



AT CAPITAL DAILY MARKET UPDATE – July 12, 2017

Overview:

The DSEX closed at 5,790.8 points, down by 40 points. Total turnover was worth BDT 9.14 bn. Prices of 65 issues were increased whereas that of 231 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
BIFC	12.0	+9.1%	NHFIL	52.3	(2.8%)
BAYLEASING	28.6	+4.8%	PLFSL	10.6	(2.8%)
DBH	116.8	+0.8%	PREMIERLEA	18.8	(2.6%)
GSPFINANCE	31.6	+0.6%	FASFIN	17.5	(2.2%)
IDLC	72.2	+0.6%	PRIMEFIN	13.6	(2.2%)
ISLAMICFIN	24.8	+0.4%	ICB	188.9	(1.6%)
PHOENIXFIN	28.7	+0.3%	FAREASTFIN	13.1	(1.5%)
MIDASFIN	30.6	+0.3%	LANKABAFIN	56.0	(1.2%)
FIRSTFIN	11.5	+0.0%	ILFSL	17.1	(1.2%)
UTTARAFIN	59.9	(0.7%)	UNIONCAP	26.3	(1.1%)

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,790.8	(0.7%)	+2.4%	+15.0%
DSES	1,316.7	(0.4%)	+1.5%	+10.5%
DS30	2,116.3	(0.5%)	+1.6%	+16.9%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,266,934.7	3,282,109.9	(0.5%)
	USD MM	40,836.7	41,026.4	(0.5%)
TURNOVER	BDT MM	9,142.9	13,206.9	(30.8%)
	USD MM	114.3	165.1	(30.8%)
VOLUME	MM SHARES	345.5	480.3	(28.1%)

Market commentary:

Market plunges today after a 3 week rally. DSEX, the broad index, fell marginally as soon as the market was initiated before recovering from the deep. After a moderate swing, Market, however, tumbled sharply, pulling down the market below 5,800 mark market after hovering over 5,800 mark for three sessions in a row.

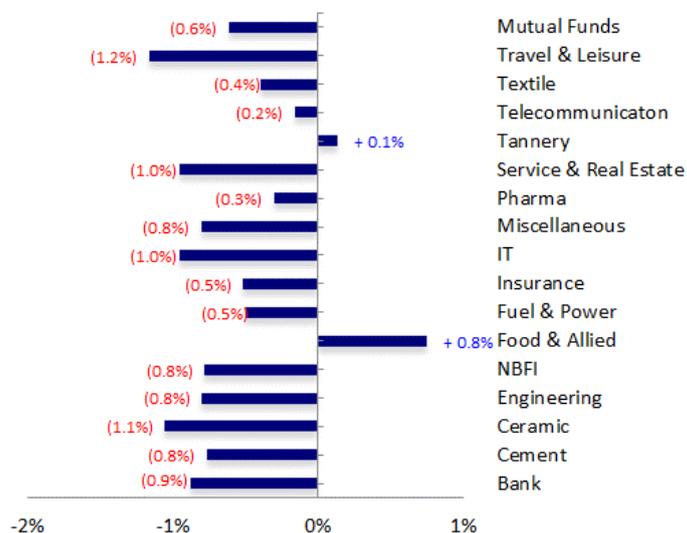
Turnover decreased by 30.8% to BDT 9.14 bn. Textile sector dominated the turnover chart - the sector accounted for 19.0% of total turnover, followed by Pharma (15.5%) and, Bank sector (14.2%).

Losers knocked gainers strongly stalwartly today – losers to gainers ratio was 3.6 to 1.

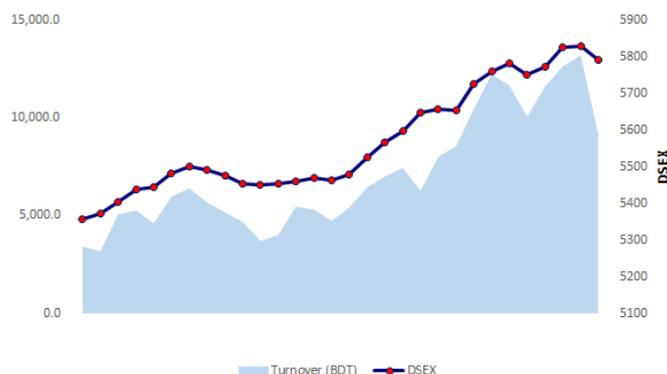
Among prominent sectors, Food & Allied, Fuel & Power, Telecommunication, Textiles, and Pharma sectors outperformed the market whereas Bank, NBFI, Engineering, and Cement sectors underperformed the market today.

