



AT CAPITAL DAILY MARKET UPDATE – March 5, 2017

The DSEX closed at 5,573.1 points, down by 13.7 points. Total turnover was worth BDT 7.94 bn.

Prices of 98 issues were increased whereas that of 188 issues were declined, and the price of the rests were remained unchanged.

Index Movements:

INDEX	VALUE	DAY CH(%)	MTD(%)	YTD(%)
DSEX	5,573.1	(0.2%)	+1.9%	+10.7%
DSES	1,299.9	(0.3%)	+2.5%	+9.1%
DS30	2,010.9	(0.5%)	+0.9%	+11.0%

MARKET STAT		TODAY	LAST DAY	CHANGE(%)
MARKET CAP (Equity)	BDT MM	3,115,434.5	3,123,997.3	(0.3%)
	USD MM	39,737.7	39,846.9	(0.3%)
TURNOVER	BDT MM	7,944.8	8,304.4	(4.3%)
	USD MM	101.3	105.9	(4.3%)
VOLUME	MM SHARES	208.4	216.1	(3.6%)

Market experienced correction for the fifth consecutive sessions in a row; continued correction shelved 62.0 points during the last five sessions.

DSEX, the broad index, lost ~20 points during the first 90 minutes of the session before a mild recovery that resulted in paring 10 points. DSEX, however, fell again during the last 90 minutes; the broad index closed the session in negative trajectory. Market closed the session at 5,573.1, down by 13.7 points.

Losers to Gainers ratio was almost 2:1, indicating that investors remained wary about the direction of the market.

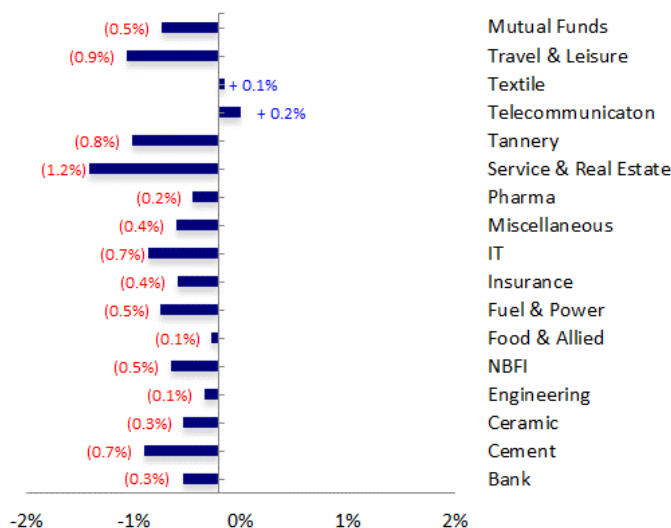
Turnover decreased by 4.3% to BDT 7.94 bn. Engineering sector dominated the turnover chart - the sector accounted for 18.8% of total turnover, followed by Textile (15.9%) and, Pharma sector (14.4%).

Among prominent sectors, Telecommunication sector outperformed whereas Pharma, Fuel & power, Engineering, Bank, NBFI, Food & allied sector, and Cement sector underperformed the market today.

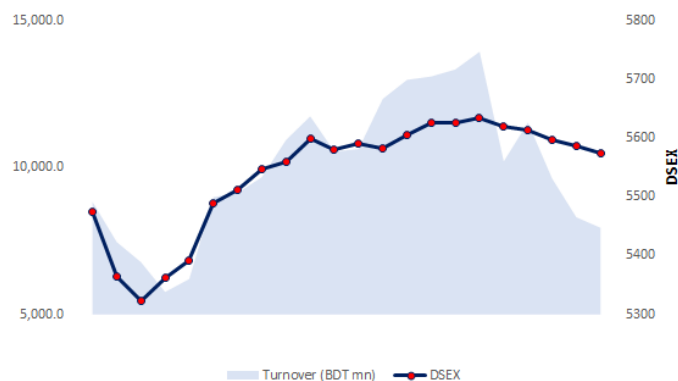
Barka Power topped the turnover chart today with the turnover of BDT 482mn, accounted for 8.7% of total turnover – the stock gained ~2.0%.

