

YEARLY MARKET REVIEW

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AND

OUTLOOK 2025

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SYNOPSIS

The year 2024 has been an eventful year for the country's capital market as well, with changes in leadership within the stock market regulator following the notable shift in the country's political environment. Investor sentiment mostly remained subdued due to uncertainties surrounding the market outlook amid economic and political tensions, while the broad index of the Dhaka bourse (DSEX) plunged by 1,030 points or 16.5%. Moreover, investors' concerns over the market's waning momentum led to a stagnation in trading activities, with daily average turnover in DSE being subdued at BDT 6.3 billion in 2024 while further dropping to BDT 4.1 billion during the final quarter of the year.

DHAKA STOCK EXCHANGE (DSE) SUMMARY

	YE2024	YE2023	Change	Change(%)	Jun-24	HY Change	HY Change (%)
DSEX	5,216.4	6,246.5	(1,030.1)	-16.5%	5,328.4	(112.0)	-2.1%
DS30	1,939.7	2,093.8	(154.1)	-7.4%	1,909.6	30.1	1.6%
DSMEX	1,091.1	1,264.3	(173.2)	-13.7%	1,454.0	(362.9)	-25.0%
Market Cap (BDT bn)	6,626.2	7,808.5	(1,182.3)	-15.1%	6,621.6	4.6	0.1%
Avg. Turnover (BDT mn)	6,319.7	5,781.1	538.6	9.3%	7,069.4	(749.8)	-10.6%
Avg. Volume (mn)	202.4	118.1	84.3	71.4%	216.5	(14.1)	-6.5%
Market P/NAV	1.2	1.6	(0.4)	-24.4%	1.2	(0.0)	0.0%
Market Forward P/E*	10.9	15.2	(4.3)	-28.3%	11.3	(0.4)	-3.5%

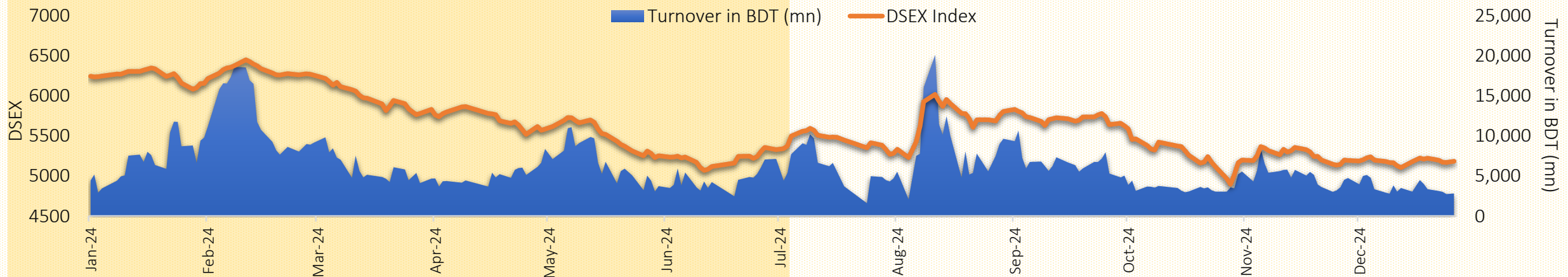
CHITTAGONG STOCK EXCHANGE (CSE) SUMMARY

	YE2024	YE2023	Change	Change (%)
CSE30	11,986	13,305	(1,318.9)	-9.9%
CSCX	8,813	11,076	(2,262.7)	-20.4%
CASPI	14,473	18,520	(4,046.7)	-21.9%
CSE50	1,112	1,299	(187.1)	-14.4%
CSI	933	1,179	(245.8)	-20.8%
Market Cap (BDT bn)	6,962	7,760	(797.6)	-10.3%
Avg. Turnover (BDT mn)	288	241	47	19.4%
Avg. Volume ('000)	6,262	6,504	(242)	-3.7%

HY1 of 2024

The year started out with national election-centric uncertainties, while BSEC's decision to withdraw floor prices from the majority of scrips after around 1.5 years triggered an immediate market volatility as many investors rushed to square off their holdings in the illiquid stocks that were stuck on the floor for a long time. Although experiencing a brief recovery, the market succumbed to a prolonged downtrend until the national budget declaration in June, coupled with NBR's proposal to impose taxes on capital gains, alongside the central bank's monetary tightening measures. Moreover, gradual uplifting of floor price from the remaining large-cap stocks added further strain to the ailing market, despite a failed regulatory initiative of revising the lower circuit breaker to 3% for each scrip to ease the market's free fall.

