



AT CAPITAL DAILY MARKET UPDATE – October 11, 2017

Overview:

The DSEX closed at 6,108.57 points, up by 33.2 points. Total turnover was worth BDT 10.92 bn. Prices of 79 issues were increased whereas that of 225 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
DBH	128.5	+ 2.2%	FAREASTFIN	12.8	(3.0%)
IPDC	44.9	+ 1.8%	FASFIN	18.7	(2.1%)
MIDASFIN	39.7	+ 1.5%	LANKABAFIN	63.3	(1.9%)
UNITEDFIN	23.5	+ 0.4%	ICB	185.9	(1.8%)
IDLC	90.2	+ 0.1%	ILFSL	22.3	(1.8%)
PLFSL	14.9	+ 0.0%	BIFC	11.4	(1.7%)
NHFIL	50.5	+ 0.0%	ISLAMICFIN	23.0	(1.7%)
GSPFINANCE	29.8	(0.3%)	PREMIERLEA	17.5	(1.7%)
BDFINANCE	21.1	(0.5%)	PRIMEFIN	13.2	(1.5%)
UTTARAFIN	73.2	(0.5%)	BAYLEASING	27.0	(1.5%)

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	6,108.6	(0.5%)	+ 0.3%	+ 21.3%
DSES	1,340.5	(0.5%)	+ 0.4%	+ 12.5%
DS30	2,208.4	+ 0.1%	+ 1.5%	+ 22.0%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,477,597.7	3,488,577.2	(0.3%)
	USD MM	42,954.5	43,090.1	(0.3%)
TURNOVER	BDT MM	10,920.5	7,651.0	+ 42.7%
	USD MM	134.9	94.5	+ 42.7%
VOLUME	MM SHARES	318.9	240.1	+ 32.8%

Market commentary:

Blue chip stocks including GP and Brac Bank – the first Bangladeshi Bank to cross the market capitalization of USD ~1bn - retained the baton for the second consecutive session. DSEX, the broad index, inaugurated the session on a bullish note, gaining more than 70 points. After slowing down during the mid-session, DSEX fell abruptly from the very high, mopping out more than 125 points during the intra-day. DSEX closed the session at 6,108.57, down by 33.2 points.

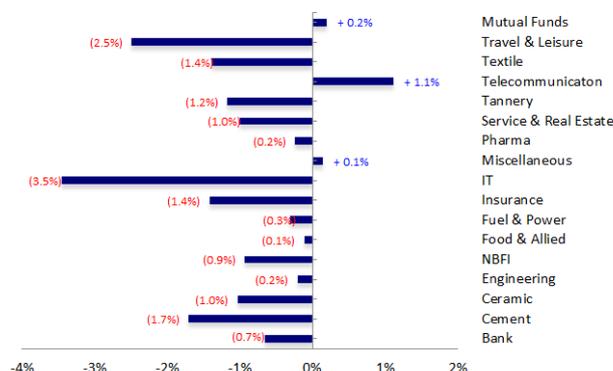
Losers strongly outnumbered gainers today – Losers to Gainers ratio was almost 3 to 1.

Turnover stood at BDT 10.92 bn, up by 42.7% from the previous session. Bank sector led the turnover board today, contributing 51.1%, following by NBFi (11.3%) and Textiles (6.6%).

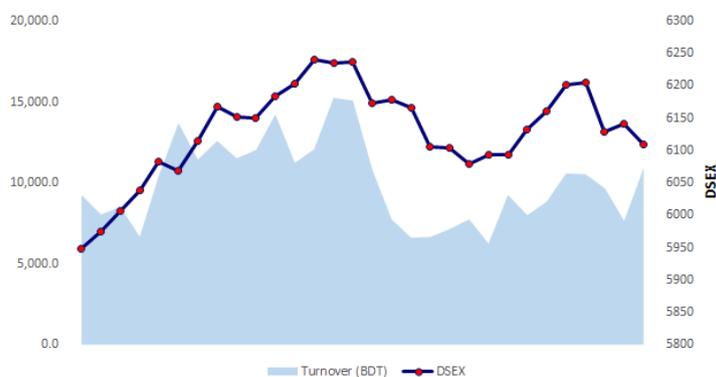
City Bank led the turnover chart with BDT 556mn, contributing 5.5% of the total turnover- the stock gained 1.3%.