TOP 10 GAINERS			TOP 10 LOSERS		
TRADING CODE	CLOSEP	%CHANGE	TRADING CODE	CLOSEP	%CHANGE
MATINSPINN	47.5	+5.8%	PRIMEFIN	10.4	(5.5%)
CVOPRL	204.2	+5.5%	IMAMBUTTON	14.9	(5.1%)
STANDARINS	18.7	+5.1%	SAMATALETH	26.7	(4.6%)
PADMALIFE	31.4	+4.7%	EBLNRBMF	6.4	(4.5%)
RSRMSTEEL	86.9	+4.4%	ISNLTD	15.4	(4.3%)
GSPFINANCE	33.7	+4.3%	BIFC	9.1	(4.2%)
MHSML	27.9	+4.1%	EASTLAND	25.2	(3.8%)
SALVOCHEM	23	+4.1%	PHENIXINS	34.7	(3.3%)
DOREENPWR	121.3	+4.0%	MODERNDYE	160.5	(3.1%)
SHURWID	10.9	+3.8%	MEGHNAPEP	9.4	(3.1%)

Sector Movement in DSE (Mar 01 - Feb 28)



Last 1 Month DSEX





News:

State banks' rescheduled loans turn bad again

State banks' large loans that were rescheduled nearly two years ago to support the borrowers have turned bad again. Bangladesh Bank data shows default loans increased by Tk 10,801 crore last year to take the total figure to Tk 62,172 crore as of December 31, 2016. Of the new default loans, eight state banks alone accounted for 74 percent or Tk 7,997 crore.

The banks are -- Sonali, Janata, Agrani, Rupali, BASIC, Bangladesh Development Bank, Krishi Bank, and Rajshahi Krishi Unnayan Bank. "A big portion of the loans that were regularised under the large loan rescheduling scheme has turned defaulted again," said Zaid Bakht, chairman of state-owned Agrani Bank, one of the largest banks in the country in terms of the number of branches. This is a major reason behind the rise in bad loans, he said.

Of the total default loan figure of Tk 62,172 crore, the eight state banks accounted for 59 percent or Tk 36,709 crore, BB data shows. Salehuddin Ahmed, former central bank governor, said the wholesale rescheduling of loans in the pretext of political instability was not right; it should have been given according to merit. "A borrower may get his loans rescheduled once, twice or thrice, but he cannot take the benefit again and again."

In 2015, banks rescheduled Tk 26,308 crore in bad loans, which was 50.1 percent higher than that in 2014, according to central bank statistics. Under pressure from influential businessmen last year, the central bank also offered a special restructuring opportunity for loans upwards of Tk 500 crore.

Under the facility, loans worth Tk 16,410 crore were restructured. On average, banks rescheduled Tk 10,909 crore a year between 2010 and 2014, according to a study by Bangladesh Institute of Bank Management (BIBM).

BIBM prepared the report -- Implication of Loan Rescheduling and Write-off on the Performance of Banks -- last year after analysing data from 2010 to 2014 and recording the statements of bankers. Bakht said, "Cases should now be filed against those who took large loans as they cannot be spared anymore." The loans cannot be recovered without putting pressure by filing cases against them, he added. However, the medium scale borrowers may be given some time by rescheduling their loans so that they can repay, Bakht said. Ahmed said, in such cases in other countries, the defaulting borrowers are jailed, with a provision to seize their property. In Bangladesh, nothing such happens, he added. The default loans are the highest in the public sector banks, said the former governor. No real action is visible against those who are responsible for the default loans, he added.

<http://www.thedailystar.net/business/state-banks-rescheduled-loans-turn-bad-again-1371094>

Islami Bank breaks rules in approving loans, BB finds

The newly-formed board of Islami Bank Bangladesh has approved loans to clients without following proper rules, according to the central bank. In some instances, the board has not paid heed to objections raised by the Bangladesh Bank observer to the bank. BB will enquire about the wrongdoings, if any, said sources at the central bank.

Most of the loans under question were approved from the bank's Chittagong region, according to BB findings. The board approved loans worth Tk 16.75 crore to two clients -- JN Flour Mills and its associate organisation. The approval came at an executive meeting of the bank on February 16.

The loan was disbursed from the bank's Bahaddarhat branch in Chittagong but the factory of the client is located at Laksam in Comilla. Moreover, the loan was acquired from the Khatunganj branch of Al-Arafah Islami Bank. BB will investigate at what condition the client has agreed to transfer the loan from Khatunganj to Bahaddarhat and whether the acquisition was lawful and the money would not be diverted to unspecified sectors, according to the BB sources.

<http://www.thedailystar.net/business/islami-bank-breaks-rules-approving-loans-bb-finds-1371049>