



AT CAPITAL DAILY MARKET UPDATE – August 9, 2017

Overview:

The DSEX closed at 5,890.1 points, down by 7.5 points. Total turnover was worth BDT 8.66 bn. Prices of 115 issues were increased whereas that of 186 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 |
| UTTARAFIN | 70.8 | +2.9% | BIFC | 11.0 | (2.7%) |
| BDFINANCE | 19.8 | +1.5% | PLFSL | 13.1 | (2.2%) |
| IDLC | 80.3 | +0.8% | PRIMEFIN | 13.8 | (2.1%) |
| FIRSTFIN | 13.7 | +0.7% | BAYLEASING | 26.9 | (1.1%) |
| PHOENIXFIN | 28.8 | +0.7% | MIDASFIN | 29.6 | (1.0%) |
| GSPFINANCE | 30.4 | +0.7% | DBH | 114.1 | (0.6%) |
| UNIONCAP | 21.6 | +0.5% | FASFIN | 16.6 | (0.6%) |
| ISLAMICFIN | 23.9 | +0.4% | NHFIL | 51.8 | (0.6%) |
| ICB | 184.5 | +0.1% | LANKABAFIN | 56.4 | (0.4%) |
| PREMIERLEA | 18 | +0.0% | IPDC | 47.8 | (0.2%) |

Index Movements:

| INDEX | VALUE | DAY CH(%) | MTD(%) | YTD(%) |
|-------|---------|-----------|--------|--------|
| DSEX | 5,890.1 | (0.1%) | +0.3% | +17.0% |
| DSES | 1,311.3 | +0.1% | (0.4%) | +10.0% |
| DS30 | 2,121.2 | +0.1% | (0.7%) | +17.1% |

| MARKET STAT | | TODAY | LAST DAY | CHANGE(%) |
|---------------------|-----------|-------------|-------------|-----------|
| MARKET CAP (Equity) | BDT MM | 3,350,508.0 | 3,350,669.3 | (0.0%) |
| | USD MM | 41,881.4 | 41,883.4 | (0.0%) |
| TURNOVER | BDT MM | 8,661.0 | 9,447.5 | (8.3%) |
| | USD MM | 108.3 | 118.1 | (8.3%) |
| VOLUME | MM SHARES | 298.4 | 342.0 | (12.7%) |

Market commentary:

Market fell further for the second consecutive sessions. DSEX, the broad index, spiked marginally at the onset of the opening bell, but, unable to retain as the session progressed. DSEX fell steadily till the mid-session. In the second half of the session, market remained sideways till the end of the session. Market closed the session at 5,890.1, down by 7.5 points.

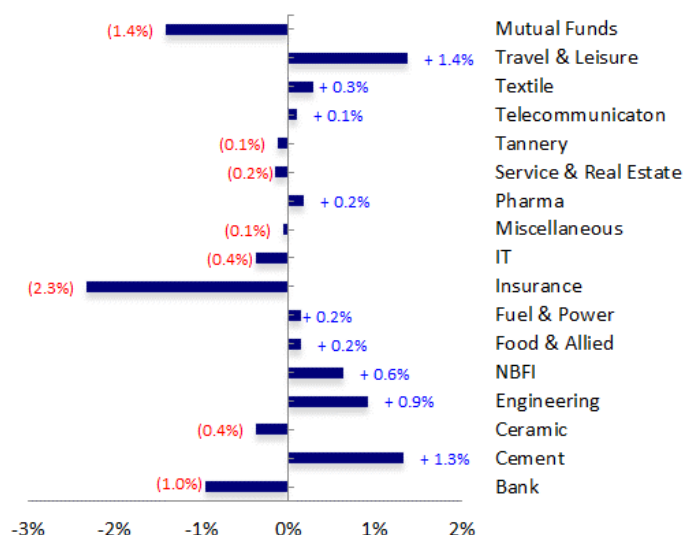
Losers remained strong for another session - Losers to Gainers ratio was 1.7:1.

Turnover decreased by 8.3% to BDT 8.66 bn. Textile sector dominated the turnover chart - the sector accounted for 19.6% of total turnover, followed by Bank (19.0%) and, Engineering sector (14.9%). Banking sector's turnover fell sharply by 39.3% whereas both Textiles' and Engineering's improved by 22.1% and 8.6% respectively.

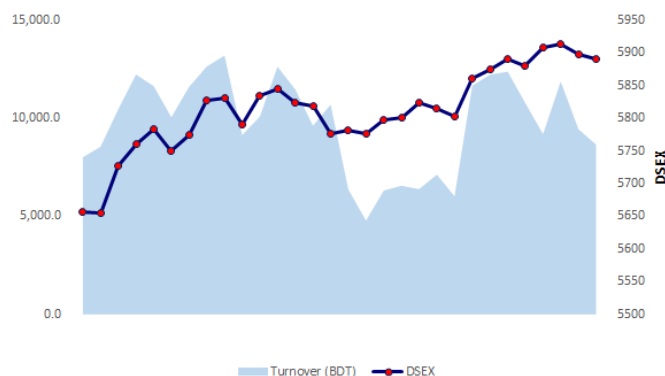
Most of the prominent sectors, except Bank sector, outperformed the market today.

