



# AT CAPITAL DAILY MARKET UPDATE – July 18, 2017

## Overview:

The DSEX closed at 5,819.3 points, down by 5.2 points. Total turnover was worth BDT 9.62 bn. Prices of 110 issues were increased whereas that of 177 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
IPDC	49.8	+ 6.0%	BIFC	12.0	(3.2%)
FIRSTFIN	12.2	+ 2.5%	MIDASFIN	29.4	(2.6%)
PRIMEFIN	13.9	+ 1.5%	UNIONCAP	25.2	(2.3%)
UTTARAFIN	59.7	+ 1.0%	FAREASTFIN	13.1	(2.2%)
PLFSL	12.2	+ 0.8%	ILFSL	16.4	(1.8%)
NHFIL	51.6	+ 0.8%	FASFIN	16.8	(1.8%)
IDLC	73.8	+ 0.0%	ISLAMICFIN	24.0	(1.6%)
ICB	188.8	(0.3%)	PREMIERLEA	20.0	(1.5%)
UNITEDFIN	22.1	(0.5%)	LANKABAFIN	55.1	(1.4%)
DBH	113.8	(0.9%)	BAYLEASING	27.7	(1.4%)

## 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	3,306,668.2	3,308,804.9	(0.1%)
	USD MM	41,333.4	41,360.1	(0.1%)
TURNOVER	BDT MM	9,622.3	11,476.1	(16.2%)
	USD MM	120.3	143.5	(16.2%)
VOLUME	MM SHARES	258.7	319.9	(19.1%)

## Market commentary:

Market remained shaky today, swinging in both directions several times. DSEX, the broad index, headed upward on the onset of the session before slashing the entire gain – all these were happened within the first half of the session. In the latter half, indices experienced another mild swing, trading within 15.0 points range. Till the end, market remained sideways. Market closed the session at 5,819.3, down by 5.2 points.

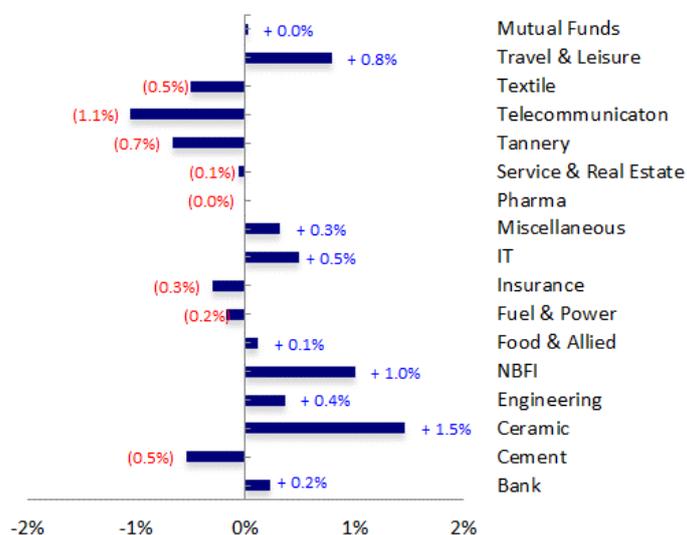
Losers' stout position remained prevailed today - Losers to Gainers ratio was 1.6:1.

Turnover decreased by 16.2% to BDT 9.62 bn. Fuel & Power sector dominated the turnover chart - the sector accounted for 15.5% of total turnover, followed by Textile (15.2%) and, Engineering sector (14.5%).

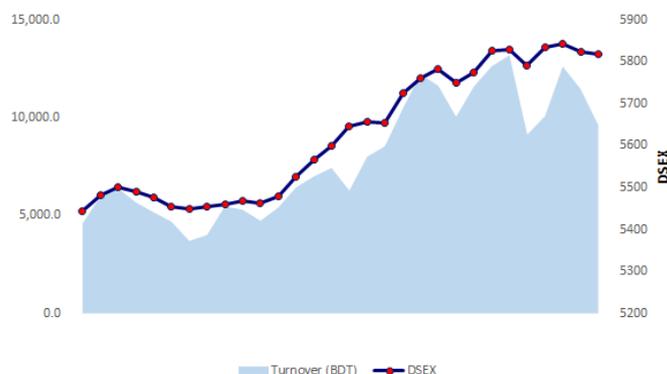
Among prominent sectors, Bank, Engineering, Food and Allied, Pharma, and NBFi sectors outperformed the market whereas Cement, Telecommunication, Fuel & Power, and Textile sectors underperformed the market today.

