



AT CAPITAL DAILY MARKET UPDATE – August 20, 2017

Overview:

The DSEX closed at 5,819.3 points, down by 41.8 points. Total turnover was worth BDT 7.69 bn. Prices of 92 issues were increased whereas that of 196 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,819.3	(0.7%)	(0.9%)	+15.6%
DSES	1,301.0	(0.2%)	(1.2%)	+9.2%
DS30	2,098.8	(0.5%)	(1.8%)	+15.9%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,338,969.4	3,357,199.7	(0.5%)
	USD MM	41,737.1	41,965.0	(0.5%)
TURNOVER	BDT MM	7,689.3	8,321.2	(7.6%)
	USD MM	96.1	104.0	(7.6%)
VOLUME	MM SHARES	213.1	234.8	(9.2%)

Market commentary:

Market experienced severe correction today. DSEX, the broad index, spiked mildly in the first trading hour before tumbling heavily. From the second trading hour, DSEX lost 40.0 points, which stayed till the mid-session. In the latter half of the trading session, after a trivial turnaround, DSEX shed few points. Market closed the session at 5,819.3, down by 41.8 points.

Losers were strongly dominate the market today - losers to Gainers ratio was 2.1:1

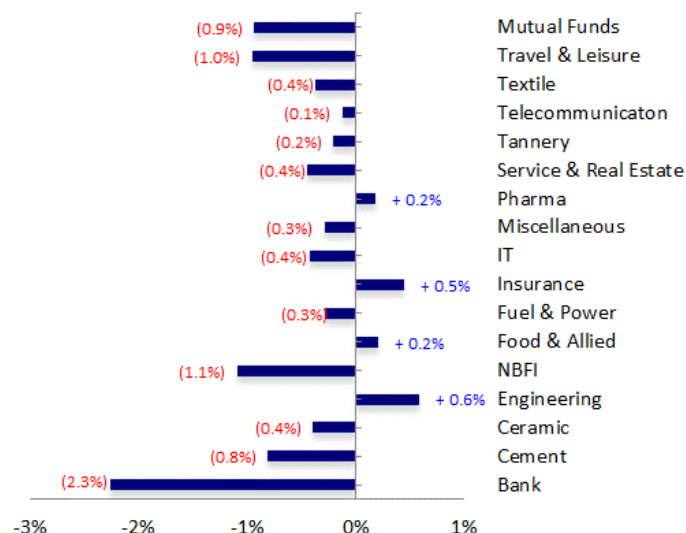
Turnover decreased by 7.6% to BDT 7.69 bn. Engineering sector dominated the turnover chart - the sector accounted for 20.3% of total turnover, followed by Bank (18.7%) and, Pharma sector (17.9%). Both Pharma's and Engineering's turnover surged heavily today, growing by 42.5% and 116.5% respectively whereas Bank's shed by 50.2%

All of the prominent sectors, except Bank, Cement and Engineering, outperformed the market today.

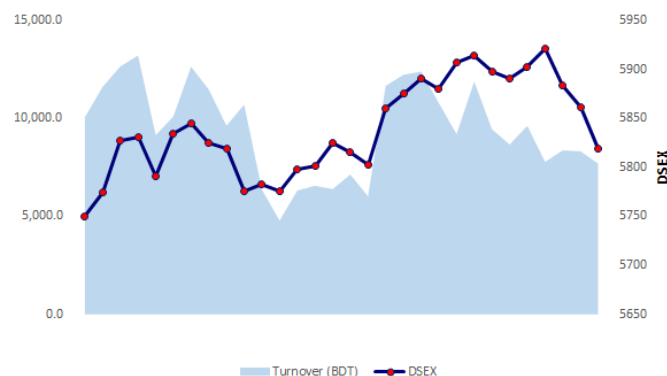
BBSCABLES topped the turnover chart today with the turnover of BDT 591mn - the stock gained 4.1%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
BAYLEASING	28.2	+4.1%	UTTARAFIN	70.2	(3.6%)
NHFIL	51.8	+1.8%	PHOENIXFIN	30.6	(2.2%)
PLFSL	12.4	+1.6%	ISLAMICFIN	22.2	(2.2%)
PRIMEFIN	13.2	+1.5%	FASFIN	15.7	(1.9%)
DBH	124.4	+1.1%	PREMIERLEA	17.2	(1.7%)
BIFC	10.8	+0.9%	IDLC	78.1	(1.5%)
ICB	183.6	+0.9%	IPDC	47.1	(1.5%)
GSPFINANCE	29.8	+0.7%	BDFINANCE	18.9	(1.0%)
UNIONCAP	20.9	+0.0%	LANKABAFIN	54.6	(0.4%)
MIDASFIN	29.7	+0.0%	UNIONCAP	20.9	+0.0%

