

# 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 December 28, 2017 to February 28, 2018. Mr. Kirmany is presently working with the VIPB Asset Management Company Limited as Chief Operating Officer.



## Macro-economy Update

### Monetary Policy review:

- Bangladesh Bank projects average inflation to float around 5.7-6.0% in Jun'18
- FY18 real GDP growth projected at 7.1-7.4%
- Policy rates i.e. repo and reverse repo rates are kept un-changed at 6.75% and 4.75% respectively
- Total domestic credit growth ceiling remains unchanged from the previous MPS at 15.8% for Jun'18. Low public credit growth trend is expected to continue, leaving room for higher private sector credit growth of 16.8%, in Jun'18
- Broad money (M2) and reserve money growth expected to improve to 13.3% and 12.0% respectively in Jun'18, while net foreign asset growth projection has been revised down to 0.1%

Key policy	H1FY18 Target	H1FY18 Actual	H2FY18 Policy stance
Average inflation %	5.50	5.70	6.00
Domestic Credit %	15.80	14.50	15.80
Reserve money growth %	12.80	13.30	12.00
Broad money growth%	12.90	10.70	13.30
Private sector credit growth %	16.20	18.10	16.80
Public sector credit growth %	3.60	-9.30	8.30
Net foreign asset growth%	7.00	0.50	0.10
Repo rate %	-	-	6.75
Reserve repo rate %	-	-	4.75

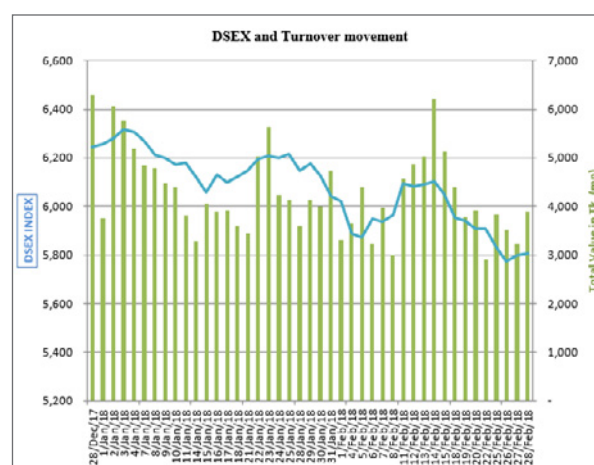
## Stock Market Updates

### December 28, 2017 to February 28, 2018

- The benchmark index of Dhaka Stock Exchange (DSEX) was down by 7.04% during the period. The daily turnover was highest on February 14, 2018.

Index	Open	Close	Point Change	% Change
DSEX	6,244.52	5,804.94	-439.58	-7.04%
DSES	1,390.66	1,361.04	-29.62	-2.13%
DS30	2,283.22	2,146.37	-136.85	-5.99%

### DSE Performance (from December 28, 2017 to February 28, 2018)

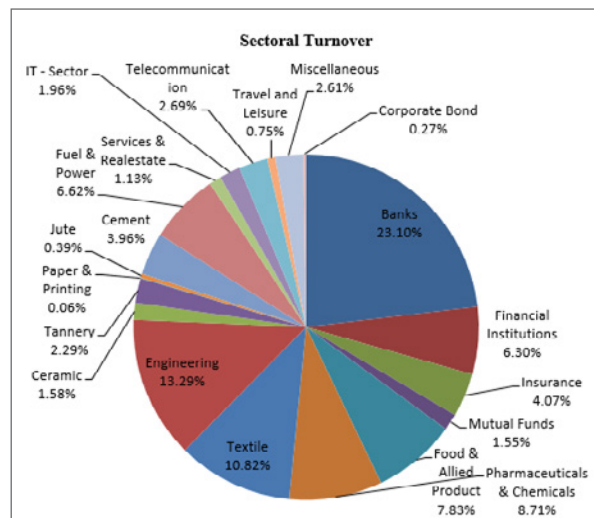


- Banks, Telecommunication, Pharmaceuticals & Chemicals, Fuel & Power holds 20.51%, 17.79%, 14.46%, 10.16% of the market capitalization respectively.

### Sectoral Market Capitalization and turnover (December 28, 2017)

Sector	Market Capitalisation in mn	% of total Market Cap
Banks	752,553.35	20.51%
Financial Institutions	244,029.05	6.65%
Insurance	94,376.79	2.57%
Mutual Funds	42,311.86	1.15%
Food & Allied Product	285,604.03	7.78%
Pharmaceuticals & Chemicals	530,786.65	14.46%
Textile	121,713.26	3.32%
Engineering	208,190.72	5.67%
Ceramic	28,691.72	0.78%
Tannery	27,595.98	0.75%
Paper & Printing	1,938.75	0.05%
Jute	1,959.69	0.05%
Cement	138,562.96	3.78%
Fuel & Power	372,842.69	10.16%
Services & Real Estate	23,586.33	0.64%
IT - Sector	16,411.83	0.45%
Telecommunication	652,723.01	17.79%
Travel and Leisure	24,662.05	0.67%
Miscellaneous	95,019.25	2.59%
Corporate Bond	6,027.16	0.16%
<b>Grand Total</b>	<b>3,669,587.13</b>	<b>100.00%</b>