IFAD Autos topped the turnover chart today with the turnover of BDT 449mn - the stock gained 2.9%.

## Sector Movement in DSE (July 18- July 17)



## Last 1 Month DSEX





## News:

### **Africa's rise poses threat to Bangladesh's apparel export**

The upward trend of garment exports from Africa, thanks in part to Bangladeshi investors, poses a threat to Bangladesh's second position in the global apparel trade. In 2016, garment exports from 39 sub-Saharan nations stood at \$2.6 billion, according to data from the International Trade Centre. Industry insiders are tipping the shipments to cross the \$3-billion mark this year. The countries enjoy duty-free and quota-free access for certain goods, including garment, to the US under the African Growth and Opportunity Act (AGOA). And one of the major reasons for the booming garment exports from the African nations is investment by wily Bangladeshi garment makers to avail the duty privilege under the AGOA. Bangladesh will not be allowed duty benefits to the developing and developed countries once the country graduates to the middle-income bracket. So, in recent years, nearly a dozen Bangladeshi garment makers have invested either in joint ventures or individually in different African countries, especially Ethiopia and Kenya. The impact of the upward trend of exports from the AGOA nations has already started to show on Bangladesh's apparel exports: for the first time in 15 years, the growth was not even in single digit in 2016-17. Apparel export growth last fiscal year was just 0.20 percent. In contrast, growth was more than 13 percent in the last 10 years. The receipt of \$28.14 billion is way below the target of \$30.37 billion. The AGOA nations are faring well in basic garments – a market segment where Bangladesh also has huge concentration. Lower-end products account for 75 percent of the country's apparel exports. “East Africa attracts a great deal of attention, growing at a rate even comparable to Bangladesh's historic growth while becoming a major force in the apparel industry over the next decade,” said McKinsey & Company, a global management consulting firm in 2015. At that pace, the industry base across the region will quickly attract the funds to upgrade facilities. Over the next decade, should this scenario play out, East Africa's export volumes could approach countries such as Mexico or Pakistan on apparel industry league tables. “The investment by Bangladeshis in the AGOA nations is not the lone cause of the fall of garment export from Bangladesh. It is one of the many causes,” said Mahmud Hasan Khan Babu, vice-president of the Bangladesh Garment Manufacturers and Exporters Association. Currently, a dozen Bangladeshi factories are in operations in the AGOA nations, Babu said, adding that the government should formulate a policy that ensures investors send money to African countries through the legal channel. MA Jabbar, managing director of DBL Group, said he invested nearly \$100 million in Ethiopia with the view to exporting \$36 million worth of knitted garment products to the US a year. “I invested in the African country mainly to avail the duty benefit to the US,” Jabbar said, adding that he has employed 1,700 workers in Ethiopia. The production at the Ethiopian factory is expected to start at the end of this year.

<http://www.thedailystar.net/business/africas-rise-poses-threat-bangladeshs-apparel-export-1434910>

### **BB may dissolve NRB Commercial Bank's board**

Bangladesh Bank may dissolve the board of four-year-old NRB Commercial Bank and remove its managing director Dewan Mujibur Rahman for gross irregularities. The development comes as the central bank was dissatisfied with the explanations given by NRBC Bank Chairman Farasath Ali and its CEO Rahman against the show-cause notices it had served earlier on 10 counts of wrongdoings, including signature forgery, interference of outsiders in the board and corruption. The replies from Ali and Rahman contained many wrong information with the intent of misguiding the authorities, said a central bank official. Yesterday, the Banking Regulation & Policy Department of the central bank submitted a review report to a standing committee of the BB formed to look into the NRBC Bank case. The report suggested dissolution of the board and removal of the top executive as per the banking laws. The standing committee will now ask the board members and the top executive to appear in a hearing before recommending their removal to the BB governor, the official said. “It seems the board of directors has failed to uphold the banking companies act to protect the interest of the depositors and the public,” said the show-cause notice sent to Ali in March. The other notice, sent to Rahman, said he had failed to discharge his responsibilities properly. All the irregularities were inter-linked and took place with the involvement of the board and the management. As the MD, Rahman never informed the BB about the irregularities, the notice said. After being slapped with the show-cause notices, both the chairman and the MD had filed writs with the High Court. The court, however, dismissed the petitions on March 28 and also ordered the BB to take action as per procedure. In 2006, the central bank dissolved the board of Oriental Bank, now ICB Islamic Bank Ltd, for corruption and mismanagement.

<http://www.thedailystar.net/business/bb-may-dissolve-nrb-commercial-banks-board-1434895>