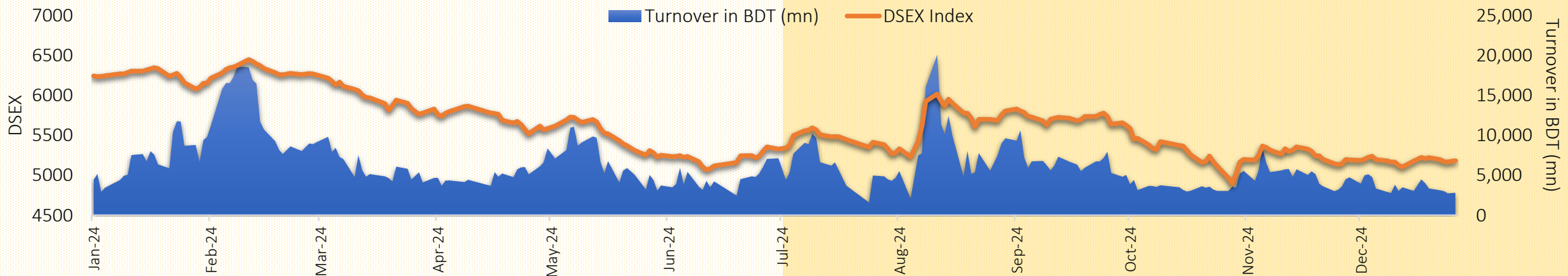
INDEX – TURNOVER MOVEMENT (JAN'24 – JUN'24)



HY2 of 2024

The market somewhat recovered from the relentless bearish spell as opportunistic investors opted to capitalize on the oversold issues which they deemed lucrative following the substantial correction. However, investor sentiment observed another blow due to civil unrest centering student movement in July, impeding the market's recovery. Nevertheless, the market experienced an investor euphoria following the ousted government's regime with heightened market participation driven by overall market optimism, while foreign trade turnover also surged to around 5% of the total market turnover in August. Nonetheless, the momentum failed to sustain for long since the heated-up market induced caution among investors due to the apparent economic and political challenges, while the central bank's board reformation attempts for particular struggling banks also triggered further caution regarding the market's trend.

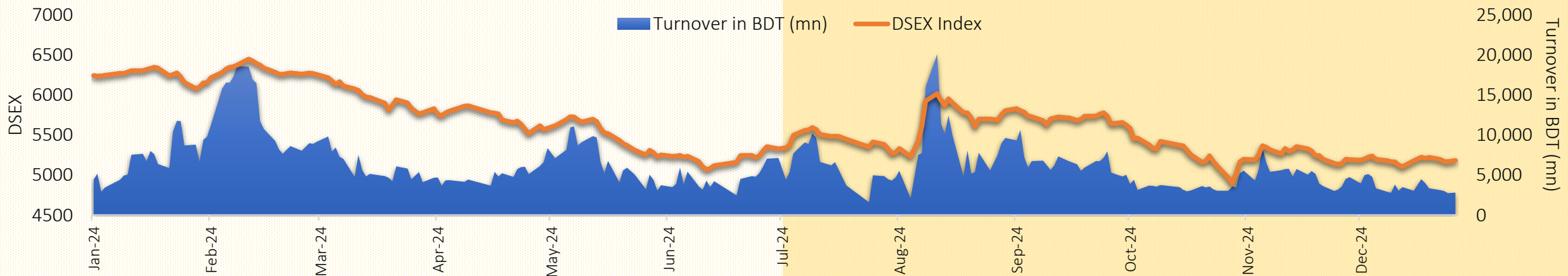
INDEX – TURNOVER MOVEMENT (JUL'24 – DEC'24)



