



# AT CAPITAL DAILY MARKET UPDATE – August 1, 2017

## Overview:

The DSEX closed at 5,874.8 points, up by 14.1 points. Total turnover was worth BDT 12.23 bn. Prices of 171 issues were increased whereas that of 128 issues were declined, and the price of the rests were remained unchanged.

## Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,874.8	+0.2%	+0.2%	+16.7%
DSES	1,317.0	+0.5%	+0.5%	+10.5%
DS30	2,136.4	(0.3%)	(0.3%)	+18.0%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,339,531.4	3,339,222.7	+0.0%
	USD MM	41,744.1	41,740.3	+0.0%
TURNOVER	BDT MM	12,226.9	11,661.4	+4.8%
	USD MM	152.8	145.8	+4.8%
VOLUME	MM SHARES	424.8	354.6	+19.8%

## Market commentary:

Market continued to post record its new high. DSEX, the broad index, shifted the direction several times during the session. DSEX shot at the onset of the opening bell. However, DSEX fell sharply to wipe out the entire initial gain. DSEX rose again before remained sideways till the end of the session. Market closed the session at 5,874.8, up by 14.1 points.

Losers were weak today in comparison to its counterpart - Losers to Gainers ratio was 0.8:1.

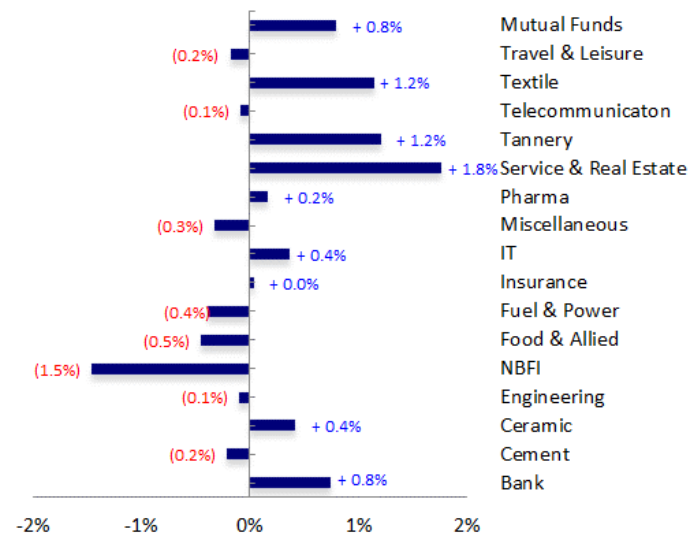
Turnover increased by 4.8% to BDT 12.23 bn. Bank sector dominated the turnover chart - the sector accounted for 26.6% of total turnover, followed by Textile (18.2%) and, NBFI sector (9.7%).

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

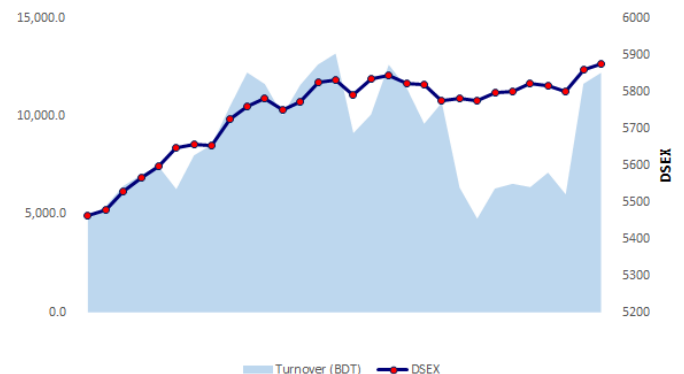
City Bank Limited topped the turnover chart today with the turnover of BDT 481mn - the stock gained 1.4%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
UTTARAFIN	66.5	+9.9%	UNIONCAP	22.1	(7.1%)
FASFIN	16.2	+3.8%	FAREASTFIN	11.8	(1.7%)
GSPFINANCE	29.9	+3.8%	MIDASFIN	29.8	(1.3%)
BIFC	10.9	+3.8%	DBH	113.5	+0.4%
LANKABAFIN	59	+3.7%	NHFIL	52.1	+0.4%
IDLC	80.4	+3.1%	ICB	194.3	+1.0%
UNITEDFIN	21.5	+2.4%	BDFINANCE	19.3	+1.0%
FIRSTFIN	13.4	+2.3%	IPDC	48.4	+1.3%
PRIMEFIN	13.4	+2.3%	ISLAMICFIN	23.8	+1.3%
PLFSL	13.5	+2.3%	ILFSL	15.8	+1.3%

