



Half-yearly Capital Market Review

January-June, 2023

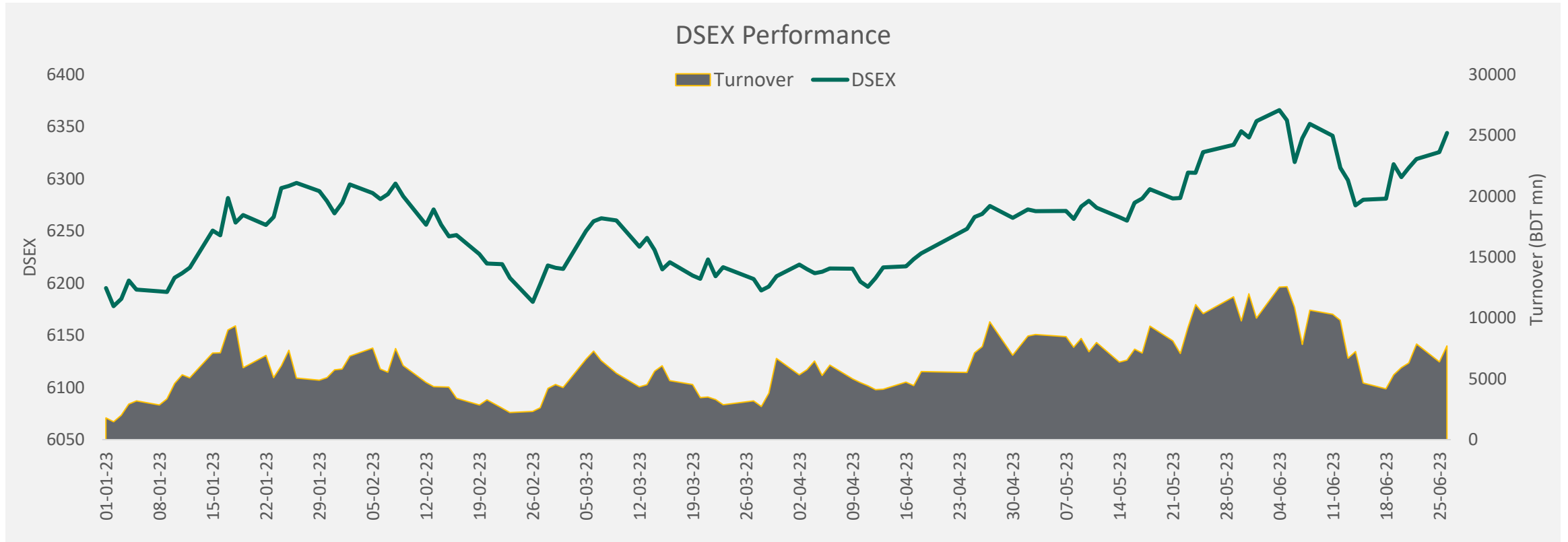
Bangladesh equity market exhibited mixed performance in the first half of 2023 amidst challenges

- After experiencing a turbulent year in 2022, the Bangladesh stock market showed a mixed performance throughout the first half of the ongoing year and the broad index closed in green territory at the end of June 2023.
- DSEX, the broad index of the Dhaka Stock Exchange, closed at 6,344.1 points after a slight increase of 137.3 points or +2.2% in the first six months of 2023. However, DS30, the blue-chip index, dropped by -2.5 points or -0.1% during the first six months to close at 2,192.8 points.
- Gainers outpaced losers where 190 stocks generated profits while only 108 stocks incurred losses and rest 95 stocks remained unchanged despite ongoing macro-economic challenges, liquidity shortages in the banking sector and rising bank deposit rates (meaning higher opportunity cost), thanks to the floor price.
- Investors were mostly bullish on small-cap stocks that dominated large-cap stocks throughout the first half of 2023 however many large cap stocks also delivered good dividend yield during the period.
- Overall investors participation remained satisfactory and daily average turnover remained above BDT 6,000 mn during the period despite the prevailing floor price regime that kept large number of stocks illiquid.
- Hike in global commodity prices, depreciation of BDT against the USD and rising cost of fund has significantly increased raw material costs for domestic manufacturers and severely impacted their profitability and also affected the price performance of listed manufacturing companies.
- As investors were aware of the probability of the announcement of the contractionary monetary policy and lifting of interest rate ceiling by Bangladesh Bank in June 2023, they did not respond aggressively to the arrival of such news and market closed in the green zone to end the first half of 2023. Investors buying spree in the last month has been reflecting an optimistic view of the broad market performance in the coming months.

