AT CAPITAL DAILY MARKET UPDATE – July 24, 2017

Overview:

The DSEX closed at 5,798.1 points, up by 22.5 points. Total turnover was worth BDT 6.31 bn. Prices of 182 issues were increased whereas that of 100 issues were declined, and the price of the rests were remained unchanged.

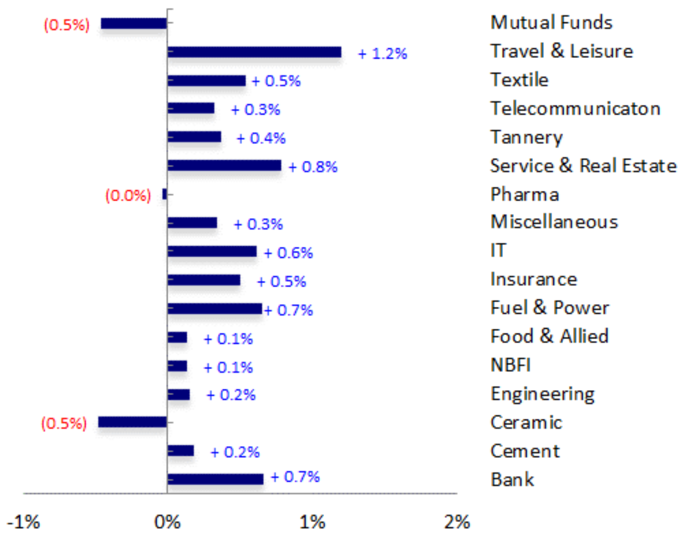
TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
BIFC	10.6	+5.0%	PREMIERLEA	18.4	(1.6%)
PLFSL	12.9	+3.2%	BDFINANCE	19.5	(1.0%)
GSPFINANCE	28.8	+2.1%	UNITEDFIN	21.4	(0.9%)
NHFIL	52.9	+2.1%	FIRSTFIN	12.2	(0.8%)
PHOENIXFIN	29	+1.8%	FAREASTFIN	12.2	(0.8%)
LANKABAFIN	56.4	+1.1%	ICB	189.1	(0.8%)
DBH	113.8	+1.1%	PRIMEFIN	13.5	(0.7%)
IPDC	49.4	+0.8%	FASFIN	16.7	(0.6%)
UNIONCAP	24.8	+0.8%	ILFSL	15.9	+0.0%
MIDASFIN	29.8	+0.7%	ISLAMICFIN	23.8	+0.0%

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,798.1	+0.4%	+2.5%	+15.1%
DSES	1,312.7	+0.1%	+1.2%	+10.1%
DS30	2,125.3	+0.2%	+2.0%	+17.4%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,298,273.6	3,286,861.7	+0.3%
	USD MM	41,228.4	41,085.8	+0.3%
TURNOVER	BDT MM	6,313.9	4,779.7	+32.1%
	USD MM	78.9	59.7	+32.1%
VOLUME	MM SHARES	180.6	144.6	+24.9%

Sector Movement in DSE (July 24- July 23)



Market commentary:

Market performed mixed today, reflecting volatility during the session. Since the opening bell, DSEX, the broad index, remained sideways during the first 3 hours of the session, trading within a concrete range of ~15.0 points. DSEX spiked sharply in the last trading hour, hovering close to ~5,800 mark. Market closed the session at 5,798.1, up by 22.5 points.

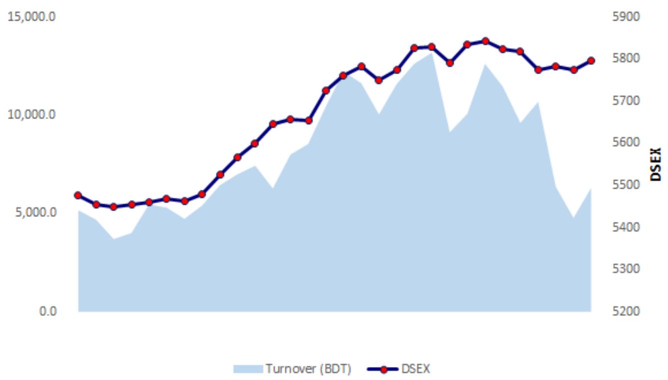
Gainers bolstered losers today – the ratio is almost double.

