



AT CAPITAL DAILY MARKET UPDATE – October 2, 2017

Overview:

The DSEX closed at 6,093.0 points, up by 0.1 points. Total turnover was worth BDT 9.26 bn. Prices of 73 issues were increased whereas that of 227 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
FASFIN	18.7	+ 3.3%	BIFC	10.9	(2.7%)
ILFSL	21.5	+ 2.9%	UNIONCAP	21.2	(0.9%)
PHOENIXFIN	33.5	+ 2.8%	PRIMEFIN	13.4	(0.7%)
UTTARAFIN	70.9	+ 2.3%	FIRSTFIN	14.0	(0.7%)
FAREASTFIN	13	+ 1.6%	BAYLEASING	26.5	(0.4%)
UNITEDFIN	22.9	+ 1.3%	GSPFINANCE	28.5	(0.3%)
LANKABAFIN	61.2	+ 1.3%	ICB	178.9	(0.1%)
IPDC	44.8	+ 0.7%	PLFSL	14.2	+ 0.0%
PREMIERLEA	17.4	+ 0.6%	DBH	126.8	+ 0.2%
BDFINANCE	19.8	+ 0.5%	NHFIL	51.0	+ 0.2%

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	6,093.0	+ 0.0%	+ 0.0%	+ 21.0%
DSES	1,335.0	(0.8%)	+ 0.0%	+ 12.0%
DS30	2,176.8	(0.0%)	+ 0.0%	+ 20.2%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,440,915.5	3,460,653.5	(0.6%)
	USD MM	43,011.4	43,258.2	(0.6%)
TURNOVER	BDT MM	9,258.9	6,248.4	+ 48.2%
	USD MM	115.7	78.1	+ 48.2%
VOLUME	MM SHARES	314.2	204.9	+ 53.3%

Market commentary:

Market remained strongly volatile today. DSEX, the broad index, surged sharply, embarking on the bank sector, hitting 6,135 mark. Subsequently, DSEX fell sharply, wiping out ~50.0 points effectively. However, after a minor spike, DSEX remained sideways till the end of the session, Market closed the session at 6,093.0, up by 0.1 points.

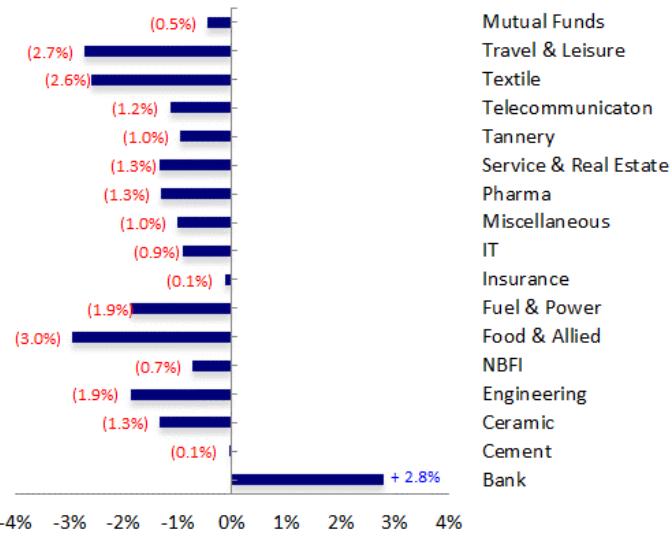
Losers were dominant today - Losers to Gainers ratio was 3.1 to 1.

Turnover increased by 48.2% to BDT 9.26 bn. Bank sector dominated the turnover chart - the sector accounted for 55.0% of total turnover, followed by IT (10.1%) and, Engineering sector (5.5%). Bank's turnover surged by 68.7% whereas Engineering's fell 2.4%.

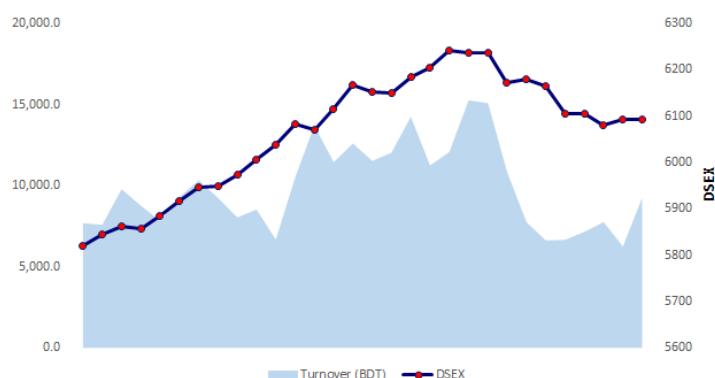
All of the sectors, except Bank, underperformed the market today.

