



AT CAPITAL DAILY MARKET UPDATE – June 14, 2017

Overview:

The DSEX closed at 5,459.7 points, up by 4.9 points. Total turnover was worth BDT 5.47 bn. Prices of 159 issues were increased whereas that of 115 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,459.7	+0.1%	+0.1%	+8.4%
DSES	1,260.2	(0.1%)	(0.1%)	+5.7%
DS30	2,027.1	+0.0%	+0.0%	+11.9%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,095,222.6	3,093,383.9	+0.1%
	USD MM	39,479.9	39,456.4	+0.1%
TURNOVER	BDT MM	5,472.6	4,007.0	+36.6%
	USD MM	69.8	51.1	+36.6%
VOLUME	MM SHARES	155.5	126.6	+22.8%

Market commentary:

Market remained sideways for the third consecutive sessions. DSEX, the broad index, was upbeat in the first hour of the trading session. However, DSEX fell sharply subsequently before embarking on a sideways trajectory till the end of the session. Market closed the session marginally up at 5,459.7, up by 4.9 points.

Gainers outnumbered losers today – the ratio was 1.3 to 1 today.

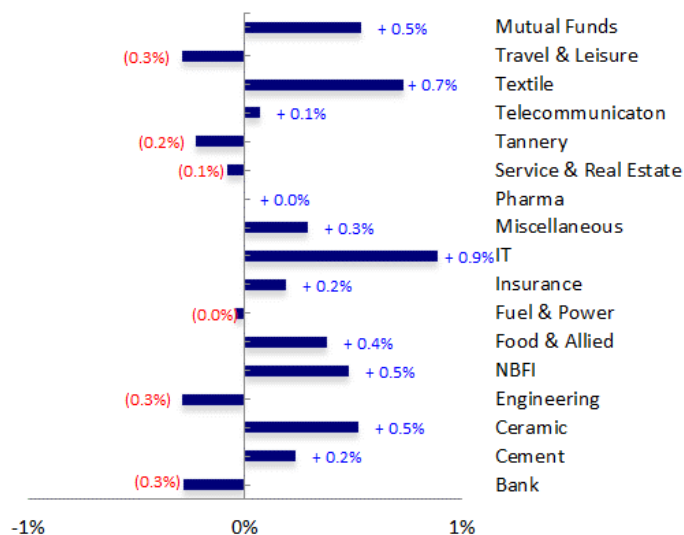
Turnover increased by 36.6% to BDT 5.47 bn. Textile sector dominated the turnover chart - the sector accounted for 20.2% of total turnover, followed by Pharma (14.6%) and, Food & Allied (11.6%) sector.

Among prominent sectors, Cement, NBFI, Textiles, and Food & Allied sectors outperformed the market whereas Bank, Engineering, Pharma, and Fuel & Power sectors underperformed the market today.

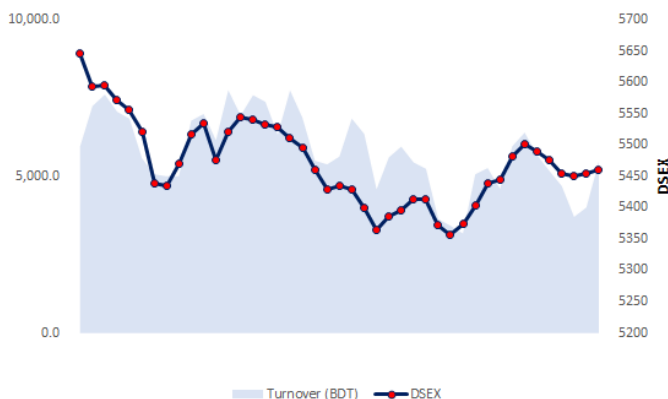
British American Tobacco topped the turnover chart today with the turnover of BDT 447mn - the stock gained 0.4%

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
PLFSL	10.1	+4.1%	NHFIL	46.9	(0.2%)
FIRSTFIN	11.8	+2.6%	UTTARAFIN	56.4	(0.2%)
PREMIERLEA	18.2	+2.2%	ICB	175.0	(0.1%)
DBH	115.1	+2.0%	ILFSL	13.7	+0.0%
LANKABAFIN	52.8	+1.5%	FAREASTFIN	9.7	+0.0%
BIFC	9.7	+1.0%	UNIONCAP	25.4	+0.0%
UNITEDFIN	21.3	+0.9%	GSPFINANCE	28.1	+0.4%
PRIMEFIN	11	+0.9%	FASFIN	17.7	+0.6%
BDFINANCE	22.3	+0.9%	IDLC	71.2	+0.7%
ISLAMICFIN	22.7	+0.9%	IPDC	42.4	+0.7%