MARKET SUMMARY				
	HY1'23	HY2'22	Points Change	Change (%)
DSEX*	6,344	6,207	137.3	2.2%
DS30*	2,193	2,195	(2.5)	-0.1%
CSCX*	11,183	10,982	200.8	1.8%
CASPI*	18,702	18,328	374.2	2.0%
DSE Market Cap (BDT bn)*	7,721	7,609	111.4	1.5%
Daily Average Turnover in DSE (BDT mn)	6,104	9,663	(3,559.0)	-36.8%
Daily Average No of Trades in DSE	129,541	167,815	(38,274.4)	-22.8%
Daily Average Volume in DSE ('000)	100,883	185,638	(84,754.8)	-45.7%

* Figures as of the end of the period

Broad index closed at green territory

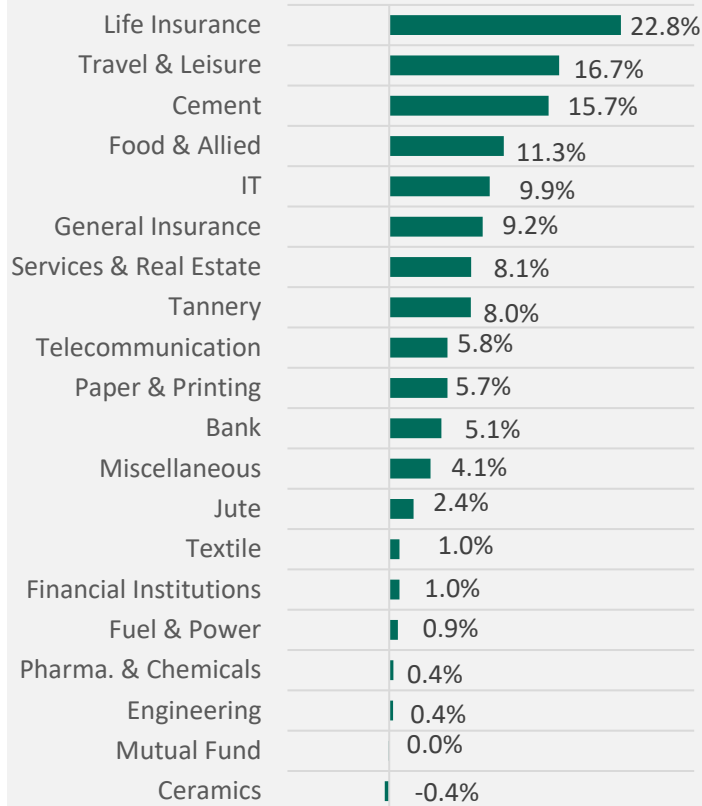


- The equity market showed mixed performance during the last six months mostly driven by the upward movement of small-cap stocks.
- Investors regained their confidence and remained active in the market that led the daily turnover to stay above BDT 6000.0 mn.

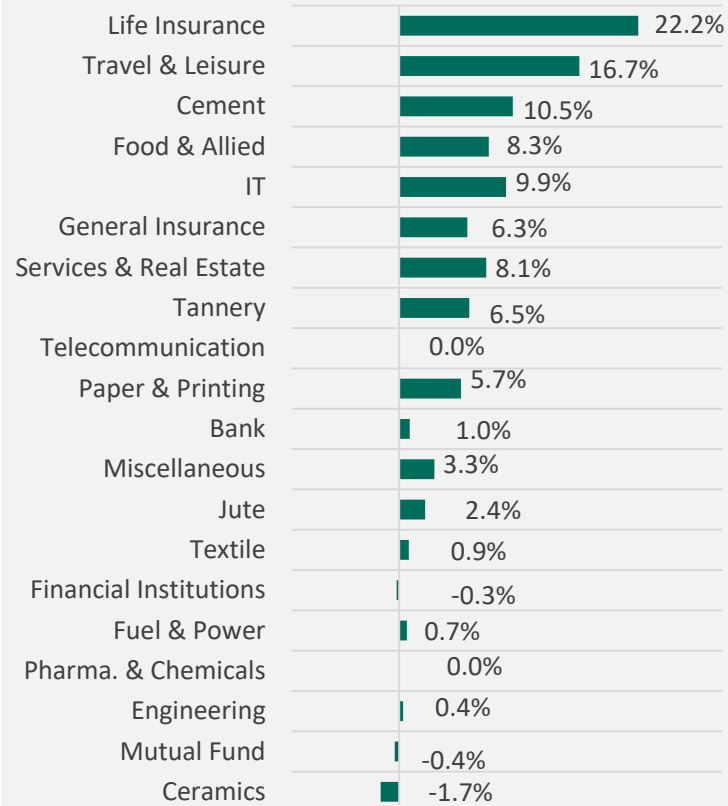
Source: DSE, GDDA Research

Sector-wise Performance: smaller sectors generated higher gains while larger sectors provided higher dividend yield