Generation Next topped the turnover chart today with the turnover of BDT 367mn - the stock gained 1.7%.

Sector Movement in DSE (August 09 - August 08)



Last 1 Month DSEX





News:

Bangladesh to get \$200m ADB loan for urban infrastructure, governance in municipalities

The Asian Development Bank's (ADB) Board of Directors has approved a loan package of US \$200 million to strengthen urban infrastructure, service delivery and governance in Bangladesh's municipalities. "The country's pourashavas still need significant investment to not only improve service delivery and the urban environment but also to strengthen resilience to climate change," ADB Urban Development Specialist Alexandra Vogl was quoted as saying according to a press release. "This additional ADB financing for the well performing Third Urban Governance and Infrastructure (Sector) Project builds on the work of two previous ADB projects, expanding work in the pourashavas where we are already working and into five new ones," the official added in the ADB release. Bangladesh's economy has been growing at a healthy pace, averaging 6.6 percent gross domestic product growth in 2014-2016, but the government faces the challenge of achieving sustainable and inclusive growth in the face of rapid urbanisation. For example, in 2015, only 32% of the urban population had a piped water supply and 58% access to improved sanitation. Other challenges included fecal sludge management and underdeveloped or badly maintained drainage. These issues are more acute in municipalities because of inadequate governance, lack of community participation, and capacity constraints. Another critical issue facing Bangladesh is climate change, as the country faces rising temperatures; more frequent and intense rainfalls, storms, and flooding; and danger to coasts from rising sea levels. In the face of these, municipalities need to enhance their institutional know-how to maintain infrastructure and services, according to the press release. With particular emphasis on promoting climate resilience and gender equity, the additional ADB financing approved this week will enable the continued funding of priority infrastructure and governance improvements in 35 municipalities with a total population of 3.1million. The project will also allocate funds based on governance performance to the top-performing remaining municipalities in the country. Specifically, the additional financing for the third project, bringing total ADB financing up to \$325 million, will contribute to build or improve 600km of roads and 300km of drains, and install or upgrade 180km of pipes for water supply with 60,000 metered household connections, according to the press release.

<http://www.thedailystar.net/business/asian-development-bank-ADB-loan-bangladesh-get-urban-infrastructure-governance-in-municipalities-1445890>

Lafarge wants to remit Tk 950cr to buy Holcim shares

Lafarge Surma Cement wants to remit \$117 million (about Tk 950 crore) to the Netherlands to complete the process of buying its shares in Holcim Cement Bangladesh. It has sought approval from the Bangladesh Bank to send the money to acquire 100 percent share of Holcim Bangladesh from Amsterdam-based Holderfin BV. In December last year, Lafarge Surma signed a share purchase agreement with Holderfin to buy 88,244 shares at \$1,325.88 or Tk 106,000 each. The BB, however, said the share is overpriced and asked Lafarge Surma to submit documents related to share valuation of Holcim Cement. Lafarge Surma Cement Ltd (LSCL) has changed its name to LafargeHolcim Bangladesh Ltd (LHBL) following the approval from the shareholders in January this year. Lafarge Surma is a joint venture of LafargeHolcim, a world leader in building materials, and Cementos Molins, a Spanish cement company with strong global presence. When asked about the overvaluation of Holcim shares, LHBL said the company signed the share purchase agreement with Holderfin to buy the shares of Holcim Cement Bangladesh for \$117 million. "Once we receive the approval from the Bangladesh Bank, we will provide relevant information to the shareholders, the Bangladesh Securities and Exchange Commission, the stock exchanges, and other relevant authorities," the company told The Daily Star in an email reply. According to the BB, when comparing values with other cement-makers, Heidelberg Cement Bangladesh is accepted as one of the best companies in the local market. Its share, with a face value of Tk 10, traded at Tk 450 on Sunday. The central bank also compared the share value of Holcim with British American Tobacco Bangladesh Company (BATBC), whose share is considered the most expensive in the stockmarket. With a Tk 10 face value, the current market price of each share of BATBC is Tk 2,960. When compared with the share prices of other companies in the cement industry, the stock price of Holcim of Tk 106,000 appears extremely overvalued, said a central banker. From this perspective, the BB may not allow the company to remit the full amount (\$117 million), he said. In November last year, the board of Lafarge Surma announced that it was exploring the opportunity of combining the businesses of Holcim Bangladesh and Lafarge Surma. The board approved the acquisition a month later. Upon completion of the transaction, Lafarge Surma will have a combination of production facilities, with the only clinker production facility in Bangladesh and four grinding plants across the country.

<http://www.thedailystar.net/business/lafarge-wants-remit-tk-950cr-buy-holcim-shares-1445686>