Both losers and gainers remained the equal strength - Losers to Gainers ratio was 1.8 to 1.

Sector Movement in DSE (Oct 11- Oct 10)



Last 1 Month DSEX





News:

Garment exporters hit by shrinking profits

The garment exporters' profitability has hit a rock-bottom thanks to the continued downward price pressure by the international retailers amid rising production costs. "In fact we are just keeping our businesses afloat," said a garment manufacturer who exports apparel items worth nearly \$500 million a year. The price of garment items has been falling 5-8 percent every year whereas the cost of production is increasing 15-18 percent, he said. For instance, in 2015, a pair of denim trousers fetched him \$8; the same pair is now bringing him \$7.75. The production cost and the buying price of a pair of denim trousers are almost the same, the exporter added. Although the export of garment items grew 10 percent in volume in fiscal 2016-17, the value remained almost the same as in the previous year, according to commerce ministry data. In fiscal 2016-17, the growth of garment exports, which account for 82 percent of the total national exports, was also the lowest in the past 15 years. Garment exports increased 0.20 percent year-on-year to \$28.14 billion in last fiscal year, 7.34 percent below the target of \$30.37 billion for the year. The sector witnessed on average 16 percent year-on-year growth since 1990 up to fiscal 2015-16, according to the Policy Research Institute of Bangladesh. Industry insiders identified some major reasons that are affecting the price levels of apparel items in Bangladesh. Primarily, the demand for apparel items is declining in the Western world as customers progressively become more environment-minded. They are making more conscientious buying decisions: purchasing less and focusing on quality. In 2015, the demand for apparel items worldwide declined 8 percent to \$445 billion, according to data from the World Trade Organisation. Too many products for too few consumers are the greatest challenge facing the fashion industry, according to the Massachusetts Institute of Technology's Centre for Collective Intelligence and Materials System Laboratory. The global garment industry manufactures more than 150 billion pieces of garments each year, but there are roughly 7.5 billion people on Earth, it said. The garment industry is producing 50 garments for each of the roughly three billion people who have the means to consume them. Moreover, the profitability from the sales of basic garment items that Bangladesh specialises in is also low. Since more than 70 percent of the exported garment items from Bangladesh are basic items, the manufacturers also receive low price offers from retailers. Mostafiz Uddin, managing director of Denim Expert, a Chittagong-based denim exporter, echoed the same as the MIT study. "Too many countries are producing too many apparel items for customers." The existing companies in the countries like India, Vietnam and China are increasing their capacity every year to grab more market share, Mostafiz said. "We are in a fierce competition now. There are too many manufacturers in Bangladesh." As a result, the small and medium scale factories have the threat of closure looming over them, Mostafiz said.

<http://www.thedailystar.net/business/garment-exporters-hit-shrinking-profits-1474624>

Industrial loan growth falls to 5-year low

Growth of industrial loan disbursement fell to a five-year low in fiscal 2016-17 despite a sharp decline in interest on lending. Industrial loan disbursement registered growth of 13.51 percent in the last fiscal year compared to 20.77 percent a year ago, according to data released by the central bank yesterday. An expert and a banker said poor infrastructure and a lack of energy held back new private investments and expansion of existing ones despite political stability prevailing for over two years. Together, banks and non-bank financial institutions disbursed Tk 300,672 crore in FY17, up from Tk 264,887 crore a year ago. They disbursed Tk 219,339 crore in FY15. AB Mirza Azizul Islam, a former caretaker government adviser, told The Daily Star yesterday that businesspeople had long been facing the problem of transporting merchandised goods because of rundown roads and highways. He said the rate of interest on lending decreased remarkably in the last fiscal year but it failed to put a positive impact on the disbursement of industrial loan because of a demand-side problem. Some businesspeople are also in uncertainty about setting up fresh enterprises ahead of next national elections, Islam said. A significant number of businesses failed to obtain electricity connections for their newly established units which forced them not to seek bank loans. Industrial term loan decreased to Tk 62,155 crore in the last fiscal year, down 5.16 percent from Tk 65,539 crore a year ago. A continuous downward trend in interest rate on lending has failed to encourage businesspeople to take loans from banks due to infrastructural bottlenecks, said Syed Mahbubur Rahman, managing director of Dhaka Bank.

<http://www.thedailystar.net/business/industrial-loan-growth-falls-5-year-low-1474531>