Aamra Network Limited, the newly debuted scrip, topped the turnover chart today with the turnover of BDT 705mn - the stock gained more than 250.0%.

Sector Movement in DSE (Oct 02 - Sept 28)



Last 1 Month DSEX





News:

Bad loans cause dents in banks' profits

Bad loans ate up 51 percent of the operating profits of banks in the first half of the year -- a development that will not only bring down the dividends that shareholders get but will also have an impact on the interest rate. Between January and June this year, the banks' operating profit edged up 11 percent but net profit slumped about 33 percent, according to central bank statistics. As per central bank rules, banks have to keep provisioning for their classified loans from their operating profits. Thus, if banks' classified loans increase, their net profits fall proportionately. In the first half of 2017, banks logged in operating profit of Tk 10,355 crore, up from Tk 9,325 crore a year earlier. However, their net profits altogether came to Tk 1,845 crore, down from Tk 2,741 crore in the first six months of 2016. The banks' net profit is calculated after deducting provisioning against bad debt and tax. In the first six months of the year, the banks had to do provisioning of Tk 5,256 crore against their bad debts, in contrast to Tk 3,408 crore a year earlier. The banks had restructured about Tk 16,000 crore of large loans of more than Tk 500 crore. But later, the bad borrowers did not maintain their commitment, due to which the loans turned sour, said a Bangladesh Bank official. Because of poor governance in some banks, their overall indicators are in the negative, said various bank officials. Most of the state banks are in a bad shape, but some private banks are vulnerable too. The sliding net profits eat into the shareholders' dividends, and it also leads to an increase in the lending rate, the BB official said. leads to an increase in the lending rate, the BB official said. To maintain the spread (the difference between lending and deposit rates) within 5 percent as per BB directive, banks, in most cases, lower deposit rates. "As a result, the depositors are affected," he added. Though the state-owned banks' operating profit was Tk 1,178 crore, due to provisioning against bad loans, they logged in net losses of Tk 1,046 crore for the first half of the year. Overall, the profit situation of most of the state banks improved this year except for Sonali. Sonali's net loss was Tk 1,257 crore but the five other state banks made net profit ranging from Tk 10 crore to Tk 127 crore. Even the much-troubled BASIC Bank made a net profit of Tk 11.40 crore during the period, in contrast to a loss of Tk 48 crore a year earlier. The private banks logged in operating profit of Tk 8,662 crore in the first half of 2017, which is more or less the same as in a year earlier. But their net profit was significantly down as some of the banks' performance deteriorated. They logged in net profits of Tk 2,766 crore, down 7.62 percent year-on-year.

<http://www.thedailystar.net/business/bad-loans-cause-dents-banks-profits-1470313>

July-Aug import payments up 31pc as rice import, oil price rise

Import payments in the first two months of the current fiscal year (2017-2018) increased by 31.55 per cent year-on-year due mainly to surge in rice import, increase in the prices of crude oil in the international market and substantial depreciation of the taka against all major currencies. According to the latest data of Bangladesh Bank, the overall import bill payments stood at \$9.42 billion in July-August of FY18 against \$7.16 billion in the same period of FY17. Rice import by the country substantially rose in the period amid crop losses, mainly boro paddy, in the flash floods in the country's north-eastern haor areas and depleting public stocks as well as rising prices of staple in the domestic market. The government may import 12 lakh tonnes of rice in the current fiscal year while private sector importers will also import sizeable quantity of rice. According to the central bank data, import settlements for food grains mainly rice and wheat rose by 168.17 per cent to \$316.66 million in July-August of the year from that of \$118.08 million in the same period of last fiscal year. Food grains import had increased by only 2.78 per cent in July-August of FY17. A higher growth in petroleum product import also contributed to the rise in import payments as petroleum product import grew by 29 per cent in the period due mainly to a price hike of the commodity in the international markets. The country settled import payments worth \$390.75 million for petroleum in the first two months of FY18, which was \$303.10 million during the same period a year ago, the data showed.

<http://www.newagebd.net/article/25213/july-aug-import-payments-up-31pc-as-rice-import-oil-price-rise>