16.5%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,357,199.7	3,354,095.4	+0.1%
	USD MM	41,965.0	41,926.2	+0.1%
TURNOVER	BDT MM	8,321.2	8,363.8	(0.5%)
	USD MM	104.0	104.5	(0.5%)
VOLUME	MM SHARES	234.8	258.5	(9.2%)

Market commentary:

Market logged second consecutive negative session. DSEX, the broad index, spiked considerably at the onset of the opening bell, resulting in an immediate gain of ~20.0 points. The broad index sketched the identical pattern of the last session's. DSEX fell abruptly in the second trading hour, wiping out more than the initial gain. Hence, the broad index was dragged down to the negative territory. DSEX changed the direction twice since then with a few volatilities. Till the end of the session, DSEX was traded at a tight range of 25.0 points. Market closed the session at 5,861.1, down by 22.1 points.

Looser maintained the dominance for the second session in a row - losers to gainers ratio was 1.2 to 1.

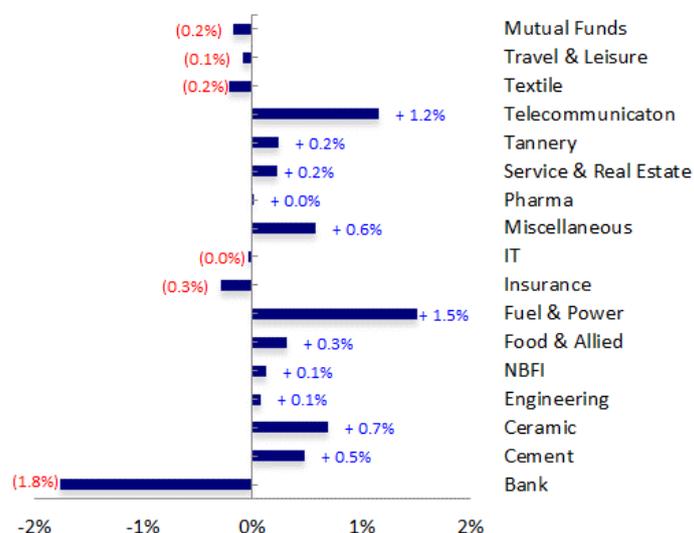
Turnover decreased by 0.5% to BDT 8.32 bn. Bank sector dominated the turnover chart - the sector accounted for 25.4% of total turnover, followed by Engineering (14.8%) and, Pharma sector (14.2%).

All the prominent sectors, except Bank, underperformed the market today.

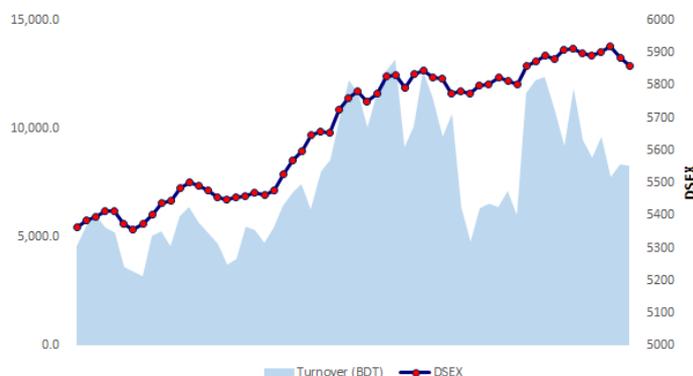
BBSCABLES topped the turnover chart today with the turnover of BDT 436mn - the stock gained 3.4%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
PHOENIXFIN	31.3	+7.6%	PLFSL	12.2	(4.7%)
DBH	123	+7.0%	PRIMEFIN	13.0	(3.0%)
MIDASFIN	29.7	+1.7%	UTTARAFIN	72.8	(2.7%)
BDFINANCE	19.1	+0.0%	ISLAMICFIN	22.7	(2.2%)
FIRSTFIN	14.3	+0.0%	ICB	182.0	(2.0%)
BIFC	10.7	+0.0%	LANKABAFIN	54.8	(1.8%)
GSPFINANCE	29.6	(0.3%)	NHFIL	50.9	(1.7%)
UNITEDFIN	22	(0.5%)	FAREASTFIN	11.6	(1.7%)
UNIONCAP	20.9	(0.5%)	PREMIERLEA	17.5	(1.7%)
BAYLEASING	27.1	(0.7%)	IDLC	79.3	(1.2%)

Sector Movement in DSE (August 17 - August 16)



Last 1 Month DSEX





News:

