



AT CAPITAL DAILY MARKET UPDATE – July 17, 2017

Overview:

The DSEX closed at 5,824.4 points, down by 20.3 points. Total turnover was worth BDT 11.48 bn. Prices of 82 issues were increased whereas that of 214 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,824.4	(0.3%)	+3.0%	+15.7%
DSES	1,324.1	(0.2%)	+2.1%	+11.1%
DS30	2,133.0	(0.0%)	+2.4%	+17.8%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,308,804.9	3,318,950.0	(0.3%)
	USD MM	41,360.1	41,486.9	(0.3%)
TURNOVER	BDT MM	11,476.1	12,634.7	(9.2%)
	USD MM	143.5	157.9	(9.2%)
VOLUME	MM SHARES	319.9	388.9	(17.8%)

Market commentary:

Market experienced correction today. DSEX, the broad index, was headed upward as soon as the market was started, gaining 15.0 points. But, DSEX fell steadily since then with few swings. Blue chip stocks remained dominant today. Market closed the session at 5,824.4, down by 20.3 points.

Losers were strongly dominated today – the ratio stood at 2.6 to 1.

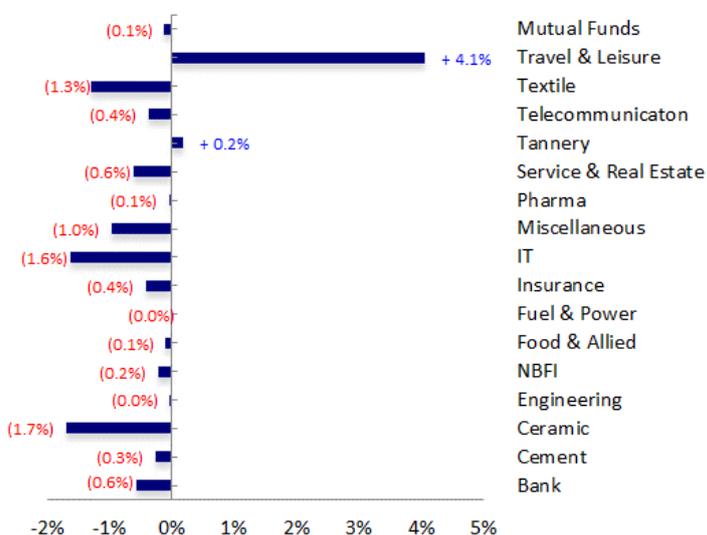
Turnover decreased by 9.2% to BDT 11.48 bn. Engineering sector dominated the turnover chart - the sector accounted for 16.8% of total turnover, followed by Textile (15.5%) and, Fuel & Power sector (12.1%).

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

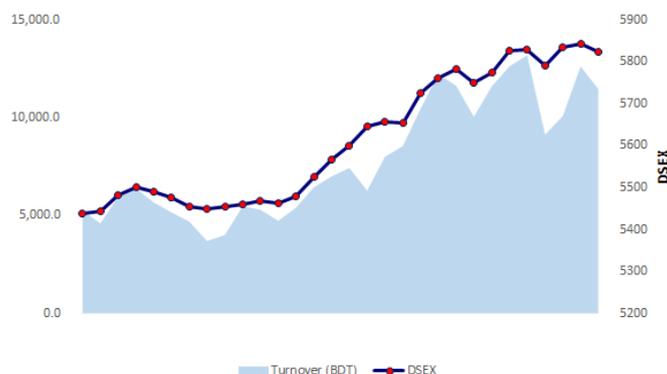
Confidence Cement topped the turnover chart today with the turnover of BDT 583mn - the stock gained 4.1%.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
PLFSL	12.1	+10.0%	NHFIL	51.2	(3.0%)
PREMIERLEA	20.3	+4.1%	FIRSTFIN	11.9	(2.5%)
IPDC	47	+3.3%	BAYLEASING	28.1	(2.1%)
MIDASFIN	30.2	+2.7%	LANKABAFIN	55.9	(1.4%)
IDLC	73.8	+2.5%	GSPFINANCE	30.5	(1.3%)
BIFC	12.4	+2.5%	FASFIN	17.1	(1.2%)
FAREASTFIN	13.4	+1.5%	BDFINANCE	21.3	(0.9%)
UTTARAFIN	59.1	+0.0%	DBH	114.8	(0.7%)
UNIONCAP	25.8	+0.0%	ILFSL	16.7	(0.6%)
ICB	189.3	+0.0%	UNITEDFIN	22.2	(0.4%)