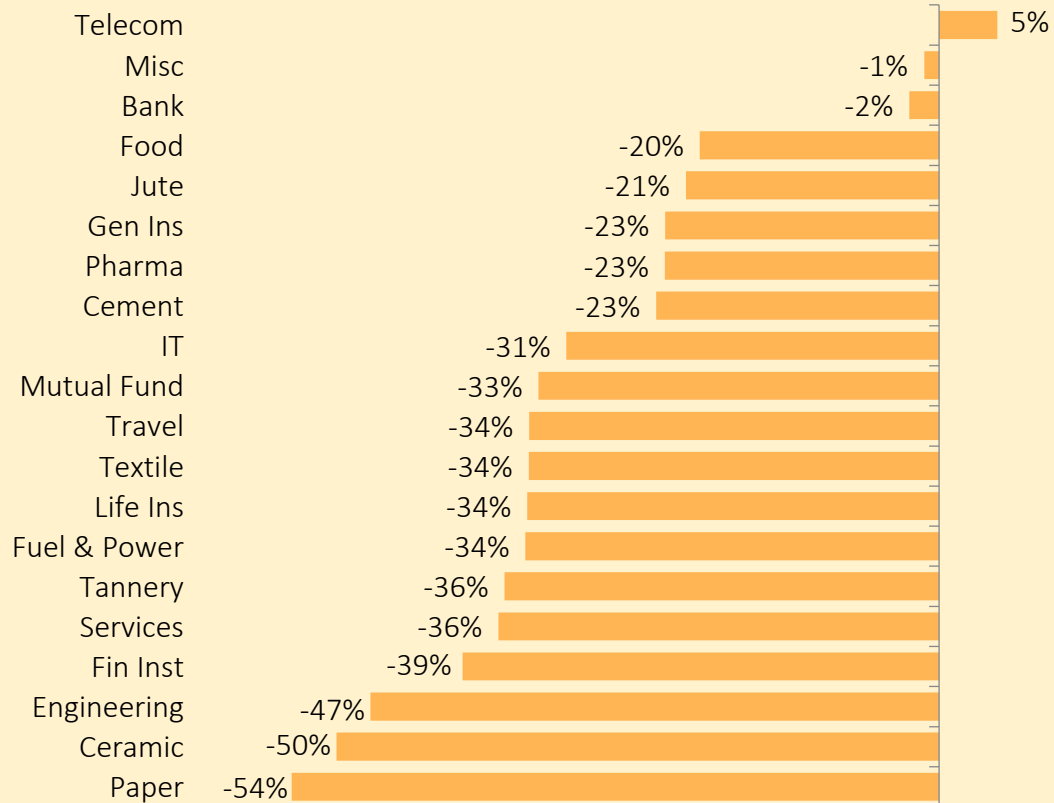
HY2 of 2024 (continued)

The stock market regulator reinstated the regular circuit breaker policy and formed a probe committee following the appointment of the new BSEC chairman to review various market irregularities to promote an interference-free and fair-trading environment. Nevertheless, investors' adverse reaction to the regulatory decision of stock reclassification into Z category and escalating regulatory debates again triggered the market's downturn, eroding the abrupt gains ridden by post-regime investor euphoria. Moreover, investors' anxiety over the market momentum surrounding the repeated regulatory fines for stock manipulations also shook the already depressed market. Apparently, a task force was formed to address the needed reforms in the capital market, while the central bank also approved the anticipated BDT 30 billion sovereign-guaranteed loan to ICB; however, the initiatives have yet to revive the market's wavering sentiment. Overall, Bangladesh's capital market in 2024 navigated a challenging environment marked by political transitions, regulatory shifts and persistent economic uncertainties.

