



AT CAPITAL DAILY MARKET UPDATE – October 24, 2017

Overview:

The DSEX closed at 5,968.0 points, down by 13.9 points. Total turnover was worth BDT 5.36 bn. Prices of 105 issues were increased whereas that of 187 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,968.0	(0.2%)	(2.1%)	+18.5%
DSES	1,321.6	(0.2%)	(1.0%)	+10.9%
DS30	2,173.2	(0.1%)	(0.2%)	+20.0%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,441,267.9	3,439,464.2	+0.1%
	USD MM	42,505.8	42,483.5	+0.1%
TURNOVER	BDT MM	5,360.7	5,232.6	+2.4%
	USD MM	66.2	64.6	+2.4%
VOLUME	MM SHARES	122.7	133.5	(8.1%)

Market commentary:

Broad based correction wiped out the blue chip-led rally. After rising mildly within the first 30 minutes, DSEX, the broad index, plummeted from the second trading hour, declining almost 40.0 points. In the last 30 minutes, blue chip scrips, particularly GP and Brac Bank, led the recovery. Market closed the session at 5,968.0, down by 13.9 points.

Losers outnumbered gainers today - losers to Gainers ratio was 1.8:1

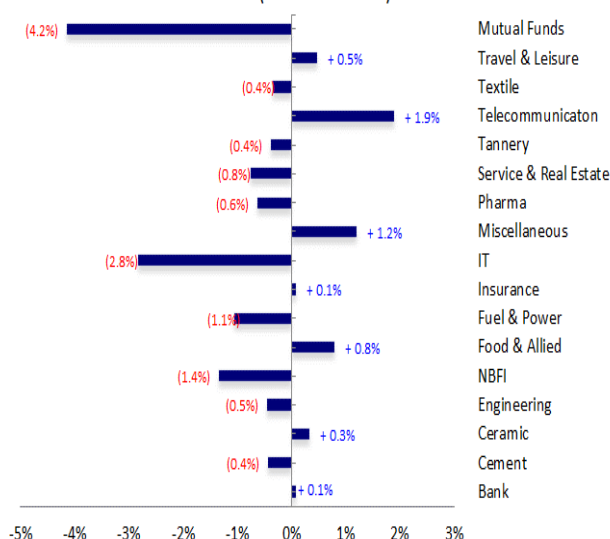
Turnover increased by 2.4% to BDT 5.36 bn. Bank sector dominated the turnover chart - the sector accounted for 27.3% of total turnover, followed by NBFI (13.4%) and, Engineering sector (11.8%). Turnover of Bank and NBFI fell 20.9% and 3.7% whereas Engineering's 14.6%.

Most of the prominent sectors, except Bank, Food & Allied, and Telecommunication sector, underperformed the market today.

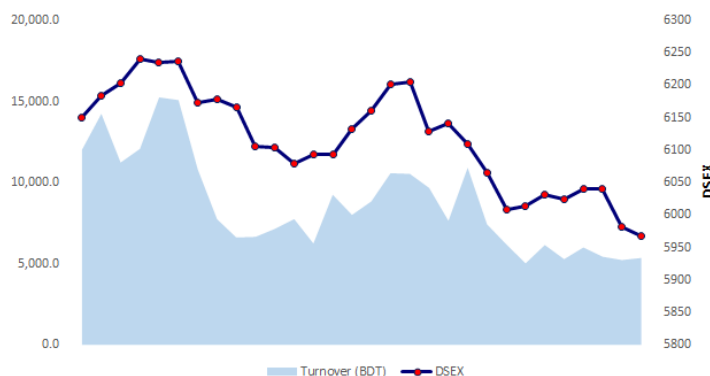
Brac Bank topped the turnover chart today with the turnover of BDT 491mn - the stock gained 3.4%.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
UTTARAFIN	77.3	+1.0%	PLFSL	14.5	(4.0%)
FAREASTFIN	12.2	+0.8%	BDFINANCE	20.6	(3.7%)
ICB	191.9	+0.2%	NHFIL	46.3	(3.3%)
FIRSTFIN	13.8	+0.0%	FASFIN	18.3	(3.2%)
ISLAMICFIN	22.5	(0.4%)	UNIONCAP	17.7	(2.7%)
DBH	125.1	(0.5%)	MIDASFIN	38.1	(2.3%)
PHOENIXFIN	37.2	(0.5%)	IDLC	85.9	(2.3%)
GSPFINANCE	29.1	(0.7%)	BAYLEASING	26.3	(1.9%)
PRIMEFIN	12.8	(0.8%)	LANKABAFIN	63.8	(1.8%)
UNITEDFIN	22.5	(0.9%)	BIFC	11.0	(1.8%)