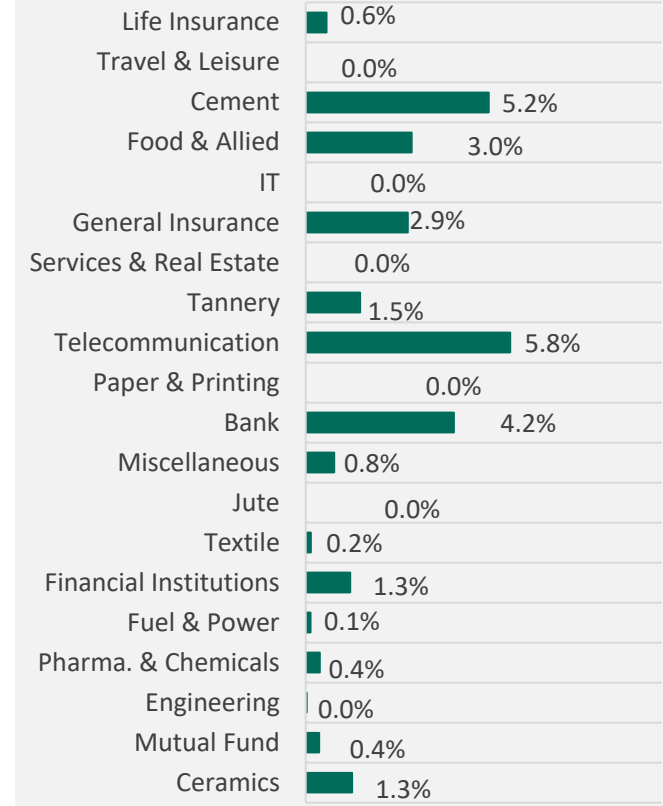
Total Return (%)



Capital Gain (%)