Sector Movement in DSE (July 17- July 16)



Last 1 Month DSEX





News:

Home textile exports fail to reach potential

Despite having huge potential in home textile, Bangladesh is unable to expand its market share in the European Union because of duty benefits extended to Pakistan, a cotton grower. Bangladesh, on the other hand, is a 100 percent cotton importer. In December 2013, the 28-nation bloc granted Pakistan the GSP Plus status for four years. The GSP Plus status allows 20 percent of Pakistani exports, including home textile, to enter the EU at zero duty and 70 percent at preferential rates. "Bangladesh has been competing with Pakistan in the same market in the same product category, so it is difficult to perform better," said Md Shahidullah Chowdhury, executive director of Noman Group, which counts retail giants like IKEA, H&M, Kmart, Walmart and Carrefour as its customers. In 2016, more than \$6.86 billion worth of home textiles were imported from outside the EU, according to data from the European Apparel and Textile Confederation, Euratex. Of the sum, China accounted for 33 percent, Pakistan 25 percent, Turkey 16 percent and India 11 percent. Bangladesh's share was 7-8 percent. Besides, there were remarkable gains in value for Vietnam, Morocco, Taiwan and Ukraine, according to the data. "Apart from China, the other countries like Pakistan, India and Turkey have their own advantages," Chowdhury said. For example, all four major home textiles exporters -- China, Pakistan, Turkey and India -- have their own cotton. Still, Bangladesh's home textile market share in the EU has been increasing in recent years as local manufacturers are becoming adept in this particular segment, Chowdhury said. Currently, Bangladesh has only five major home textile makers and exporters, he said, adding there are some small ones whose volume is still low. In contrast, the other countries have hundreds of such millers raring to get a slice of the \$130 billion global home textile market. Noman Group exports home textiles such as bed sheets, pillow covers, curtains, cushion covers and bed covers worth nearly \$200 million, 80 percent of which is EU-bound, in a year. The retail value of the home textile segment was estimated to be about \$107.24 billion in 2014 and is expected to reach \$131.50 billion by 2020, according to industry insiders.

<http://www.thedailystar.net/business/home-textile-exports-fail-reach-potential-1434307>

More firms to come under NBR's large taxpayers unit

The National Board of Revenue is considering bringing in some big firms under the purview of Large Taxpayers Unit and de-listing smaller ones to ensure effective monitoring and compliance. The LTU is a field office responsible for collecting VAT from big companies. The unit was formed in 2004 to provide better services to the high tax-paying companies so that the state gets the correct amount of revenue from them. "Small firms do not have high tax potential. So we are considering bringing big firms under the LTU and listing the small ones with other field offices based on a policy," NBR Chairman Md Nojibur Rahman told The Daily Star on Saturday. At present, in-house discussions are going on, he said, adding that a decision will be taken after reviewing the pros and cons. The initiative comes after the revenue authority found that a number of companies remain out of LTU's purview despite paying high amounts of tax. At the same time, some businesses remain under the purview of the unit although they pay less than the required amount of tax. As per the selection criteria set by the NBR in 2012, if a firm pays Tk 5 crore to the state coffer in a year for the previous three years, it will be eligible for listing with the LTU. Sister concerns and associated firms of a company can also be listed under the LTU as per the criteria. The LTU collects more than half of the total annual VAT and supplementary duty from domestic economic activities. At present, 170 firms, mainly from the tobacco, gas, telecom, banking, pharmaceuticals, electricity distribution, beverage, cosmetics and toiletries, cement and ceramic sectors, are listed under the field office. Of the listed firms, 157 are active, paying Tk 36,695 crore as VAT in the last fiscal year. VAT receipts from firms under the LTU comprised 55 percent of Tk 56,080 crore collected in total in 2015-16, according to data from the NBR. On several occasions earlier, the LTU urged the revenue administration to list firms that generate high taxes under its jurisdiction and delist those that pay less than the threshold amount. Citing the selection criteria, the field office said many companies have expanded businesses in the last several years by establishing new units. But these newly established sister or associated concerns were not listed under the LTU. The field office earlier urged the NBR to bring in Le Meridien Dhaka, Abul Khair Tobacco, Pran-RFL and Lafarge Surma Cement under its net.

<http://www.thedailystar.net/business/more-firms-come-under-nbrs-large-taxpayers-unit-1434292>