Turnover increased by 32.1% to BDT 6.31 bn. Bank sector dominated the turnover chart - the sector accounted for 18.7% of total turnover, followed by Engineering (13.1%) and, Textile sector (12.9%).

Most of the prominent sectors, except Bank, Fuel & power, and Textiles, underperformed the market today.

IFADAUTOS topped the turnover chart for the second consecutive session with the turnover of BDT 337mn - the stock remained unchanged.

Last 1 Month DSEX



News:

BB raises NRBs' home loan debt-equity ratio to 75:25

The non-resident Bangladeshis (NRBs) can obtain housing finance facility at a maximum debt-equity ratio of 75:25 instead of the existing debt-equity ratio of 50:50. Bangladesh Bank (BB) issued a circular in this connection on Sunday. Bankers at a roundtable on Thursday urged the government to allow a debt-equity ratio of 80:20 for home loan to the NRBs, so that they show more interest to invest in home building in the country. BB raises NRBs' home loan debt-equity ratio to 75:25. They said it would also help to boost inward remittance. On December 06, 2015, BB issued a circular on facilitating the NRBs to purchase apartment or land through taking loans in Bangladesh currency. The circular, issued by its Foreign Exchange Policy Department, said Authorised Dealers (ADs) may extend mortgage loans in Taka to the NRBs working abroad for housing purpose of in Bangladesh. The home loan would be issued in line with the existing guidelines on Prudential Regulations for Consumer Financing, issued by Banking Regulation and Policy Department, it also said. The housing finance facility would be provided to the NRBs at a maximum debt-equity ratio of 50:50, which means that a bank will give Tk 50, if an expatriate deposits Tk 50 against the loan. The equity portion would be provided by the borrower or the NRBs, either through their inward remittance or through debits to their non-resident bank accounts fed by foreign sources. The ADs may obtain securities and savings instruments, held by NRBs in Bangladesh, as additional collateral beside registered mortgage of the house with registered power of attorney. The repayment against the loans would be made out of inward remittance. BB has asked the scheduled banks to develop Product Programme Guidelines for the NRBs' housing finance.

http://print.thefinancialexpress-bd.com/2017/07/24/178705

India brings no cheer to garment exporters

Garment exports to India declined in fiscal 2016-17 thanks to 12.5 percent countervailing duty by the neighbour, which negates the benefit of duty-free access, and the emergence of its own apparel manufacturing industry. Last fiscal year, garment shipments to India, a market of more than $40 billion, fetched $129.81 million, down 4.85 percent year-on-year. The development is in contrast to expectations: exports were supposed to increase manifold for geographical proximity, Bangladesh's competitive advantage in this field and India's burgeoning middle-class. “We have a very good market in India, but we cannot utilise the potential due to price competitiveness,” said Mohammad Hasan, executive director of Babylon Group, a leading garment group. Babylon Group sent garment products worth $1.67 million in 2015 and $1.6 million in 2016. The number this year will be lower, he said. “Export of garment from Bangladesh is not increasing as the Indian manufacturers are also producing the same clothes at cheaper rates.” Plus, the Indian importers are not interested in bringing in garment items from Bangladesh for the 12.5 percent countervailing duty (CVD), an import tax imposed on certain goods in order to prevent dumping or counter export subsidies. “It is my observation that if we can utilise the giant Indian and Chinese markets, our garment exports will boom,” Hasan added. Apart from CVD, the Indian government has been subsidising its garment makers, said Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association. So determined the Indian government is in seeing its garment sector thrive on the global stage that it changed an old law. Previously, the Indian government did not allow the big industrial groups to invest in the garment manufacturing industry, which it changed a few years ago. The big industrial groups no longer need to restrict their investment to the backward industries like textile, chemicals, printing, dyeing, weaving, spinning and finishing; they can also set up garment manufacturing factories, Hassan said. As a result, the Indian garment sector has been growing in stature every year and its market share worldwide is also increasing. “However, we should not look to India as our competitor as we also import a lot of raw materials like cotton, chemical products, fabrics and yarn from them for our garment sector,” Hassan added. Bangladesh imports goods worth more than $6 billion from India in a year through the formal channels, about $2 billion of which is cotton. More than 50 percent of Bangladesh's cotton requirement in a year is met by imports from India.

http://www.thedailystar.net/business/india-brings-no-cheer-garment-exporters-1437682