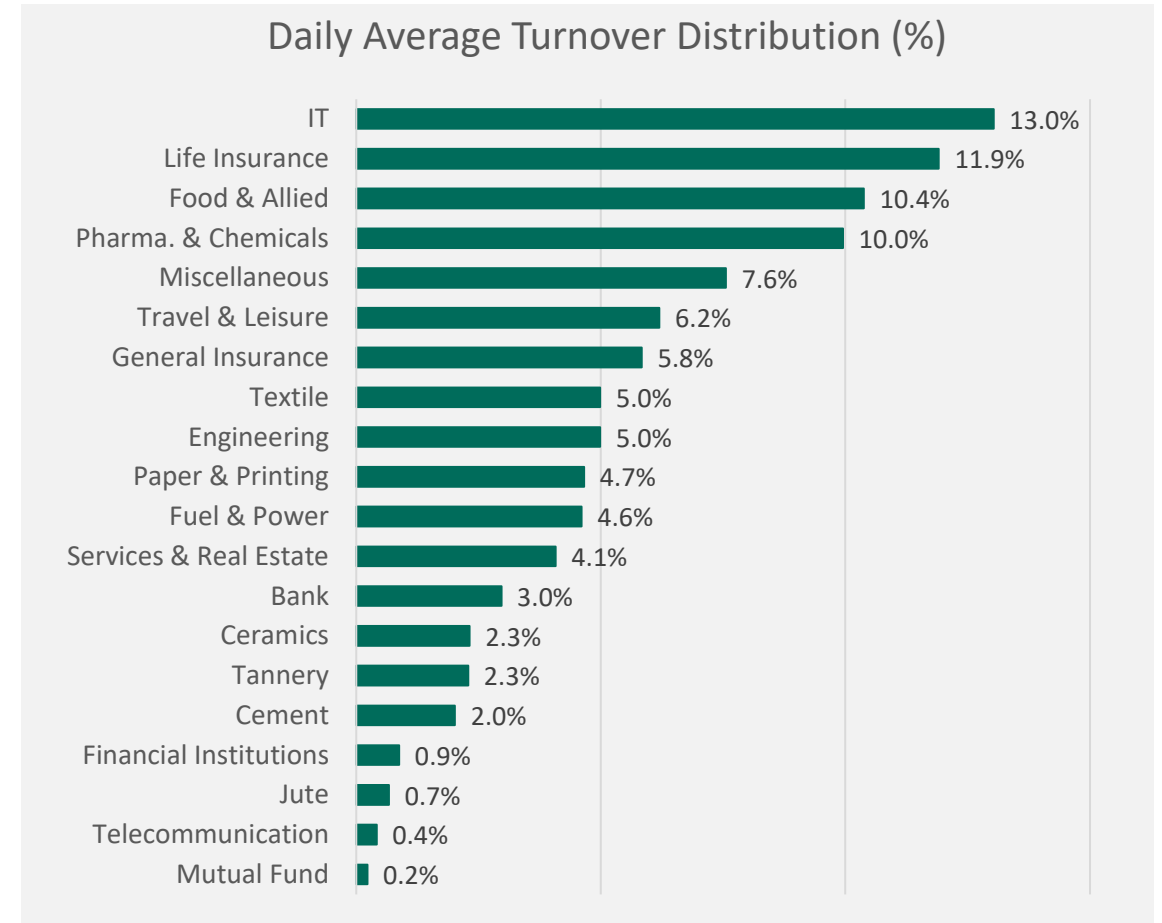
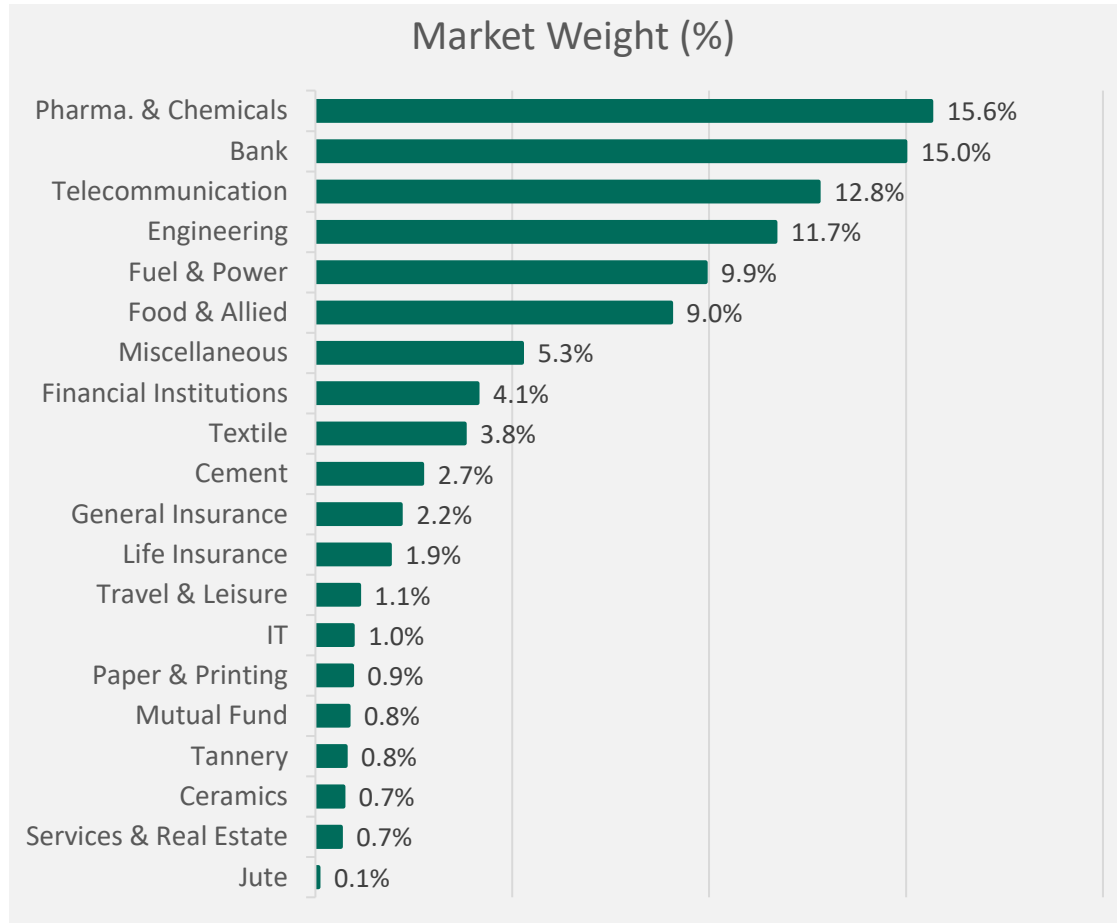
Dividend Yield (%)



- Since small-cap stocks showed vigorous performance, sectors that have higher number small-cap stocks generated higher capital gains, while large-cap stocks such as Banks, Telecoms could bag only dividend yield.