BTRC sticks to its recommended voice call rates

The telecom regulator stuck to its original recommendation for minimum voice call rates even though the government sought for downward revision. The Bangladesh Telecommunication Regulatory Commission, after holding proper consultations with stakeholders, yesterday fixed the minimum on-net (calls between the same operator) call rate at Tk 0.35 per minute, up from existing Tk 0.25. The off-net rate (calls between different operators) has been fixed at Tk 0.45 per minute, down from existing Tk 0.60. "We will send our recommendation to the government for its nod as early as possible and then they will decide," said a commissioner who attended the meeting. The increase in the minimum on-net call rate will not affect the country's 13.5 crore registered mobile subscribers as no operator currently offers Tk 0.25, he said. "Actually, all the operators are charging more than Tk 0.35 per minute for on-net calls. We think this will not impact the market." However, slashing the off-net call rate by 25 percent to Tk 0.45 per minute will benefit the customers, he added. In all the mature telecom markets, the difference between on-net and off-net call rates is negligible, said another BTRC official. "But here, in our country, there is a huge gap. And ultimately, we are helping customers to save their money for making calls to other networks," he added. The BTRC had first sent the proposal to the government in the first week of August, but the government immediately sent it back for review as it had a concern that the cost of using mobile services will increase at the end-user level. The telecom watchdog did not present its argument for recalibration of the minimum call rates in the proposal it sent in the first week of August. This time, it will. The new BTRC proposal though did not mention anything about the maximum call rate, meaning the existing rate of Tk 2 per minute will continue. The re-calibration will fetch the three private operators -- Grameenphone, Robi and Banglalink -- higher revenues from the on-net segment, but state-owned Teletalk will be a loser, according to a BTRC study based on data from the April-June period of this year. But from the off-net segment, Grameenphone will lose Tk 19 crore in a month, Robi Tk 26 crore, Banglalink Tk 20 crore and Teletalk Tk 5 crore. In 2010, after a cost modelling study, the telecom regulator with assistance from the International Telecommunication Union fixed the floor and ceiling rates for voice call.

<http://www.thedailystar.net/business/btrc-sticks-its-recommended-voice-call-rates-1449871>

ADB loans set to be costlier

The Asian Development Bank's (ADB's) loan to Bangladesh is going to be expensive in the coming years as it would provide nearly 86 per cent of its planned assistance from its hard window OCR, officials said Wednesday. According to the ADB's proposal, it will provide nearly US\$9.6 billion loan in next three years from 2018 to 2020. Of the loans, 86 per cent or \$8.26 billion will come from the non-concessional lending arm -- Ordinary Capital Resources (OCR). The remaining 14 per cent or \$1.36 billion is expected to come from the concessional loan providing arm -- the Concessional OCR Lending (COL). The OCR is a market-based loan which depends on the LIBOR (London Inter-Bank Offered Rate). According to the sources, the loan from OCR is charged interest based on the 6-month US\$ LIBOR rate plus 500 basis points. It also charges 0.15 per cent commitment fee on undisbursed amount and 0.15 per cent maturity premium for the loans. The repayment period of the loans is also shorter than that of other donors like the World Bank and Japan. The OCR loan is payable in 25 to 30 years with five years' grace period. On the other hand, the interest rate for the COL loan is fixed at 2.0 per cent. Its maturity is 25 years with five-year grace period. There is no commitment fee or maturity premium applicable for this loan. On August 14 this year, the six-month US\$ LIBOR rate was 1.45 per cent. The LIBOR rate is flexible. A senior official of the Economic Relations Division (ERD) said a few years back, the Manila-based lender was providing more concessional loan (ADF) than its non-concessional one (OCR). But it has been reversed in recent years, he added. "Currently LIBOR rate is hovering at below 2.0 per cent rate. If the LIBOR increases in any time during the long repayment period of any ADB loans, we have to repay on that high rate. Everybody knows that the LIBOR rate jumped to 5.75 per cent in 2006-07 period," the official pointed out. So, borrowing of the OCR loan from the ADB is risky for any country, he told the FE. The country's largest multilateral donor World Bank charges 0.75 per cent interest rate for its loan to Bangladesh with 38 years of repayment period offering eight-year grace period. Meanwhile, the largest bilateral development partner Japan charges 0.01 to 0.70 per cent interest rates on its loan for Bangladesh. The loan is payable in 30 years with a grace period of 10 years. The ADB is the second largest multilateral donor of Bangladesh which disbursed nearly US\$800 million to \$1.0 billion loans and grants in recent years.

<http://print.thefinancialexpress-bd.com/2017/08/17/180832>