Dhaka stock inch up after a lacklustre week

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The Dhaka Stock Exchange (DSE) indices have shown positive movement after a week of lacklustre performance, as investors displayed selective buying interest in certain stocks. However, most investors remain cautious and on the sidelines due to ongoing market uncertainties.

According to market insiders, several factors, including high deposit rates, a liquidity crunch, low activity among institutional investors, the absence of foreign investors, and a challenging economic environment exacerbated by ongoing political instability, contribute to this situation.

Today (19 January), the benchmark DSEX index increased by 11 points, closing at 5,145. The DSE Shariah Index was up by 5 points to 1,156, and the DS30 index was higher by 9 points to 1,903.

Turnover at the DSE increased by 1.2%, reaching Tk368 crore from Tk364 crore compared to the previous session.

Among the 396 stocks traded, 172 gained, 160 declined, and 64 remained unchanged.

The indices started the trading session positively and maintained an upward trend for the first hour. However, the main index gradually started to decline but rebounded after two hours, eventually closing the session in positive territory.

Key stocks contributing to the upward index included Grameenphone, Berger Paints Bangladesh, Kohinoor Chemicals Company (Bangladesh), ADN Telecom, Pubali Bank, Robi Axiata, Bangladesh Steel Re-Rolling Mills, Prime Bank, Khan Brothers PP Woven Bag Industries, and Beacon Pharmaceuticals Limited.

ADN Telecom placed in the top gainer list followed by Sikder Insurance Company, Islami Commercial Insurance Company, Kohinoor Chemicals Company (Bangladesh), and Hakkani Pulp & Paper Mills Ltd.

Power Grid Company of Bangladesh placed first on the list of top loser companies, followed by Midland Bank, Renwick Jajneswar & Co (Bd), Indo-Bangla Pharmaceuticals, and Ratanpur Steel Re-Rolling Mills Ltd.

In its daily market commentary, EBL Securities noted that the prime index of the Dhaka bourse broke its five-day losing streak as opportunistic investors continued taking positions in the sector-specific scrips in anticipation of quick gains, while downbeat pressure has somewhat eased down following the DSE index rebalancing as investors expect a cushion to the ailing market.

The indices managed to remain afloat for the majority of Sunday's session amid stagnancy in trading activities. Moreover, insurance stocks also gained some momentum owing to the buying appetite of short-term gain-focused investors, according to the commentary.

In terms of sectoral performance, the pharma sector accounted for the highest turnover at 19.6%, followed by the textile sector at 10.9% and the bank sector at 10.2%. Most sectors showed mixed performance, with notable gains observed in general insurance at 3.2%, IT at 2.4%, and life insurance at 1.0%. On the other hand, some sectors experienced corrections, including financial institutions at 1.0%, jute at 0.9%, and mutual funds at 0.7%.

The port city bourse, the Chittagong Stock Exchange (CSE), also ended the day in positive territory. The Selective Categories Index (CSCX) increased by 7.0 points, while the All Share Price Index (CASPI) rose by 12.5 points.

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