Source: DSE, GDDA Research

Sector-wise Performance: Small-cap stocks also topped the turnover chart

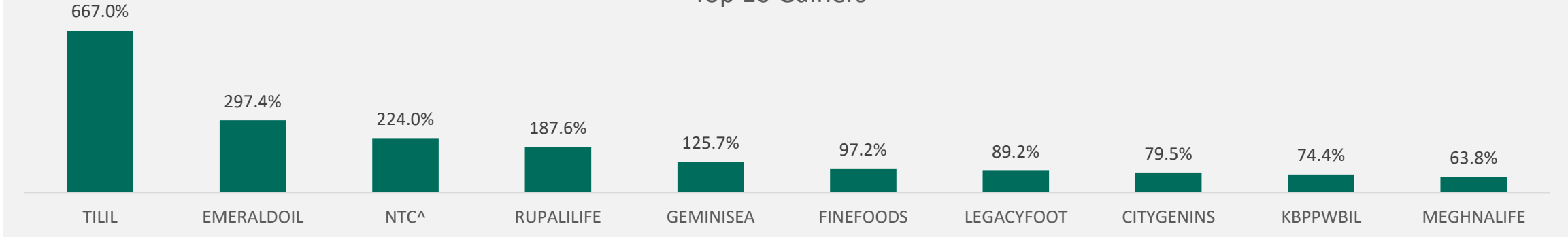


- Although large number of shares remained on the floor price, performance few stocks hit the turnover of the overall sectors such as IT, Life Insurance, Food & Allied, Travel & Leisure.

Source: DSE, GDDA Research

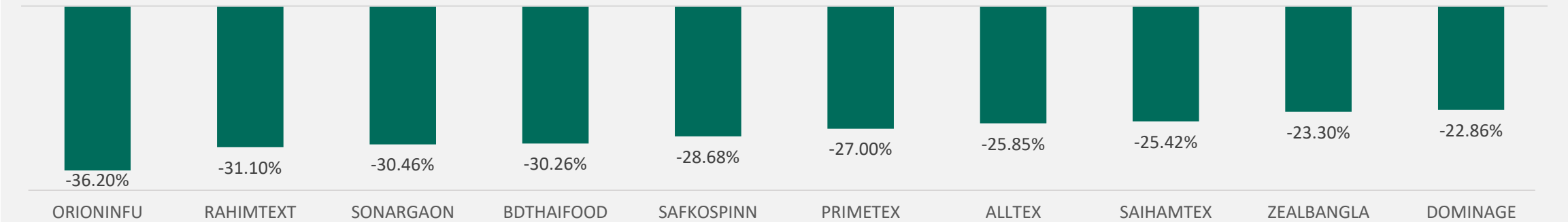
Top 10 Gainers & Losers: Small-cap stocks dominated both rankings

Top 10 Gainers*



- 4 of the top 10 gainers in the first half of 2023 are from life insurance sectors, of which TILIL is an IPO share.

Top 10 Losers*



- Textile stocks remained in the top 10 losers' charts as 6 of 10 (RAHIMTEXT, SONARGAON, SAFKOSPINN, PRIMETEX, ALLTEX, SAIHAMTEX) were from the textile sectors as the apparel making industry's bottom line faced a decline due to rising material prices.

Source: DSE, GDDA Research

*Ranking based on total returns (capital gains + dividend yield); ^Return calculated after the adjustment of placement shares

Top 15 Stocks by Turnover: Investors' behaviour remained optimistic

Code	Sector	MCAP (BDT bn)	MCAP Weight	AVDT (BDT mn)	AVDT Distribution	Close Price	Capital Gain	Dividend Yield	F.PE	PB
GENEXIL	IT	10.0	0.2%	260.3	4.2%	86.1	6.3%	0.0%	19.6	4.5
BSC	Miscellaneous	19.3	0.4%	254.6	4.1%	126.4	9.6%	0.0%	7.6	1.5
SEAPEARL	Travel & Leisure	25.5	0.6%	242.4	3.9%	211.1	13.1%	0.0%	23.9	12.2
EHL	Services & Real Estate	9.7	0.2%	193.6	3.1%	104.4	32.3%	0.0%	16.3	1.3
AAMRANET	IT	4.3	0.1%	170.3	2.8%	70.1	36.4%	0.0%	16.2	1.9
GEMINISEA	Food & Allied	5.0	0.1%	165.8	2.7%	825.9	125.7%	0.0%	40.5	32.5
INTRACO	Fuel & Power	4.8	0.1%	155.1	2.5%	48.6	20.0%	0.0%	27.0	3.8
RUPALILIFE	Life Insurance	6.9	0.2%	148.3	2.4%	229.8	187.6%	0.0%	n/a	n/a
UNIQUEHRL	Travel & Leisure	21.3	0.5%	138.9	2.3%	72.3	25.3%	0.0%	9.8	0.8
BPML	Paper & Printing	14.1	0.3%	135.1	2.2%	81.2	7.4%	0.0%	26.9	1.1
MEGHNALIFE	Life Insurance	4.5	0.1%	130.7	2.1%	105.3	63.8%	0.0%	n/a	n/a
OLYMPIC	Food & Allied	30.7	0.7%	117.3	1.9%	153.6	23.9%	0.0%	15.8	3.1
NAVANAPHAR	Pharma. & Chemicals	12.5	0.3%	111.0	1.8%	116.8	49.2%	0.0%	34.1	2.9
ORIONINFU	Pharma. & Chemicals	6.9	0.2%	109.9	1.8%	336.5	-36.2%	0.0%	179.0	24.4
ADNTEL	IT	8.5	0.2%	109.2	1.8%	131.7	15.4%	0.0%	32.6	4.4