### Sectoral Turnover (December, 2017)

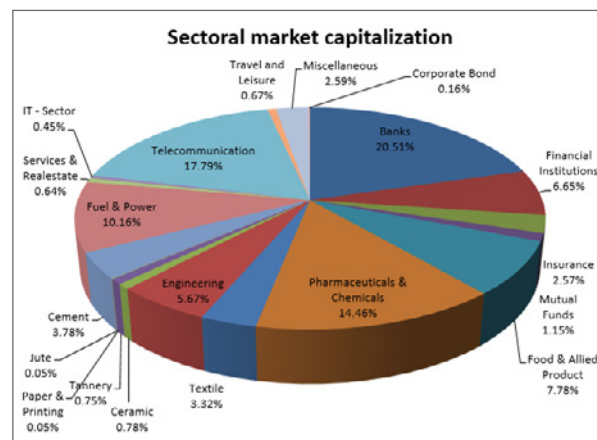


### Top 10 Companies by Market Cap – December 28, 2017

SI No.	Name	Mkt.Cap. Tk. Mn	% of total Mkt. Cap.
1	Grameenphone Ltd.	635,721.25	17.32
2	Square Pharmaceuticals Ltd.	222,544.63	6.06
3	British American Tobacco Bangladesh	204,096.00	5.56
4	Investment Corporation Of Bangladesh	106,312.50	2.90
5	BRAC Bank Ltd.	92,704.73	2.53
6	Lafarge Surma Cement Ltd	81,180.01	2.21
7	Renata Ltd.	78,728.87	2.15
8	United Power Generation	65,729.28	1.79
9	Islami Bank Bd Ltd	58,925.28	1.61
10	Olympic Industries Ltd.	57,642.38	1.57

### Top ten gainers and losers in terms of market price (from December 28, 2017 to February 28, 2018)

Top ten gainer		Top ten loser	
TICKER	GAIN (%)	TICKER	LOSS (%)
DULAMIACOT	96.98%	ALIF	-47.41%
MEGCONMILK	71.78%	OIMEX	-34.66%
SONARGAON	63.76%	AIL	-34.34%
JUTESPINN	61.47%	GSPFINANCE	-32.57%
MEGHNA PET	58.79%	NAHEEACP	-32.43%
BANGAS	56.75%	CITYBANK	-28.01%
MONNOCERA	52.06%	LANKABAFIN	-26.99%
APEXFOODS	49.50%	FASFIN	-26.27%
BXSYNTH	48.31%	MIDASFIN	-23.94%
USMANIAGL	42.01%	DUTCHBANGL	-22.93%



- In December, 2017 the total turnover in the public market of DSE was Tk. 92.38 billion.

- The number of beneficiary owners' accounts increased by 42,800 in October-December of the just-concluded year 2017.
- The Dhaka Stock Exchange has decided that it would soon request the government to exempt Treasury bond trading at the secondary bond market from paying tax.
- City Bank has recently secured \$10 million funds from the Norwegian Development Bank (Norfund) to support its offshore banking unit and project financing requirements of customers
- Square Pharmaceuticals Limited, one of the major pharmaceuticals companies in Bangladesh, is set to build a factory in Kenya's Athi River, a town outside Kenya's capital Nairobi
- The Bangladesh Bank (BB) has approved the proposal of transferring 99.99 per cent shares of Meghna Energy Limited to Heidelberg Cement Bangladesh for a total consideration of above Tk 910.75 million.
- Large Taxpayers Unit (Value-Added Tax) of the National Board of Revenue has demanded Tk 212.86 crore in unpaid VAT and excise duty from state-own Dhaka WASA, private Prime Bank Ltd and mobile operator Grameenphone Ltd
- The initial public offering (IPO) subscription of Intraco Refueling Station Limited (IRSL) will begin on March 18, aiming to raise Tk 300 million from the public under the fixed price method.
- Electricity producer Summit Power International plans to list on the Singapore Exchange Ltd (SGX) by April, what is likely the first company from Bangladesh to offer shares in the city-state, as it seeks to raise funds to invest in assets across Asia.
- The securities regulator has set some code of conduct for eligible investors (EIs) in the bidding process to ensure 'justified' price of IPO (initial public offering) shares under the book building method. The regulator asked the EIs to take into consideration all aspects including financial, technical, managerial, commercial, economic, ownership etc. of the securities offered and its issuer.

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**Stock market goes up or down, and you can't adjust your portfolio based on the whims of the market, so you have to have a strategy in a position and stay true to that strategy and not pay attention to noise that could surround any particular investment.**

**-John Paulson**