Sector Movement in DSE (Oct 24- Oct 23)



Last 1 Month DSEX





News:

Review Holcim share price valuation

Lafarge Surma Cement has appealed to Bangladesh Bank to review its valuation of Holcim share price, which the French cement maker says has been significantly undervalued by the central bank. The central bank in September allowed Lafarge to repatriate Tk 504.78 crore by cutting down each share price of Holcim Cement Bangladesh to Tk 57,202 from Tk 1.06 lakh set by the company. In December last year, Lafarge Surma signed an agreement with the Amsterdam-based Holderfin to purchase its holdings of Holcim Cement Bangladesh for Tk 936 crore (\$117 million). Each of Holcim's 88,244 shares was valued at \$1,325.88 (Tk 1.06 lakh). "We smell laundering of money through the overvaluation of Holcim shares," said a BB official requesting not to be named. The central bank has set the share price of Holcim in line with the international valuation method, said another BB official. It compared the share price of Holcim with that of British American Tobacco Bangladesh Company, whose share is considered the most expensive in the Dhaka stock market. With a Tk 10 face value, the current market price of each share of BATBC is Tk 2,960. The BB also looked at the share price of Heidelberg Cement Bangladesh, a comparable stock for both Lafarge and Holcim. Each Heidelberg share, which has a face value of Tk 10, traded at Tk 415.90 yesterday. The face value of Holcim shares is Tk 100. "The difference between the amount agreed in the share purchase agreement and the amount approved by the BB to remit out of this transaction is significant," said Lafarge in a statement. Lafarge has informed the central bank that it is not possible to complete the merger with Holcim if the BB does not allow it to remit Tk 936 crore. The BB decision has put pressure on the share price of Lafarge on the Dhaka Stock Exchange. Each share of Lafarge Surma Cement, which was listed as a green field company in 2003, traded at Tk 65.40 on August 18, the day news broke of the BB's decision. The share price started to fall from the very next day and it closed the day yesterday at Tk 61.50. World's leading cement makers, France's Lafarge and Switzerland's Holcim, merged in July 2015 to form LafargeHolcim, which owns the majority stake in Holcim Bangladesh. LafargeHolcim and Cementos Molins, a Spanish cement manufacturer, own through their joint venture with Surma Holding, a majority of the shares of Lafarge Surma Cement. 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 acquisition was approved by the board a month later.

<http://www.thedailystar.net/business/review-holcim-share-price-valuation-1480867>

South Korea to diversify investment in Bangladesh

South Korean businesses are interested to diversify their business and investment in Bangladesh through investing in pharmaceuticals, information technology and infrastructure sector. 'We are trying to increase the trade volume between our two countries and if Bangladesh promotes business friendly environment more Korean investors will come to the country for setting up production units in the special economic zones that would help to reduce trade gap,' Korean ambassador Ahn Seong-doo told reporters following a meeting with commerce minister Tofail Ahmed at Bangladesh Secretariat on Monday. He said that Samsung was going to manufacture its products in Bangladesh under a joint venture company and LG would also go for joint venture within a short time. Terming the joint ventures of Samsung and LG a promising future, Seong-doo said, 'We want to produce state of the art electronics goods in Bangladesh.' 'Trade deficit is one of the important issues of today's trade talks and we want to find out the barriers of two-way trade and investment,' the ambassador said. Commerce minister Tofail Ahmed said that South Korea provided duty-free market access for nearly 500 Bangladeshi products but the country's businesses are yet to tap the potential of the facility. 'More than 200 Korean businesses invested in garment and other business in Bangladesh and we invited more investors in proposed special economic zones,' he said. Tofail said that if the Korean investors set up production units in the SEZs, they will get all the facilities from the government and at the same time they will get duty free market access of their products in the global market under the WTO rules. The commerce minister said that the bilateral trade between Bangladesh and Korea is largely one-sided which is in favour of Korea. According to the official data, bilateral trade volume in the financial year 2016-17 stood at US\$1.50 billion and out of the amount Bangladesh imported worth US\$1.26 billion while exported worth US\$238.23 million.

<http://www.newagebd.net/article/26791/south-korea-to-diversify-investment-in-bangladesh>