* As on closing of June 26, 2023; MCAP= Market Capitalization, AVDT= Average Daily Turnover (including block), F.PE= Forward Price-Earnings, PB= Price to Book Value

Source: DSE, GDDA Research

Top 15 Stocks by Market Cap: Almost all remained stuck at the floor price despite lucrative price levels

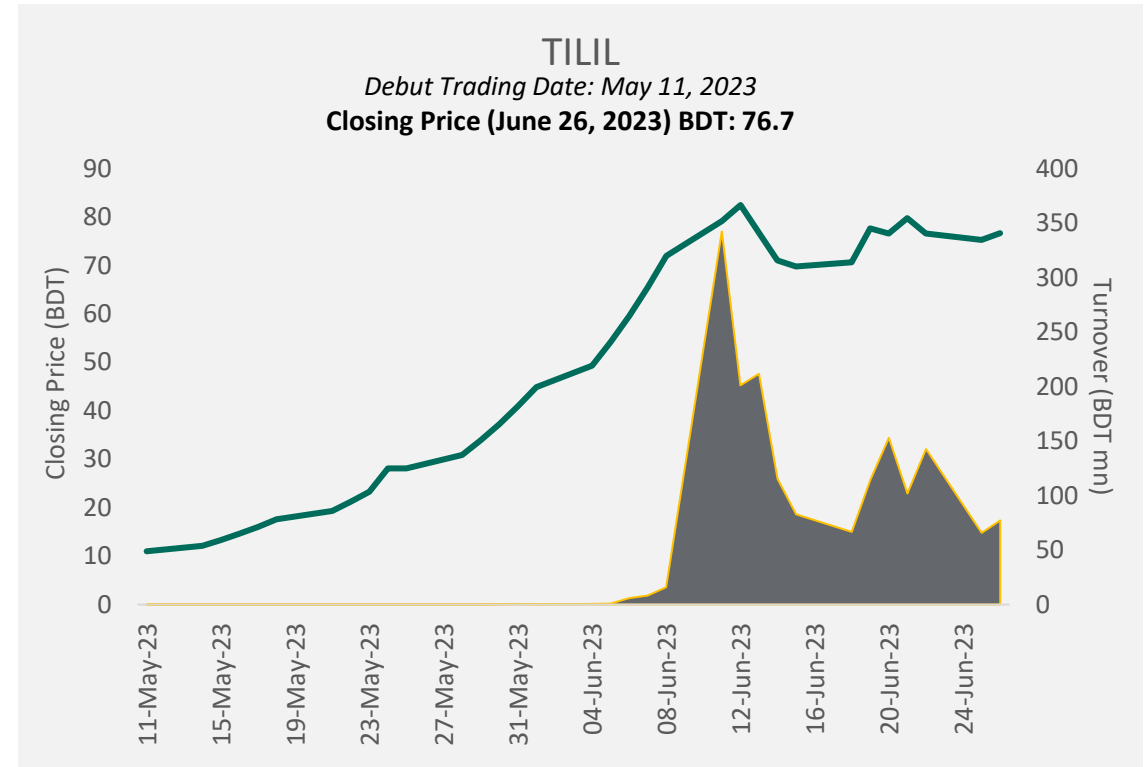
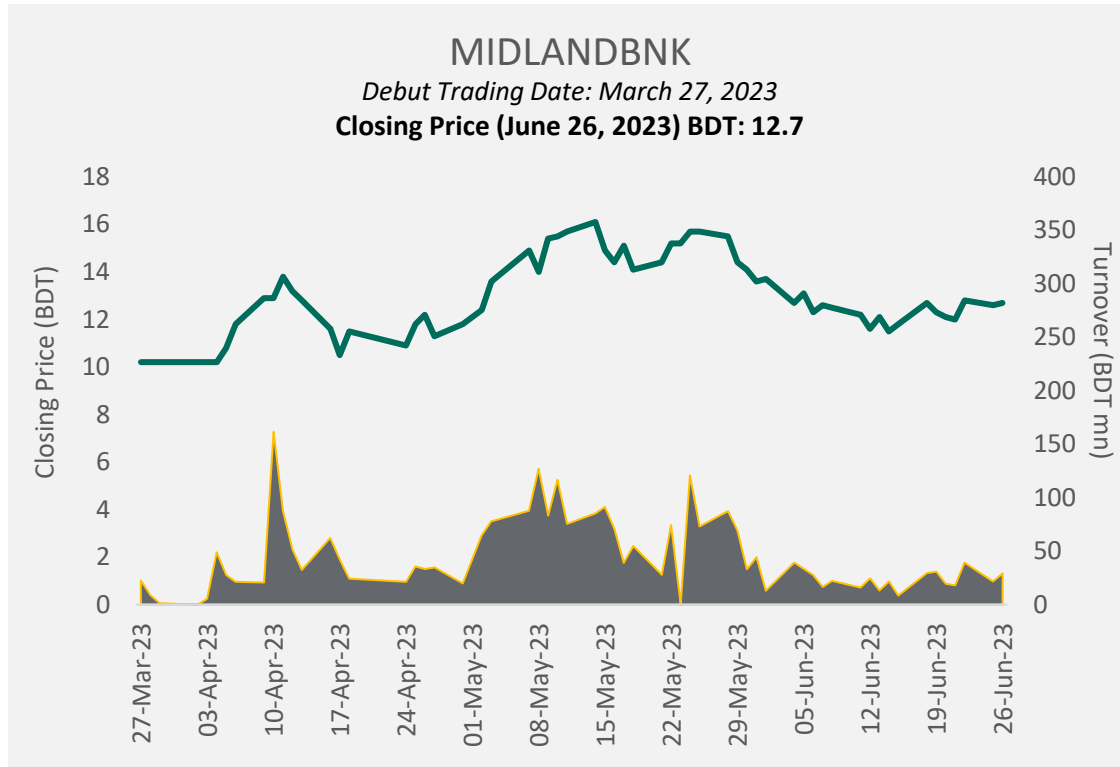
Code	Sector	MCAP (BDT bn)	MCAP Weight	AVDT (BDT mn)	AVDT Distribution	Close Price	Capital Gain	Dividend Yield	F.PE	PB
GP	Telecommunication	387.0	8.5%	17.7	0.3%	286.6	0.0%	7.7%	12.4	7.2
WALTONHIL	Engineering	317.4	7.0%	0.3	0.0%	1,047.7	0.0%	0.0%	95.2	3.2
BATBC	Food & Allied	280.1	6.2%	9.0	0.1%	518.7	0.0%	3.9%	15.4	6.9
SQURPHARMA	Pharma. & Chemicals	186.0	4.1%	37.6	0.6%	209.8	0.0%	0.0%	9.4	1.7
ROBI	Telecommunication	157.1	3.5%	1.4	0.0%	30.0	0.0%	2.3%	93.8	2.3