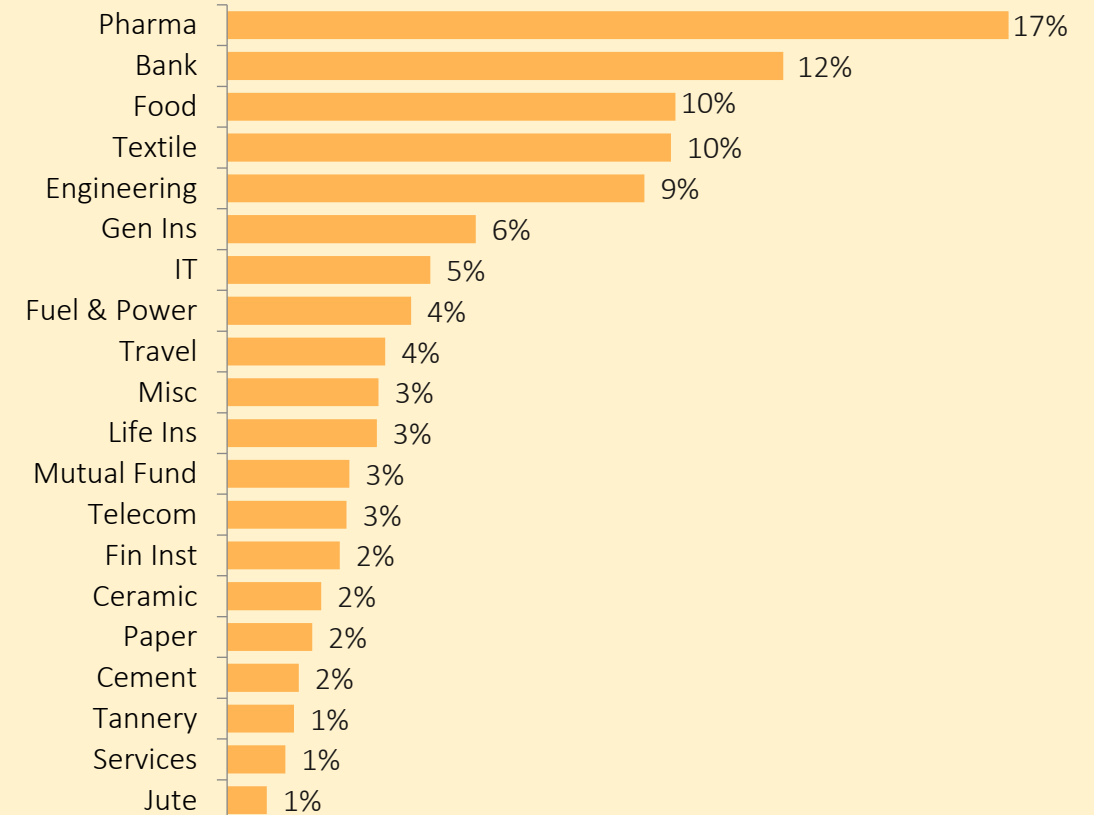
INDEX – TURNOVER MOVEMENT (JUL'24 – DEC'24)



SECTOR RETURN



TURNOVER DISTRIBUTION*



Telecom was the sole sector to achieve positive returns (+5%), while the others experienced decline, with Pharma leading in turnover distribution (17%).

Sector	Return**	Avg.T/O(mn)*	% Avg. T/O	M.Cap(mn)	% of M.Cap	Fw. P/E(x)^	P/NAV(x)
Bank	-2.5%	780	12.3%	677,156	18.9%	6.6	0.7
Cement	-23.4%	100	1.6%	93,275	2.6%	14.3	2.0
Ceramics	-49.8%	131	2.1%	16,111	0.4%	320.8	1.0
Engineering	-47.0%	584	9.2%	281,659	7.9%	18.6	0.9
Financial Institutions	-39.4%	158	2.5%	113,227	3.2%	29.5	(2.8)
Food & Allied	-19.8%	628	9.9%	314,303	8.8%	14.5	4.5
Fuel & Power	-34.2%	258	4.1%	293,671	8.2%	5.6	0.6
General Insurance	-22.7%	348	5.5%	79,155	2.2%	13.2	1.2
IT	-30.8%	284	4.5%	26,313	0.7%	19.6	1.6
Jute	-21.0%	55	0.9%	3,182	0.1%	48.6	(18.8)
Life Insurance	-34.1%	211	3.3%	48,601	1.4%	n/a	n/a
Miscellaneous	-1.2%	213	3.4%	230,661	6.4%	32.4	1.7
Mutual Fund	-33.1%	171	2.7%	27,729	0.8%	5.3	0.5
Paper & Printing	-53.6%	119	1.9%	18,063	0.5%	35.4	0.8
Pharma. & Chemicals	-22.7%	1,095	17.3%	561,097	15.7%	11.7	1.6
Services & Real Estate	-36.5%	82	1.3%	17,477	0.5%	10.4	0.7
Tannery	-35.9%	94	1.5%	22,509	0.6%	28.4	1.6
Telecommunication	4.8%	168	2.7%	608,101	17.0%	13.0	4.3
Textile	-33.9%	621	9.8%	113,461	3.2%	14.4	0.8
Travel & Leisure	-33.9%	221	3.5%	38,271	1.1%	68.3	0.3