## Sector Movement in DSE (August 1- July 31)



## Last 1 Month DSEX





## News:

### **Tk 70,400cr loans rescheduled in last five years: BB**

Banks have rescheduled loans amounting to about Tk 70,400 crore of troubled borrowers over the last five years, putting extra pressure on the sector. "The rescheduling of loans has created extra stress on the banking system in recent times as this constitutes a significant part of the banks' total loan portfolio," said the central bank's Financial Stability Report 2016. The report was unveiled yesterday by Bangladesh Bank Governor Fazle Kabir at an event that was attended by chief executives of all banks. At the end of December last year, the loans that had been rescheduled at least once reached 10.5 percent of the banks' total outstanding loans. Of the total outstanding loans of Tk 673,720 crore, 75.8 percent are unclassified. Along with over-leverage, poor due diligence, influenced lending, fraud and negligence in compliance with risk management practices could be the reasons for the rise in rescheduled loans, according to the report. In 2012, about Tk 5,500 crore of loans were rescheduled, and from 2013 onwards the amount ranged from Tk 12,000 crore to Tk 19,000 crore. Beyond the regular rescheduling in 2015, some large loans, of more than Tk 500 crore, were restructured for the long-term. Many borrowers who took long-term loans are now unable to repay the loans properly. The banking sector is said to be the main source of funds for fuelling economic growth through short-term investment, the report said. "The piling up of rescheduled loans seems to be a matter of concern, though the banks are expected to be cooperative in assisting viable customers to sustain during difficult times by keeping their loans performing." Despite expected rescheduling, the high amount of rescheduled loans in the industrial sector, particularly garment and textile, in conjunction with the lack of required follow-up may create downside risks for the banking system as a whole, the report said. Most loans were rescheduled in the garment and textile sectors: 22.7 percent. The report also analysed the banks' loan situation, profitability, deposit and various risks. In 2016, the banks' non-performing loans slightly deteriorated mainly due to the rise in the state banks' default loans. The state banks' non-performing loans stood at 25.1 percent on an average and specialised banks 26 percent. In contrast, the private banks' non-performing loans were 4.6 percent and the foreign banks' 9.6 percent. However, BB data shows the private banks rescheduled the highest amount of loans.

<http://www.thedailystar.net/business/tk-70400cr-loans-rescheduled-last-five-years-bb-1441894>

### **Bangladesh needs affordable 4G now**

The introduction of 4G will open the door to a whole new world of services to the citizens of Bangladesh. But the combination of high fees for the needed airwaves and the world's lowest average revenue per user threatens this bright future. Mobile networks have become integrated with the everyday lives of over 5 billion people around the world. Mobile helps us keep in touch with friends and family, stay on top of work, monitor our health, manage our homes and businesses, conduct financial transactions, and so much more. Thanks to increasingly affordable smartphones, Bangladesh has a golden opportunity to get more people connected in more meaningful ways. And along with other countries in the region, including Pakistan and Vietnam, Bangladesh is expected to see rapid smartphone growth over the next few years. But to go from expectation to reality, the government has an important role to play. It sets the rules and policies that govern access to a key ingredient of mobile networks, access to spectrum licences. These rules include setting the fees that mobile operators must pay for licences. The Digital Bangladesh vision bets on digital technology to bridge developmental gaps through improved productivity and financial access for SMEs, agricultural businesses and rural enterprises. Spectrum fees that are unduly high, however, put Digital Bangladesh at risk. The GSMA recently published a research report titled 'Effective Spectrum Pricing' that analyses 325 spectrum auction awards between 2000 and 2016 across 60 countries and provides evidence that links high spectrum prices with lower quality networks and more expensive mobile broadband services. While the government of Bangladesh is taking the important step of allocating spectrum that will enable 4G services available, unfortunately, it is proposing to set the fees so high that it may stall these services before they will be launched. In fact, the proposed base prices (shown in dollars per megahertz per population normalised for GDP per capita based on purchasing power parity [PPP] of each country) for the spectrum auction outpace those in all other countries that have made this spectrum available in recent times. These prices are on top of other proposed fees that will make the business case for purchasing the right to use this spectrum a challenging one. If this spectrum goes unsold it means it would not be used to connect anyone, which would be awful waste.

<http://www.thedailystar.net/business/bangladesh-needs-affordable-4g-now-1441753>