Keya Cosmetics topped the turnover chart today with the turnover of BDT 748mn - the stock gained 0.6%.

Sector Movement in DSE (July 12- July 11)



Last 1 Month DSEX





News:

Inflation creeps up to 5.72pc in Apr-Jun quarter

For the first time in the country's history inflation data was released in a quarterly format, doing away with the global standard practice of releasing monthly data -- much to the criticism of economists. In the last quarter of fiscal 2016-17, inflation edged up about 44 basis points from the previous quarter to 5.72 percent, according to the data unveiled by Planning Minister AHM Mustafa Kamal yesterday. The reason for the switch to quarterly reporting put forward by Kamal was the veracity of the monthly data: the Bangladesh Bureau of Statistics is unable to capture the monthly changes in the Consumer Price Index timely. "If data is released every month, in many cases the data is not accurate," he said. The switch in reporting frequency comes at a time when inflation, a measure of changes in the prices of a basket of goods and services, is on the rise owing to a spiral in the prices of rice, Bangladesh's staple food. For instance, inflation stood at 5.03 percent in December last year, which crept up to 5.15 percent, 5.31 percent and 5.39 percent in the succeeding three months respectively. "The decision to switch from monthly to quarterly CPI is a step in the wrong direction," said Zahid Hussain, lead economist of the World Bank's Dhaka office. The government move makes it the work of analysts and policymakers much harder, as they will need to base their inferences, forecasts and economic decision-making on hard and current data. Almost everything that the government and the Bangladesh Bank decide is justified by how the data are moving lately. And those decisions are viewed by the public and other stakeholders -- including the multilateral financial institutions, investment banks, rating agencies, development partners, and civil society -- against the underlying data, he said. The importance of sound and accurate early estimates of economic trends is of utmost importance to national economic authorities for the decision-making process. "All over the world, an increasing number of countries are producing high frequency economic data. Why BBS is moving in the opposite direction is hard to fathom," he added. Kamal had earlier said the BBS will continue to prepare data on a monthly basis, which will be made available on the statistical agency's website. As of 6pm yesterday, no monthly data past the month of March was available.

<http://www.thedailystar.net/business/inflation-creeps-572pc-apr-jun-quarter-1431877>

10 firms provide 40pc of all VAT and SD

Some 40 percent of the total value-added tax and supplementary duty collected in a year by the National Board of Revenue comes from only 10 firms -- a startling detail for a \$220 billion economy that is growing fast. The companies are from cigarette, gas, mobile operator and power sectors, according to data from the Large Taxpayers' Unit, VAT. The disclosure also suggests extensive tax evasion by others. "This indicates that VAT and SD collection from domestic economic activities is vulnerable to the fortunes of a few institutions," said Zahid Hussain, lead economist of the World Bank's Dhaka office. Bangladesh has 8.5 lakh firms registered under VAT but only 32,000 submit returns and pay VAT, much to the vexation of Finance Minister AMA Muhith. "This makes it clear that VAT is confined to a limited area," Muhith said in his budget speech last month. Data showed that 157 firms accounted for 55 percent of the total of Tk 56,080 crore collected as VAT and SD from domestic economic activities in fiscal 2015-16. Of the sum, Tk 30,417 crore came from LTU-VAT, 75 percent of which, in turn, were from 10 firms. VAT paid by the top revenue-generating firms such as British American Tobacco, Dhaka Tobacco Industries, Petrobangla, Grameenphone and Titas Gas stood at Tk 26,045 crore in the first 11 months of fiscal 2016-17. The amount was 72 percent of the total VAT collected by the LTU in the just concluded fiscal year, according to preliminary data released by the NBR. Data by the NBR's field office also showed that five sectors -- cigarettes, gas, mobile operators, pharma-ceuticals and banks -- provide 88 percent of the LTU's total collection in a year. "This indicates the narrowness of the existing tax base and the scope to evade VAT," Hussain said. The tax base is narrow because of the prevalence of different rates of VAT under the VAT Act 1991. As a result, there is scope for discretion by revenue officials and it creates grounds for corruption.

<http://www.thedailystar.net/business/10-firms-provide-40pc-all-vat-and-sd-1431886>