RENATA	Pharma. & Chemicals	139.7	3.1%	23.0	0.4%	1,217.9	7.0%	0.0%	39.1	4.6
UPGDCL	Fuel & Power	135.5	3.0%	0.4	0.0%	233.7	0.0%	0.0%	12.4	4.4
BEXIMCO	Miscellaneous	103.6	2.3%	41.9	0.7%	115.6	0.0%	0.0%	10.1	1.2
BERGERPBL	Miscellaneous	83.2	1.8%	2.8	0.0%	1,793.9	4.1%	2.3%	27.6	6.4
LHBL	Cement	80.7	1.8%	82.0	1.3%	69.5	7.3%	7.4%	10.6	4.1
MARICO	Pharma. & Chemicals	76.3	1.7%	6.0	0.1%	2,421.5	0.0%	3.1%	19.7	21.3
ICB	Financial Institutions	74.1	1.6%	0.2	0.0%	87.6	0.0%	0.0%	113.3	1.7
BXPHARMA	Pharma. & Chemicals	65.2	1.4%	47.4	0.8%	146.2	0.0%	0.0%	13.5	1.5
BRACBANK	Bank	57.6	1.3%	5.1	0.1%	35.8	0.0%	1.9%	9.3	0.9
BEACONPHAR	Pharma. & Chemicals	56.6	1.2%	34.0	0.6%	245.0	-14.3%	0.0%	71.5	9.2

- LHBL and RENATA posted a price appreciation above 7.0% in the first half of 2023.
- BEACONPHAR saw a price erosion of 14.3% during the period.

