



AT CAPITAL DAILY MARKET UPDATE – October 9, 2017

Overview:

The DSEX closed at 6,128.9 points, down by 76.6 points. Total turnover was worth BDT 9.68 bn. Prices of 92 contraction issues were increased whereas that of 205 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	6,128.9	(1.2%)	+0.6%	+21.7%
DSES	1,349.3	(0.4%)	+1.1%	+13.2%
DS30	2,199.7	(0.7%)	+1.0%	+21.5%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,480,425.2	3,510,315.0	(0.9%)
	USD MM	43,505.3	43,878.9	(0.9%)
TURNOVER	BDT MM	9,678.4	10,542.5	(8.2%)
	USD MM	121.0	131.8	(8.2%)
VOLUME	MM SHARES	318.9	343.5	(7.2%)

Market commentary:

Bank-led correction spurred throughout the entire market today. Embarking on the news of BB's stringent grip on private commercial banks' capital market exposure, DSEX, the broad index, fell steadily just at the onset of the trading session that lasted until the last trading hour, resulting in a wiping out of almost 100.0 points. However, the broad index recouped the tiny portion of the initial shed. Market closed the session at 6,128.9, down by 76.6 points.

Losers were strongly dominant today - losers to Gainers ratio was 2.2:1.

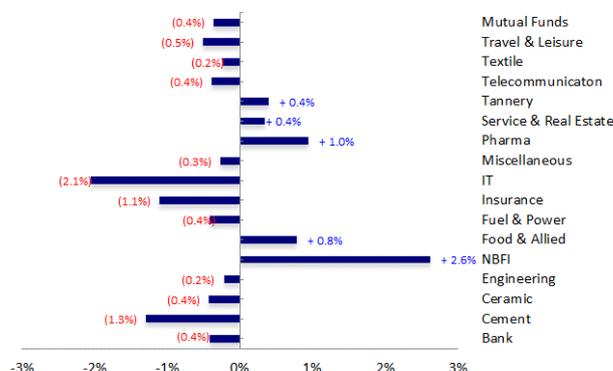
Turnover decreased by 8.2% to BDT 9.68 bn. Bank sector dominated the turnover chart - the sector accounted for 44.5% of total turnover, followed by NBF (17.2%) and, Pharma sector (7.6%). Turnover of both Bank and NBF fell 21.6% and 3.5% respectively whereas Pharma's surged 3.1%.

Most of the prominent sectors, except Bank and Food & Allied sector, outperformed the market today.

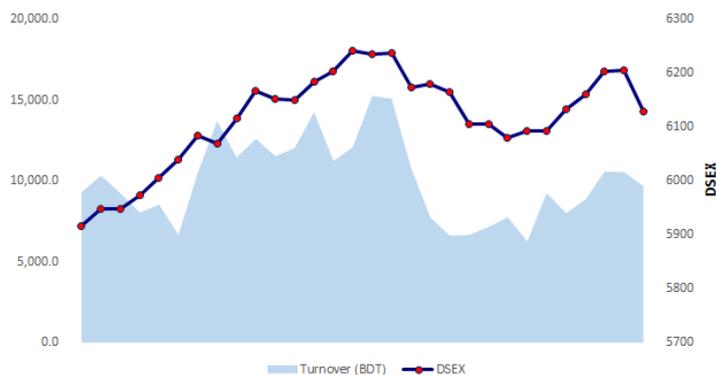
LankBangla Finance topped the turnover chart today with the turnover of BDT 598mn - the stock lost 0.6%.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
BDFINANCE	21.3	+4.4%	PRIMEFIN	13.5	(0.7%)
PREMIERLEA	18.3	+4.0%	NHFIL	50.8	(0.2%)
UNITEDFIN	24.2	+3.4%	DBH	125.3	(0.2%)
GSPFINANCE	30.7	+3.4%	BIFC	11.5	+0.0%
ICB	192.2	+3.3%	IPDC	44.7	+0.2%
IDLC	92.5	+3.2%	ILFSL	23.2	+0.4%
FASFIN	19.4	+3.2%	PLFSL	15.5	+1.3%
LANKABAFIN	64.9	+3.2%	FIRSTFIN	14.8	+1.4%
FAREASTFIN	13.7	+3.0%	BAYLEASING	27.6	+1.5%
ISLAMICFIN	24	+2.6%	UTTARAFIN	75.0	+1.9%