TOP 10 GAINERS [^]			
Ticker	Price*	Return**	Forward P/E
LOVELLO	86.6	154%	60.6
MIDLANDBNK	31.2	120%	17.6
BEACHHATCH	91.7	99%	45.2
RELIANCE1	19.7	75%	49.3
FINEFOODS	225.3	69%	256.0
EIL	59.0	58%	39.1
BRACBANK	49.0	53%	10.4
OIMEX	28.2	53%	36.2
ISLAMIBANK	48.4	52%	12.3
KBPPWBIL	139.0	35%	13900.0

TOP 10 LOSERS			
Ticker	Price*	Return**	Forward P/E
NEWLINE	6.6	-85%	4.0
GSPFINANCE	5.7	-81%	n/a
PHOENIXFIN	3.2	-80%	n/a
FORTUNE	16.7	-78%	33.4
SONALIPAPR	141.8	-76%	37.4
HRTEX	27.7	-76%	n/a
BDFINANCE	11.8	-73%	n/a
MAKSONSPIN	6.2	-72%	n/a
KPPL	8.5	-72%	n/a
SPCERAMICS	12.1	-71%	75.6

Out of total of 397 shares, 43 advanced, 351 declined, and 3 remained unchanged, indicating a predominantly bearish market trend.

Ticker	Turnover (mn)*	% Turnover	Price**	Forward P/E(X)
ORIONINFU	35,984.5	2.4%	426.7	197.5
LOVELLO	30,080.0	2.0%	86.6	23.8
BRACBANK	25,077.4	1.7%	49.0	7.8
GP	24,034.0	1.6%	323.1	11.1
AIL	22,238.6	1.5%	91.9	29.8
SQURPHARMA	21,623.1	1.5%	217.7	7.9
SEAPEARL	21,548.4	1.5%	34.7	n/a
ORIONPHARM	21,256.2	1.4%	37.9	39.5
CENTRALPHL	20,067.7	1.4%	8.9	n/a
ASIATICLAB	19,970.9	1.3%	36.0	37.5

ORIONINFU leads the turnover chart with BDT 35,984.5 million, which is 2.4% of total turnover. Meanwhile, notable stocks namely LOVELLO, BRACBANK and GP exhibit higher turnover, respectively, reflecting a mix of investor sentiment across growth and value stocks.

Ticker	Price*	M. Cap'24 (mn)	M.Cap'23 (mn)	Change (mn)	% Change
BATASHOE	905.4	12,386	13,227	-841	-6.36%
BATBC	367.6	198,504	280,098	-81,594	-29.13%
BERGERPBL	1822.9	84,542	82,274	2,268	2.76%
GP	323.1	436,282	386,996	49,286	12.74%
HEIDELBCEM	221.5	12,516	13,533	-1,017	-7.52%
LHB	53.9	62,598	80,483	-17,885	-22.22%
LINDEBD	1019.5	15,515	21,271	-5,756	-27.06%
MARICO	2282.8	71,908	77,512	-5,604	-7.23%
RAKCERAMIC	22.6	9,672	18,360	-8,688	-47.32%
RECKITBEN	4350	20,554	22,494	-1,941	-8.63%
ROBI	28.3	148,234	157,138	-8,904	-5.67%
SINGERBD	113.2	11,286	15,145	-3,858	-25.48%
UNILEVERCL	2549.7	49,144	38,919	10,225	26.27%

Initial Public Offering (IPO)

