



AT CAPITAL DAILY MARKET UPDATE – August 7, 2017

Overview:

The DSEX closed at 5,913.6 points, up by 6 points. Total turnover was worth BDT 11.87 bn. Prices of 102 issues were increased whereas that of 202 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,913.6	+0.1%	+0.7%	+17.4%
DSES	1,309.1	(0.3%)	(0.6%)	+9.8%
DS30	2,125.1	(0.2%)	(0.5%)	+17.3%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,354,073.4	3,354,147.0	(0.0%)
	USD MM	41,925.9	41,926.8	(0.0%)
TURNOVER	BDT MM	11,873.5	9,193.2	+29.2%
	USD MM	148.4	114.9	+29.2%
VOLUME	MM SHARES	438.1	350.9	+24.8%

Market commentary:

Market remained volatile today. DSEX, the broad index, skyrocketed as soon as opening bell was rang, gaining 40.0 points within the first 20 minutes of the session. However, DSEX fell from the top to omit the initial gain. In the latter half of the session, DSEX remained sideways till the end of the session. Market closed the session at 5,913.6, up by 6 points.

Losers outnumbered gainers today - Losers to Gainers ratio was 2.0:1

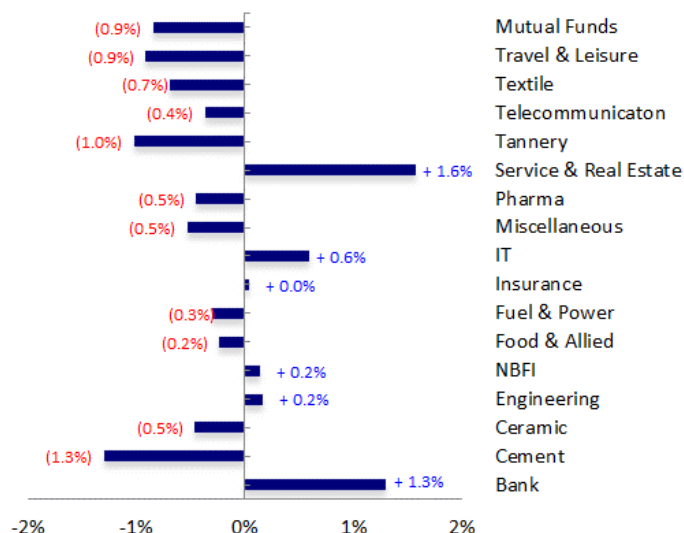
Turnover increased by 29.2% to BDT 11.87 bn. Bank sector dominated the turnover chart - the sector accounted for 38.6% of total turnover, followed by Textile (10.3%) and, Engineering sector (10.3%). Bank sector's turnover grew by ~85.0% whereas both Engineering's and Textiles' fell by 22.3% 1.4% respectively.

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

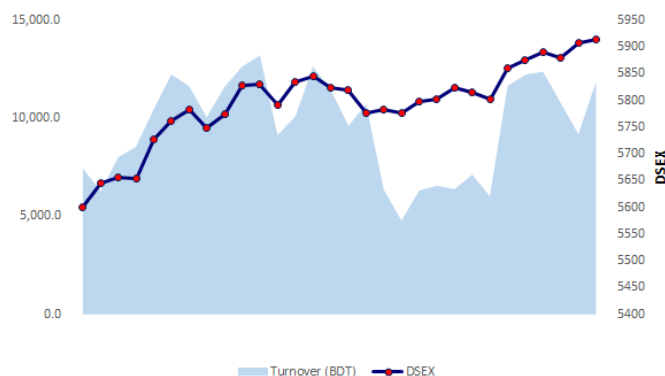
IFIC Bank topped the turnover chart today with the turnover of BDT 734mn - the stock gained 1.5%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
PLFSL	13.4	+2.3%	GSPFINANCE	30.1	(1.6%)
FIRSTFIN	13.6	+2.3%	PHOENIXFIN	28.1	(1.4%)
PRIMEFIN	14.2	+2.2%	ISLAMICFIN	23.6	(1.3%)
MIDASFIN	30	+0.7%	BAYLEASING	27.0	(1.1%)
ILFSL	16.5	+0.6%	BDFINANCE	19.1	(1.0%)
FASFIN	16.8	+0.6%	LANKABAFIN	56.5	(0.9%)
BIFC	11.5	+0.0%	UTTARAFIN	64.2	(0.8%)
UNITEDFIN	22.2	+0.0%	IDLC	78.4	(0.8%)
FAREASTFIN	12.1	+0.0%	NHFIL	52.6	(0.6%)
DBH	114.5	(0.1%)	PREMIERLEA	18.2	(0.5%)

