



AT CAPITAL DAILY MARKET UPDATE – July 31, 2017

Overview:

The DSEX closed at 5,860.6 points, up by 58.6 points. Total turnover was worth BDT 11.66 bn. Prices of 179 issues were increased whereas that of 114 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,860.6	+1.0%	+3.6%	+16.4%
DSES	1,315.2	+0.3%	+1.4%	+10.3%
DS30	2,143.5	+0.8%	+2.9%	+18.4%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,339,222.7	3,310,978.7	+0.9%
	USD MM	41,740.3	41,387.2	+0.9%
TURNOVER	BDT MM	11,661.4	6,016.6	+93.8%
	USD MM	145.8	75.2	+93.8%
VOLUME	MM SHARES	354.6	176.4	+101.0%

Market commentary:

Market rebounded strongly today – the highest single day gain was recorded in last one month. DSEX, the broad index, embarked on the rising trend since the onset of today's trading session. DSEX maintained the uptrend till the end of the session. Market closed the session at 5,860.6, up by 58.6 points.

Losers were weakened in comparison to gainers – the ratio was only 0.6 to 1.

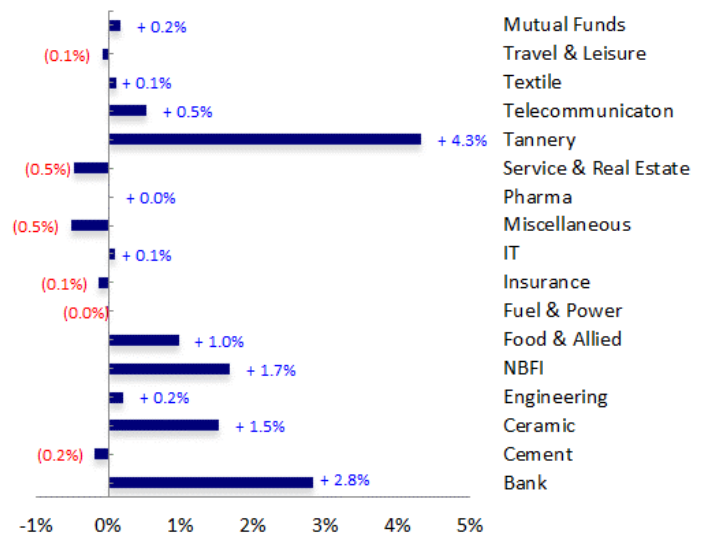
Turnover increased by 93.8% to BDT 11.66 bn. Bank sector dominated the turnover chart - the sector accounted for 29.4% of total turnover, followed by NBFI (16.5%) and, Textile sector (10.5%).

Most of the prominent sectors, except Bank, and NBFI, underperformed the market today.

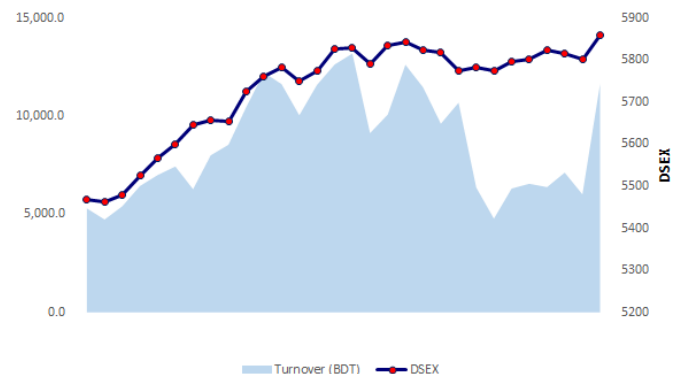
BBS Cables Limited, the debuted stock, topped the turnover chart today – the stock generated 746mn (6.4%) turnover.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
IDLC	78.0	+2.5%	MIDASFIN	30.2	(3.8%)
BAYLEASING	27.5	+1.1%	FASFIN	15.6	(3.7%)
ICB	192.3	+0.9%	PRIMEFIN	13.1	(3.0%)
LANKABAFIN	56.9	+0.7%	PREMIERLEA	18.0	(2.7%)
UTTARAFIN	60.5	+0.7%	PLFSL	13.2	(2.2%)
IPDC	47.8	+0.2%	BIFC	10.5	(1.9%)
BDFINANCE	19.1	+0.0%	FAREASTFIN	12.0	(1.6%)
ISLAMICFIN	23.5	+0.0%	PHOENIXFIN	27.6	(1.4%)
NHFIL	51.9	(0.2%)	ILFSL	15.6	(1.3%)
GSPFINANCE	28.8	(0.3%)	UNIONCAP	23.8	(1.2%)