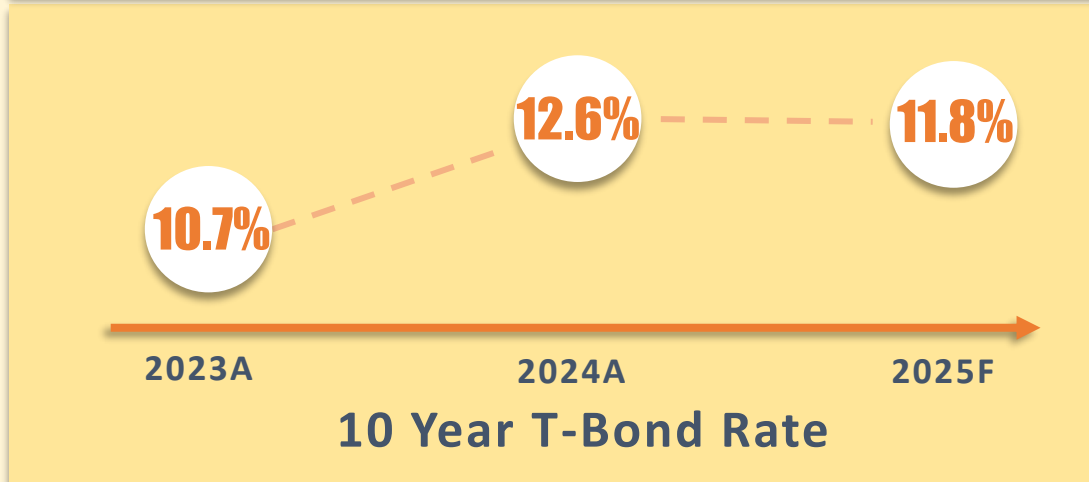
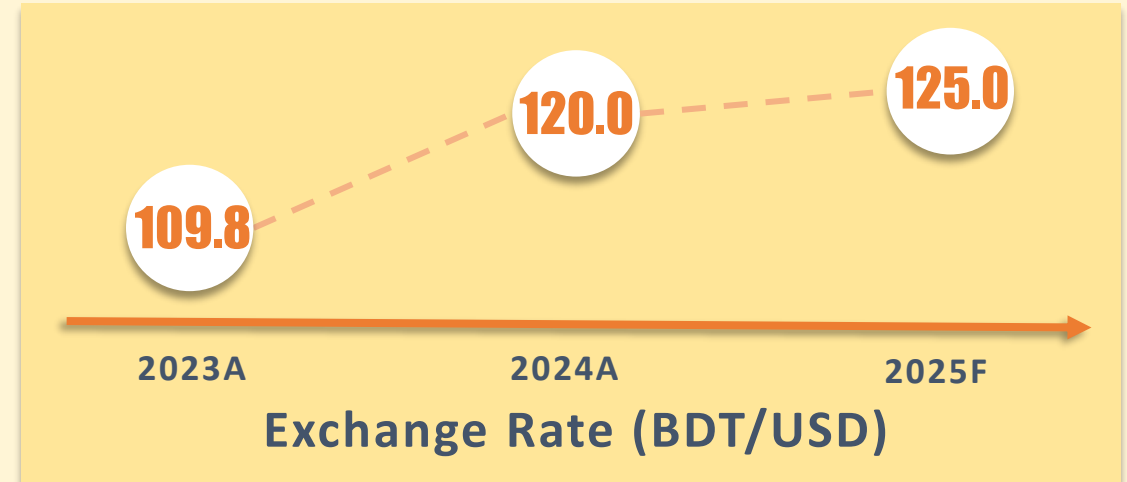
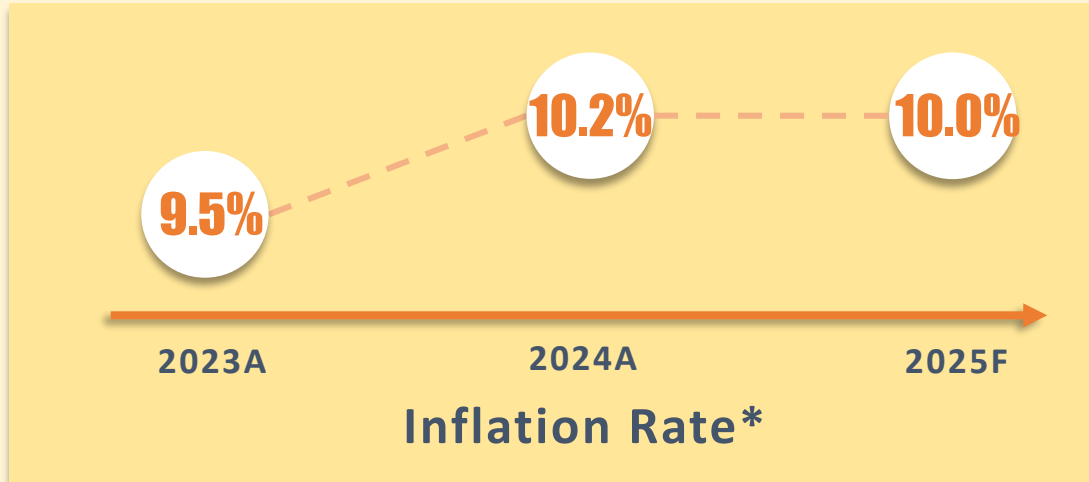
Ticker	Paid-up Capital (mn)	Offer Price	1st Day CP	YTD Return (%)	Price*
NRBBANK	6,905.9	10.0	11.0	22.0%	12.2
SICL	400.0	10.0	11.0	111.0%	21.1
ASIATICLAB	1,223.9	20.0	22.0	80.0%	36.0
TECHNODRUG	1,303.6	24.0	26.4	49.6%	35.9
BESTHLDNG	10,592.3	24.0	26.4	-24.2%	18.2