Sector Movement in DSE (August 20 - August 17)



Last 1 Month DSEX





News:

Govt changes incentive structure for exports

The government has brought some major changes to the incentive structure for exports in order to achieve a higher overseas sales target set for the current fiscal year. Bangladesh Bank on Thursday released an incentive structure for 2017-18, granting stimulus to five sectors for the first time and increasing existing rates for four. With the new additions, 27 sectors will receive 2 to 20 percent incentive on the price of the goods. The number of sectors entitled for the benefit was 22 in the last fiscal year. The five new sectors which were awarded higher incentives are IT-enabled services and hardware (10 percent), shoes made of synthetic and fabrics (15 percent), active pharmaceuticals ingredients (20 percent), accumulator battery (15 percent), and goods produced from coconut fibre (20 percent). The incentive for export of crust and finished leather has been doubled to 10 percent from existing 5 percent if the tanneries at Hazaribagh relocate to Savar, according to the BB circular. Exporters will receive a 10 percent incentive for selling locally produced paper and paper products from existing 5 percent. The incentive for handmade products, hogla, hey, and sugarcane fibre has been increased to 20 percent from 15 percent now, while the stimulus for export of potato has been raised to 20 percent from 10 percent. The export benefit for finished products from jute goods has gone up to 10 percent from 7.5 percent. The government has set aside Tk 4,500 crore for export subsidies in the current fiscal year, of which Tk 500 crore would go for jute goods. The export target for 2017-18 has been set at \$37.2 billion, up 8.2 percent from that of the last fiscal year. Bangladesh earned \$34.65 billion in exports in 2016-17 against a target of \$37 billion.

<http://www.thedailystar.net/business/govt-changes-incentive-structure-exports-1451287>

Term deposits decline on interest rate slump

Unrelenting fall in term deposits following decline in interest rates may turn the banks tightfisted in financing long-term investments as funds switch to alluring non-banks and consumption luxuries. Some bankers were of this view the term deposits with the country's banking system decreased by nearly 4.0 percentage points to 53.6 per cent in the calendar year (CY) 2016 -- at minimum seven-year low in terms of percentages -- according to central bank's latest counts. Top executives at commercial banks view that the shrinking of time deposits in total deposits is the result of the cut-down rates of interest they offer to the savers. However, the CEOs consider the development a blessing in disguise as holding such funds involves high cost in terms of interest payments compared to other types of deposit. But, they think the collection of this type of funds cannot be allowed to be too slow when they consider the need for making long-term investment. The financial stability reports prepared by the central bank from 2010 to 2016 calendar years show that the term deposit in 2010 was 57 per cent, in 2011 56.5 per cent, 54.3 per cent in 2012, 57.5 per cent in 2013, 56.4 per cent in 2014, 57.3 per cent in 2015 and 53.6 per cent in 2016. On the other hand, some non-bank financial institutions are offering attractive rates on term deposits to lure moneyed men. The NBFIs have around 5.0 per cent share in total deposits. However, the share of current deposits has maintained the second position, followed by savings deposits, since 2011. The savings deposits stood second in 2010 by grabbing 22.64 per cent share of total deposits, according to the reports.

<http://www.thefinancialexpress-bd.com/2017/08/18/80083/Term-deposits-decline-on-interest-rate-slump>