* As on closing of June 26, 2023; MCAP= Market Capitalization, AVDT= Average Daily Turnover (including block), F.PE= Forward Price-Earnings, PB= Price to Book Value

Source: DSE, GDDA Research

IPO: Lacklustre debut, temporary shine



- The first half of 2023 saw listing of only 2 IPOs under fixed price method while the number was 4 in the first half of 2022.
- MIDLANBNK's IPO saw 26% of its shares unsubscribed- reflecting investors' lack of confidence in the banking sector due mainly to the poor performance of GIB in the last year.
- Another IPO TILIL, the life insurance company, registered ~670.0% return in the price.

Source: DSE, GDDA Research

MNC Stock Performance: Sluggish performance, few gainers

Code	Sector	MCAP (BDT bn)	MCAP Weight	AVDT (BDT mn)	AVDT Distribution	Close Price	Capital Gain	Dividend Yield	F.PE	PB
BATASHOE	Tannery	13.91	0.3%	2.0	0.0%	1,016.8	6.8%	3.8%	25.5	3.9
BATBC	Food & Allied	280.10	6.2%	9.0	0.1%	518.7	0.0%	3.9%	15.4	6.9
BERGERPBL	Miscellaneous	83.20	1.8%	2.8	0.0%	1,793.9	4.1%	2.3%	27.6	6.4
GP	Telecommunication	387.00	8.5%	17.7	0.3%	286.6	0.0%	7.7%	12.4	7.2
HEIDELBCEM	Cement	15.06	0.3%	22.7	0.4%	266.5	48.8%	0.6%	9.7	4.0
LINDEBD	Fuel & Power	21.27	0.5%	0.9	0.0%	1,397.7	0.0%	3.0%	37.9	3.4
LHBL	Cement	80.72	1.8%	82.0	1.3%	69.5	7.3%	7.4%	10.6	4.1
MARICO	Pharma. & Chemicals	76.28	1.7%	6.0	0.1%	2,421.5	0.0%	3.1%	19.7	21.3
RAKCERAMIC	Ceramics	18.36	0.4%	0.4	0.0%	42.9	0.0%	2.3%	29.0	2.5
RECKITTBEN	Pharma. & Chemicals	23.03	0.5%	1.2	0.0%	4,873.7	2.4%	2.1%	37.9	23.3
ROBI	Telecommunication	157.14	3.5%	1.4	0.0%	30.0	0.0%	2.3%	93.8	2.3
SINGERBD	Engineering	15.14	0.3%	0.8	0.0%	151.9	0.0%	0.7%	33.6	4.9
UNILEVERCL	Food & Allied	40.28	0.9%	25.2	0.4%	2,089.6	17.4%	0.8%	31.2	13.4

- Among 13 listed MNCs in the DSE, most stocks remained at floor price.
- UNILEVERCL and HEIDELBCEM reported significant price appreciation while capital gain from BATASHOE, BERGERPBL, LHBL and RECKITTBEN remained below 10.0%.

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Source: DSE, GDDA Research

World Market Review: World indices performed positive in H1 2023

Index	Country	June 2023	1-Month Return (%)	3-Month Return (%)	6-Month Return (%)
S&P 500	USA	4,450.40	6.50%	8.30%	15.90%
VNI 30	Vietnam	1,123.10	4.20%	5.20%	11.40%
CSE All-Share	Sri Lanka	9,443.00	10.40%	1.50%	11.10%
BSE Sensex	India	64,718.60	3.30%	9.70%	6.40%
DSEX	Bangladesh	6,344.10	0.10%	2.20%	2.20%
Karachi 100	Pakistan	41,326.50	0.00%	3.30%	2.20%
FTSE 100	UK	7,531.50	1.10%	-1.30%	1.10%
IDX Composite	Indonesia	6,661.90	0.40%	-2.40%	-2.80%

- The broad indices of most of the markers generated comparatively higher return mainly led by the improving situation of macroeconomic indicators (e.g. slowing of inflation) and the US Fed rate is now also in a reverse trend.

Source: Investing.com, DSE, GDDA Research

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About Green Delta Dragon

Green Delta Dragon is a joint-venture asset manager founded by Green Delta Insurance Company Ltd (GDIC), Dragon Capital Management (HK) Ltd. (Dragon Capital) and Equinox Dhaka Ltd. (Equinox). Green Delta Insurance Company is the largest general insurance company in Bangladesh, providing protection over BDT 3.5 trillion (US\$ 32.4 bln.) of insured assets, while the Dragon Capital Group is the largest and longest established asset management group in Vietnam with assets under management (AUM) in the country of over US\$ 5 bln., and Equinox, an emerging market investment advisory firm, contributes knowledge of some of Bangladesh's most dynamic finance professionals.

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