Sector Movement in DSE (August 07 - August 06)



Last 1 Month DSEX





News:

Apparel exports to US drop

Garment shipment to the US, the country's single largest export destination, declined 7.47 percent year-on-year to \$5.2 billion in 2016-17 largely because of higher duty, longer lead-time, and lower prices. Apparel exporters also blamed the appreciation of the local currency against the American greenback, less imports by US retailers and inefficient port operations in Bangladesh, for the fall in garment exports. Exporters say Bangladesh's garments are less attractive to US customers as competing countries can offer similar items at lower prices since they enjoy preferential duty privilege. Bangladeshi apparel exports face 15.62 percent duty to the US markets, whereas Vietnam, Turkey, China and India are subjected to 8.38 percent, 3.57 percent, 3 percent and 2.29 percent duty respectively. Longer lead-time is another major problem confronting Bangladesh whereas competitors can send to the US within a shorter time. Bangladesh takes nearly three months to export to the US whereas competitors can supply the same products to the US within 60 days or less. International retailers have also cut the lead-time for Bangladeshi exporters. Previously, international retailers and brands used to place work orders with Bangladeshi manufacturers with a six-month lead-time, but now it has gone down to two to three months due to the 'fast fashion' in the Western world. Bangladesh needs to import raw materials such as cotton and spin them locally before making the finished products. A lack of adequate skilled workforce is another drawback.

<http://www.thedailystar.net/business/apparel-exports-us-drop-1444681>

Changes in bank law on cards

The finance ministry has moved to make changes to the Banking Companies Act 1991 that would strengthen the grip of families on private banks. The amendment proposed to increase the tenure of the board of directors of a private bank from six years to nine years and accommodate four members of a family instead of two in the board. Finance Minister AMA Muhith, who signed off the proposal on Wednesday, believes the amendment would bring in dynamism to the sector and help new banks to operate properly. The proposed amendment though is contrary to the previous one made by the Awami League-led government in 2013. The sub-section 10 of section 15 of the Banking Companies Act 1991, which was amended in 2013, bars more than two members of a family in a bank's board. The tenure of a director is set at three years and no director is allowed to run for more than two terms, meaning maximum 6 years. Muhith also gave a new definition of family to pave the way for more members of a household in a bank's board. Under the present law, the director's spouse, parents, children and any dependent are considered family. But the finance minister said a member of a family cannot be termed a dependent if he/she does separate business and becomes a taxpayer. The existing laws that permit two members of a family in a board limit the scope for other eligible members of the kinfolk, he said while explaining the reasons for the proposed amendment. The Bangladesh Association of Banks, a forum of private banks' directors, demanded the amendment. It sought for an increase in tenure to nine years or three terms in a row. The six-year tenure may be applicable to directors like the independent, appointed or ex-officio ones. The proposal will now need to get the green light from the president, after which it will be placed in the next session of the parliament. Earlier in May, the government in a cabinet meeting approved the changes to go with the demands of the directors of the private banks. Experts fear that the move would badly affect the banking sector.

<http://www.thedailystar.net/business/changes-bank-law-cards-1444675>