

# UPDATE ON Dhaka Stock Market

The Journal is running a series of updates on Dhaka Stock Market. In this issue of THE COST & MANAGEMENT, **A.K. M. Shahidul Kirmany** CMA (CIMA, UK), FCMA has given a reflection of relevant changes and updates on the Dhaka Stock Market. The analysis of the Dhaka Stock Market has been done considering the period from June 29, 2017 to August 31, 2017. Mr. Kirmany is presently working with the VIPB Asset Management Company Limited as Chief Operating Officer.



## Macro-economy Update

- Bangladesh Bank Governor announced the monetary policy for IHFY18 on 26 July, 2017. The monetary policy has been designed to attain 7.4% GDP growth while keeping the average inflation within FY18 budget target of 5.5%.
- BB stands at a lower ceiling of 16.3% for private sector credit growth during IHFY18.
- BB lowered the public sector credit growth ceiling by 4.0% points to 12.1% in IHFY18; public sector credit registered negative growth of 16.2% against 2HFY17 MPS ceiling of 16.5% due to huge NSC sales.
- Reserve money growth target has been cut by 2.0% points to 12.0%. BB has refrained from any policy rate cut after considering domestic growth and inflation risks, and tightening monetary policy conditions in advanced economies.
- Repo and reverse-repo rates would stand at 6.75% and 4.75% respectively in IHFY18 if BB's continuous review of the rates does not cause any prompt action.

Key policy	IHFY17 MPS target	IHFY17 achieved	2HFY17 MPS target	2HFY17 achieved	IHFY18 MPS target
Average inflation %	5.8	5.0	5.8	5.4	5.5
Domestic Credit %	16.4	14.4	16.4	11.3	15.8
Reserve money growth %	14.0	18.6	14.0	13.3	12.0
Private sector credit growth %	16.5	15.0	16.5	16.0	16.3
Public sector credit growth %	16.1	-1.6	16.1	16.2	12.1
Repo rate %	6.75	-----	6.75	-----	6.75
Reserve repo rate %	4.75	-----	4.75	-----	4.75

## Stock Market Updates

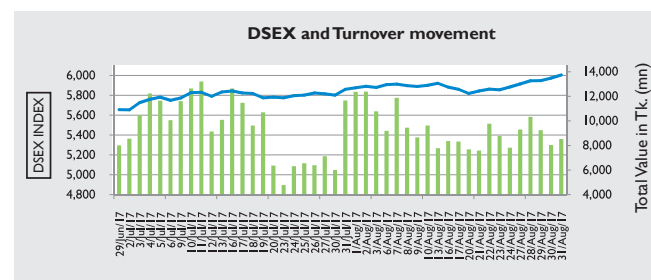
June 29, 2017 to August 31, 2017

- The benchmark index of Dhaka Stock Exchange (DSEX) was up by 6.19% during the period. The daily turnover was highest on July 11, 2017.

### Changes in Indices (from June 29, 2017 to August 31, 2017)

Index	Open	Close	Point Change	% Change
DSEX	5,656.05	6,006.43	350.38	6.19%
DSES	1,296.74	1,322.10	25.35	1.96%
DS30	2,083.80	2,138.73	54.92	2.64%

### DSE Performance (from June 29, 2017 to August 31, 2017)

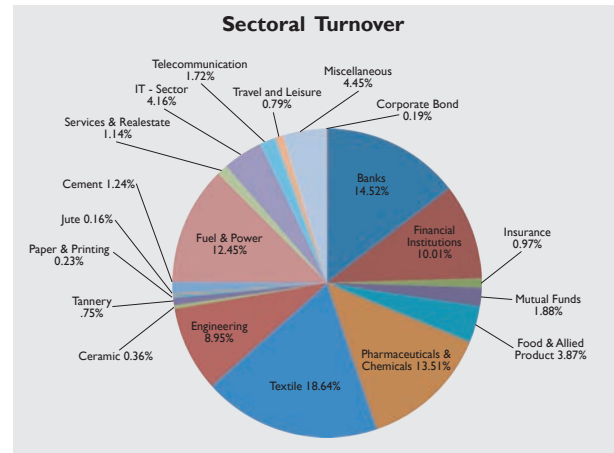


- Total market capitalization of DSE increase by 1.77% to Tk. 3,239.41 billion as on June 29, 2017 from Tk. 3,183.17 billion on April 30, 2017. Banks, Pharmaceuticals & Chemicals, Telecommunication, Fuel & Power holds 17.31%, 15.49%, 14.97%, 12.50% of the market capitalization respectively.