Sector Movement in DSE (June 14- June 13)



Last 1 Month DSEX





News:

Cotton import on the rise

Bangladesh's cotton import will creep up to 7.1 million bales in 2017-18, further consolidating its position as the world's largest importer of the fibre, according to the United States Department of Agriculture. In 2016-17, 7 million bales are expected to be imported. One bale equals 480 pounds or 218 kg, and the cotton year begins on August 1 and ends on July 31. Local growers can only supply less than 3 percent of yearly demand, leading to the imports worth over \$3 billion. Bangladesh has overtaken China after the latter stopped sourcing for having ample stocks of its own. The demand for the natural fibre is on the rise in Bangladesh as it is the only country that is still mainly dependent on raw cotton for making yarns and fabrics. The other countries have shifted to other manmade fibres like filament, polyesters and viscose, as a result of which the global consumption of cotton is on the decline in recent years. Currently, the ratio of cotton and manmade fibre use is 28:72 worldwide, with a pronounced tilt towards artificial fibres, due to its lower price, improved functionality and ease of use, according to International Textile Manufacturers Federation. However, the ratio is not applicable in Bangladesh yet as more than 90 percent of the yarns and fabrics are made from natural cotton in the country. "We are upbeat about the future trend as cotton consumption is rising from the spinners' end," said Mehdi Ali, general secretary of the Bangladesh Cotton Association, adding that the demand for both yarn and fabrics is increasing every year. The over 430 local spinning mills can supply nearly 90 percent of the yarn for the knitwear sector and 40 percent of the fabrics needed by the woven sector for higher consumption of cotton. "Many may think that the recent slowdown in garment export will have a negative impact on cotton consumption but that is not true." Garment shipments have been declining in value but the volumes are increasing, he said. Since the volume is increasing, so is cotton consumption. By the end of 2020, cotton consumption in Bangladesh will hit 7.9 million bales, Ali said. Currently, Bangladesh imports 55 percent of its demand for cotton from India, thanks to favourable prices, geographical proximity, shorter lead time and the quality of the fibre.

<http://www.thedailystar.net/business/cotton-import-the-rise-1419793>

Eligibility for raising fund from capital market eased

The Bangladesh Securities and Exchange Commission has eased rules related to enterprises' eligibility to raise fund from the capital market under the fixed price method of initial public offering. Under the relaxed rules, an entity would be eligible to raise fund from the capital market under the fixed price method with net profit after tax and positive net operating cash flow in the immediate preceding one year. The relaxation has been incorporated in the amended Bangladesh Securities and Exchange Commission (public issue) Rules, 2015, a BSEC press release said. The amendments to the public issue rules were finalised at a commission meeting held on Tuesday. BSEC chairman M Khairul Hossain presided over the meeting. A BSEC official said that the move was taken with a view to making it easier for companies to enter into the capital market for finance. Under the book building method, the profitability requirement for the companies, however, will remain unchanged — net profit after tax and positive net operating cash flow in the immediate preceding two years. For the IPO-seeking companies under the book building method, entities will have to float shares worth at least Tk 50 crore along with pre-IPO paid-up capital of Tk 30 crore. Earlier, pre-IPO paid-up capital requirement for the IPO-seeking companies under book-building method was Tk 15 crore. On the other hand, in case of the fixed price method, pre-IPO paid-up capital of a company must have to be Tk 15 crore, while an entity's IPO size would be worth Tk 15 crore or at least equivalent to 10 per cent of its paid-up capital. Besides, the market regulator tightened a provision in the public issue rules with a view to containing syndication in determining cut-off price under the book building method. Under the latest amendment, eligible investors would be allowed to offer highest 2 per cent of a company's issue size instead of the existing 10 per cent. The previous amendment allowed syndication of IPO cut-off price under the book-building method as only 10 bids of eligible institutional investors could exhaust full offer size of an entity. The latest amendment also asked eligible institutional investors to submit IPO application through the stock exchange directly.

<http://www.newagebd.net/article/17691/eligibility-for-raising-fund-from-capital-market-eased>