Sector Movement in DSE (Oct 09- Oct 08)



Last 1 Month DSEX





News:

Seven banks fined for flouting stockmarket rules

The central bank has fined seven banks for violating stockmarket rules by way of miss-reporting on share investment and over-exposure. The seven banks were penalised over Tk 15 lakh in total, confirmed a senior executive of the Bangladesh Bank. The central bank took the decision last week based on the banks' stock exposure of August, he said. Last month, the BB carried out investigations over the banks' stockmarket activities following the recent upward trends in share prices of the banking sector. Market capitalisation of the listed 30 banks rose 57 percent to Tk 76,146 crore as of last Thursday from Tk 48,406 crore in December last year, Dhaka Stock Exchange data showed. The central bank is now investigating the stock activities of another eight banks, while five more banks are also being treated with suspicion and they will come under the probe very soon, according to the central bank's decision. The BB probe found that the banks invested in the stocks by way of providing loans to their subsidiaries but did not report to the regulator. Some banks invested in stocks exceeding their exposure limit and some invested further despite having overexposure already. The overexposure of banks was one of the leading causes for market debacle in 2010 when lenders were allowed to invest 10 percent of their liabilities. Later, the Banking Company Act was amended curbing banks' exposure to stocks, by tagging the allowable investment limit to capital instead of liabilities. Banks are now allowed to invest 25 percent of their capital in stocks, according to the Banking Company Act 2013. The average exposure of the banking sector remained at 20 percent of their capital as of August, according to the central bank data. The BB observed that the price indices of the stockmarket are moving based on bank stocks as huge number of shares change hands. Bank shares have been dominating the turnover chart for several months. Though the direct exposure to the stockmarket remained within the permissible limit, banks are increasing their indirect investment through loans as the banking sector is awash with excess liquidity, said a senior executive of a private bank. Total loan portfolio to the stock-market stood at Tk 7,600 crore at the end of 2016, according to BB data. Of the amount, 53 percent came from banks and the rest from non-bank financial institutions. Banks invested Tk 2,130 crore through merchant banks and Tk 1,900 crore through other instruments last year.

<http://www.thedailystar.net/business/seven-banks-fined-flouting-stockmarket-rules-1473529>

Aamra to start local assembly of handsets in Dec

Local ICT service provider Aamra Holdings plans to start test production of smartphones in its assembly plant in the capital's Mirpur in the first week of December. The company has completed more than half of the plant's construction work and hopes to get it ready by December, said AM Ehasan-ul Haque, chief operation officer of the smart solutions division at Aamra Holdings Ltd. Commercial assembling will start in the middle of the last month in 2017 and exports from the plant will begin in the middle of next year, he said. Aamra initially targets assembling around 30 lakh 3G and 4G enabled mobile phones every year to meet the local demand, Haque said. "Currently, Aamra exports WE branded handsets to UAE and Doha directly from its Chinese factory and we are working to start exporting to Sri Lanka as well." The company has already applied to the telecom regulator to get a certificate to start production in the semi knockdown assembling factory, said Sayed Farhan Ahmed, managing director of Aamra Companies, which owns Aamra Holdings. "We hope to obtain the certificate soon." Aamra also aims to start using the Internet of Things in the first quarter of 2018, Haque said. "We will set up a modern testing lab and a certification system over there which will also be of international standards." The government slashed customs duty for mobile components meant for local assembling by 36 percentage points to 1 percent in the last budget, which has prompted Aamra to go for handsets assembling, he said. The government doubled the customs duty on handset imports to 10 percent, which also helped the local entrepreneurs to plan for setting up such plants in Bangladesh. Local brand Walton has already opened its handsets plant last week and market leader handset importer Symphony is also getting ready for domestic assembling.

<http://www.thedailystar.net/business/aamra-start-local-assembly-handsets-dec-1473559>