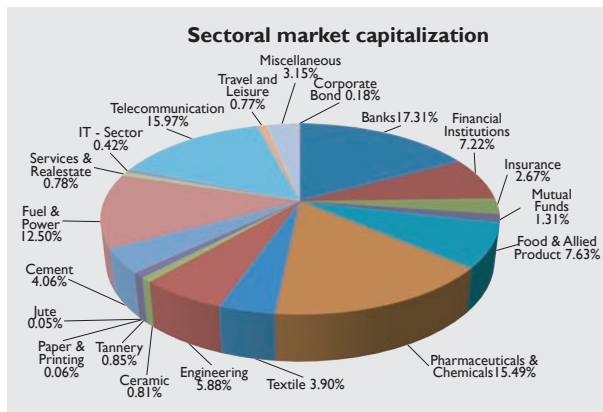
### Sectoral Market Capitalization and turnover (June 30, 2017)

Sector	Market Cap Tk in mn	% of total Market Cap	Turnover Tk in mn	% of total turnover
Banks	560,588.38	17.31%	14,750.28	14.52%
Financial Institutions	233,797.63	7.22%	10,163.11	10.01%
Insurance	86,489.60	2.67%	984.25	0.97%
Mutual Funds	42,500.66	1.31%	1,907.20	1.88%
Food & Allied	247,194.42	7.63%	3,935.19	3.87%
Pharma & Chemicals	501,852.83	15.49%	13,722.14	13.51%
Textile	126,340.68	3.90%	18,933.48	18.64%
Engineering	190,624.16	5.88%	9,094.97	8.95%
Ceramic	26,212.99	0.81%	368.95	0.36%
Tannery	27,434.30	0.85%	766.57	0.75%
Paper & Printing	1,925.70	0.06%	231.13	0.23%
Jute	1,546.90	0.05%	165.04	0.16%
Cement	131,445.60	4.06%	1,255.61	1.24%
Fuel & Power	404,869.86	12.50%	12,649.03	12.45%
Services & Real estate	25,331.20	0.78%	1,156.87	1.14%
IT - Sector	13,593.94	0.42%	4,223.98	4.16%
Telecommunication	484,848.48	14.97%	1,746.73	1.72%
Travel and Leisure	24,976.95	0.77%	800.92	0.79%
Miscellaneous	101,933.46	3.15%	4,516.35	4.45%
Corporate Bond	5,905.66	0.18%	192.00	0.19%
<b>Grand Total</b>	<b>3,239,413.40</b>	<b>100.00%</b>	<b>101,563.80</b>	<b>100.00%</b>

### Sectoral Turnover (June, 2017)



- Among the companies traded in DSE, Kay & Que (Bangladesh) Ltd.(142.07%), Monno Ceramic Industries Ltd. (132.73%) were the top gainer during the period June 29, 2017 to August 31, 2017. On the other hand the major loser companies during the period were Regent Textile Mills Limited (-21.41%), Beach Hatchery Ltd. (-20.55%).



### Top ten gainers and losers in terms of market price (from June 29, 2017 to August 31, 2017)

Top ten gainer		Top ten loser	
TICKER	GAIN (%)	TICKER	LOSS (%)
KAY & QUE	142.07%	REGENTTEX	-21.41%
MONNOCERA	132.73%	BEACHHATCH	-20.55%
SAMATALETH	117.12%	BDWELDING	-20.25%
RUPALIBANK	100.00%	SANDHANINS	-16.43%
DULAMIACOT	96.77%	UNIONCAP	-16.14%
STANCERAM	68.05%	CVOPRL	-15.76%
JUTESPINN	59.97%	PFISTMF	-13.79%
MONNOSTAF	59.79%	PRAGATILIF	-10.75%
LEGACYFOOT	56.15%	PROGRESLIF	-10.58%
PTL	49.00%	REPUBLIC	-21.61%

### Top 10 Companies by Market Cap - June 30, 2017

Sl No.	Name	Mkt. Cap. Tk. Mn	% of total Mkt. Cap.
1	Grameenphone Ltd.	465,043.33	14.36
2	Square Pharmaceuticals Ltd.	198,992.70	6.14
3	British American Tobacco Bangladesh	169,758.00	5.24
4	Investment Corporation Of Bangladesh	110,552.34	3.41
5	Lafarge Surma Cement	73,050.39	2.26
6	Renata Ltd.	70,463.39	2.18
7	BRAC Bank Ltd.	69,015.42	2.13
8	United Power Generation	67,144.77	2.07
9	Olympic Industries Limited	55,682.98	1.72
10	Islami Bank Bd Ltd	51,841.70	1.60

- In June, 2017 the total turnover in the public market of DSE was down by 33.70% to Tk. 101.56 billion from Tk. 153.18 billion in April, 2017.

- First Janata Bank Mutual Fund had the lowest Price/NAV ratio (58.82%) whereas PrimeFinance First Mutual Fund was traded at highest Price/NAV ratio (120.00%). Price of Prime Finance First Mutual Fund increased by 34.75% during the period.