Qualified Investor Offer (QIO)

Ticker	Paid-up Capital (mn)	Offer Price	1st Day CP	YTD Return (%)	Price*
CRAFTSMAN	280.0	10.0	11.0	195.0%	29.5
WEBCOATS	330.1	10.0	11.0	90.0%	19.0

Index	Country	Index value	% Change				
			1 Week	1 Month	YTD	1 Year	3 Years
Dow Jones	US	42,992.21	0.20%	-4.27%	14.07%	14.07%	18.31%
S&P 500	US	5,970.84	-0.05%	-1.02%	25.18%	25.18%	25.27%
Nasdaq	US	19,722.03	-0.22%	2.62%	31.38%	31.38%	26.06%
FTSE 100	UK	8,127.25	0.31%	-1.92%	5.11%	5.11%	10.07%
Shanghai	China	3,407.33	1.67%	2.43%	14.53%	14.53%	-6.39%
Hang Seng	Hong Kong	20,041.42	0.80%	3.18%	17.56%	17.56%	-14.34%
Taiwan Weighted	Taiwan	23,190.20	0.37%	4.17%	29.33%	29.33%	27.29%
SET	Thailand	1,400.21	0.96%	-1.91%	-1.10%	-1.10%	-15.53%
KOSPI	South Korea	2,399.49	-1.74%	-2.30%	-9.63%	-9.63%	-19.42%
IDX Composite	Indonesia	7,054.00	-0.60%	-0.85%	-3.01%	-3.01%	7.18%
PSEi Composite	Philippines	6,528.79	-0.09%	-1.29%	1.22%	1.22%	-8.34%
VN 30	Vietnam	1,347.35	1.84%	2.75%	19.08%	19.08%	-12.27%
BSE Sensex	India	78,182.25	-0.44%	-2.02%	8.24%	8.24%	34.23%
Karachi 100	Pakistan	114,756.61	0.74%	13.23%	83.78%	83.78%	157.36%
CSE All-Share	Sri Lanka	15,827.39	5.37%	20.00%	48.56%	48.56%	29.46%
DSEX	Bangladesh	5,216.44	0.91%	0.46%	-16.49%	-16.49%	-22.80%