Sector Movement in DSE (July 31- July 30)



Last 1 Month DSEX





News:

Imports to be costlier

The gap between buying and selling rates for US dollar has recently widened to Tk 1.50 from Tk 1, in a development that has made imports costlier and can go on to create inflationary pressure and squeeze the foreign exchange reserves. For years, the gap has been Tk 1 a dollar as per the instruction of the central bank, according to data from the Bangladesh Bank and Bangladesh Foreign Exchange Dealers' Association. "Basically, it's a supply-demand conundrum," said Anis A Khan, managing director of Mutual Trust Bank and a former chairman of BAFEDA, about the widening gap. Exports and inward remittances, the two major sources of foreign currency in Bangladesh, are on the wane while imports are rising, widening the current account deficit. "All these factors have led to the increase in demand for the greenback and the rising gap between the selling and buying prices," he said. Remittance inflow in fiscal 2016-17, of \$12.77 billion, was the lowest in six years. And for the first time in 15 years, Bangladesh's apparel exports failed to register even single digit growth. The apparel export growth last fiscal year was just 0.20 percent. In contrast, in the last 10 years growth averaged about 13 percent. On the contrary, import payments grew more than 9 percent last fiscal year. "Still, the gap should not cross Tk 1," according to Nurul Amin, chairman of BAFEDA and managing director of Meghna Bank. All banks though will not profit from the situation; only those with good reserves of the greenback will, he added. Islami Bank Bangladesh that brings in more than one-fourth of remittance and handles a good sum of export receipts along with two foreign commercial banks may gain from the scenario, bankers said. Banks provide foreign exchange services to their customers, including buying foreign currency from exporters and remitters and selling it on to importers. These transactions can be very profitable to banks when the gap between the buying and selling rate widens. For example, if a bank buys \$10 million from exporters at Tk 80.25 a dollar (yesterday's rate) and sells it on at Tk 81.73, it makes a profit of Tk 1.48 a dollar. The bank's gain will be nearly Tk 15 million (Tk 1.5 crore) from the arrangement. Last year, banks bought dollars from exporters at Tk 78 at most and sold them at Tk 79. This means, in the last one year taka has depreciated nearly 3 percent. Amid the mismatch between demand and supply, the BB is trying to cool down the exchange rate by injecting dollar in the market: it yesterday sold \$20 million to banks.

<http://www.thedailystar.net/business/imports-be-costlier-1441222>

Cost of internet use to rise

The cost of internet use may rise, as the expenses of the internet service providers are expected to increase due to a regulatory move. Last week, the telecom regulator recommended the government ask the internet service providers to share 2 percent of their revenue with the BTRC and increase their licence and annual fees. The internet service providers will have to share 1 percent of their gross revenue with the regulator and another 1 percent for the social obligation fund, according to the proposals of Bangladesh Telecommunication Regulatory Commission (BTRC). The increased licence and annual fees—which were earlier Tk 1 lakh for each nationwide licence—will be set at Tk 25 lakh and Tk 5 lakh respectively. To bear the increased cost, the operators may have to compromise with the service quality or put pressure on the end users, said MA Hakim, president of Internet Service Providers' Association of Bangladesh (ISPAB). The fee for zonal licence—which the BTRC termed as the licence for urban category in its new proposal—will be Tk 15 lakh up from Tk 50,000. The licence fees and renewal charges for other categories will also be increased. To renew the licences, all of the 590 internet service providers of the country will have to pay at the rate of the new licence fee, according to the recommendations. Cyber cafes with trade licences will be exempted from the rule of notifying the regulator before starting a business, which was mandatory earlier. The cyber cafes will have no obligation to the regulator if the new proposals are implemented, Hakim said. "This can create security concern."

<http://www.thedailystar.net/business/cost-internet-use-rise-1441210>