## Performance of Mutual Funds


Name of the Fund	NAV		Closing Price		% change in NAV	% change in price	Closing price /NAV
	29-Jun -17	31-Aug -17	29-Jun -17	31-Aug -17			
IJANATAMF	12.06	12.75	7.30	7.50	5.72%	2.74%	58.82%
FBFIF	12.15	12.82	6.80	6.90	5.51%	1.47%	53.82%
ABBISTMF	12.77	13.39	7.00	7.40	4.86%	5.71%	55.27%
TRUSTBIMF	12.35	13.17	7.30	7.40	6.64%	1.37%	56.19%
POPULARIMF	12.15	12.87	7.10	7.30	5.93%	2.82%	56.72%
IFICISTMF	12.08	12.61	7.00	7.20	4.39%	2.86%	57.10%
EBLNRBMF	11.86	12.45	7.10	7.30	4.97%	2.82%	58.63%
EXIMISTMF	12.38	13.04	8.30	7.80	5.33%	-6.02%	59.82%
PHPMFI	11.86	12.63	7.90	7.60	6.49%	-3.80%	60.17%
EBLISTMF	11.89	12.51	7.50	7.80	5.21%	4.00%	62.35%
LRGLOBMFI	11.22	11.74	7.80	7.90	4.63%	1.28%	67.29%
AIBLISTMF	10.72	10.95	7.80	7.90	2.15%	1.28%	72.15%
VAMLRBBF	12.13	12.73	9.10	9.60	4.95%	5.49%	75.41%
VAMLBDMFI	11.88	12.46	8.90	9.40	4.88%	5.62%	75.44%
NCCBLMFI	11.18	11.64	8.30	8.80	4.11%	6.02%	75.60%
RELIANCEI	14.07	14.75	11.00	11.30	4.83%	2.73%	76.61%
PFISTMF	9.35	9.77	8.70	7.50	4.49%	-13.79%	76.77%
GREENDELMF	11.54	11.60	9.00	9.00	0.52%	0.00%	77.59%
GRAMEENS2	19.72	20.44	15.20	15.90	3.65%	4.61%	77.79%
ICB3RDNRB	9.00	9.41	8.00	7.40	4.56%	-7.50%	78.64%
DBHISTMF	11.50	11.58	9.00	9.30	0.70%	3.33%	80.31%
MBLISTMF	11.01	11.53	8.40	9.30	4.72%	10.71%	80.66%
ICBSONALII	10.27	10.97	9.70	9.00	6.82%	-7.22%	82.04%
PRIMEICBA	9.62	10.33	8.30	8.50	7.38%	2.41%	82.28%
CAPMBDBLMF	10.20	10.57	9.20	8.80	3.63%	-4.35%	83.25%
IFILISLMFI	10.19	10.74	8.80	9.00	5.40%	2.27%	83.80%
ICBAMCL2ND	10.50	11.09	9.60	9.30	5.62%	-3.12%	83.86%
ICBEPMFISI	9.33	9.65	8.30	8.20	3.43%	-1.20%	84.97%
SEMILLECMF	11.02	11.48	10.00	10.10	4.17%	1.00%	87.98%
ICB2NDNRB	12.54	13.09	11.50	11.90	4.39%	3.48%	90.91%
SEBLISTMF	15.16	14.61	13.70	13.50	-3.63%	-1.46%	92.40%
NLIISTMF	16.24	15.60	14.80	14.50	-3.94%	-2.03%	92.95%
ATCSLGF	13.99	13.10	11.10	12.20	-6.36%	9.91%	93.13%
SEMLIBLSF	10.34	10.41	9.10	9.70	0.68%	6.59%	93.18%
ISTPRIMFMF	12.36	13.25	11.80	15.90	7.20%	34.75%	120.00%

- BBS Cables Limited was listed on July 31, 2017.
- British American Tobacco Bangladesh has sought an out-of-court settlement for a VAT dispute amounting to Tk 1,924 crores as it looks to close the episode that has dragged on for four years and the UK Foreign Office into a major lobbying controversy. The British multinational company in July wrote to the revenue authority's Large Taxpayer's Unit about its intent to resolve the value-added tax dispute through the Alternative Dispute Resolution method.
- Chittagong Stock Exchange Limited (CSE) has become the 62nd Partner Exchange of the United Nations (UN) Sustainable Stock Exchanges (SSE) initiative. The port city bourse is the first Bangladeshi Stock Exchange to join this global partnership.
- Bangladesh Shipping Corporation (BSC) has again sought tax-VAT waiver against its procurement of vessels over next ten years.

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"You get recessions, you have stock market declines. If you don't understand that's going to happen, then you're not ready, you won't do well in the markets."

- Peter Lynch