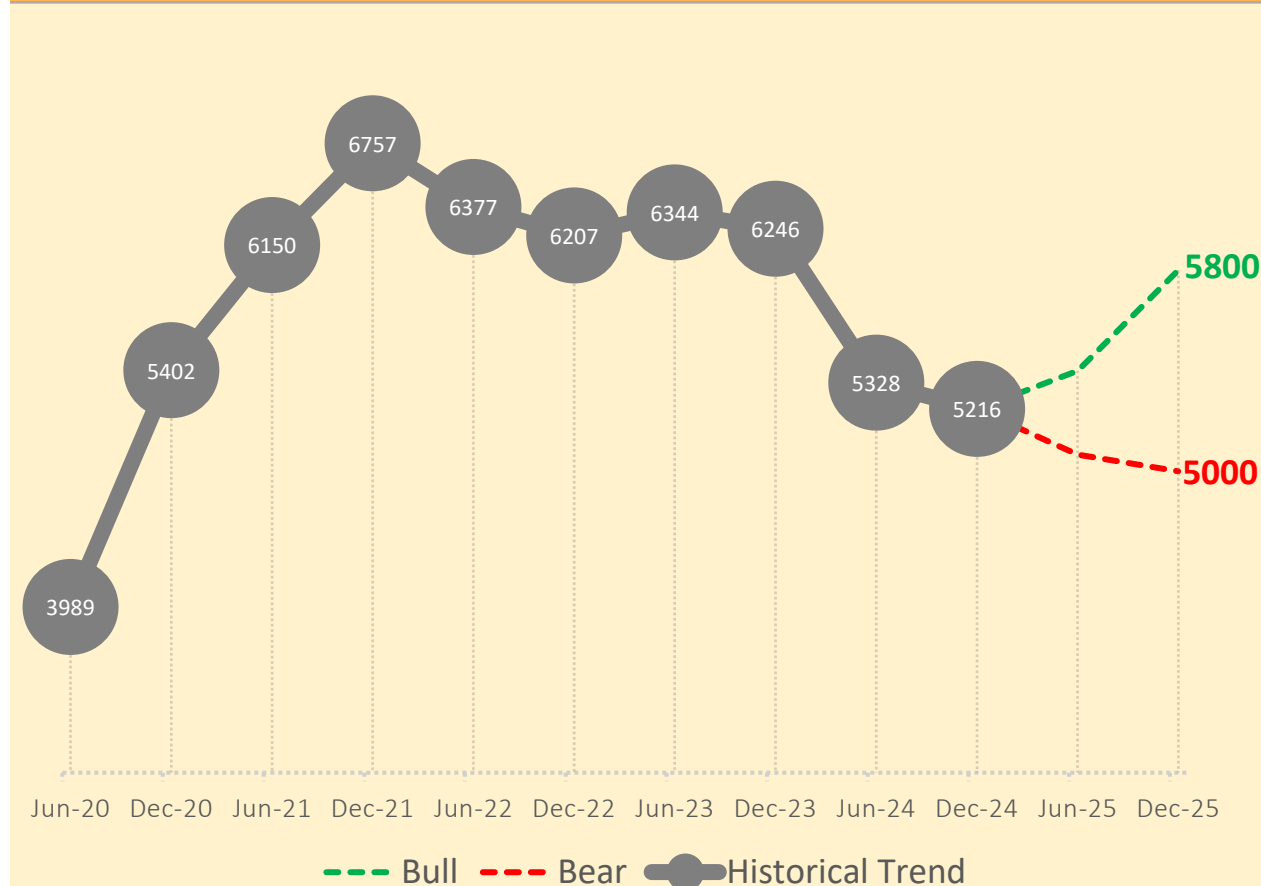
Projected Trends in Bangladesh's Economy



Market Expectations

The capital market is expected to navigate through a challenging landscape in 2025 as well amidst the backdrop of ongoing political and economic uncertainties. However, easing of adversities on the macroeconomic front—such as rising remittances, stable foreign exchange reserves, foreign funding inflows and progress with the IMF's \$4.7 billion loan—offers some hope for a potential economic recovery. Moreover, political uncertainties may also lessen in the latter half of the year, depending on clarity surrounding the next parliamentary elections. Additionally, global fund manager Asia Frontier Capital (AFC) also projects a modest revival in Bangladesh's stock market in H2 of 2025. Throughout the year, the DSEX index may hover around 5,000-5,800 points, while the average daily turnover is projected to remain subdued at around BDT 5 to 7 billion, pertinent to improved money flow in the market and gradual recovery from the prevailing subdued market sentiment.

Projected DSEX Movement



Currently, Bangladesh's capital market stands at an attractive valuation level, with the market's forward P/E ratio being low at around 11x, indicating a potentially lucrative investment avenue. Upon adequate money flows following the easing of current adversities, the market is well-positioned for a recovery from its gloomy phase.

POTENTIAL RESILIENT SECTORS

Well Governed Banks/Financial Institutions

Pharmaceutical Companies

FMCG Companies

Telecom Companies

Food & Allied Companies

POTENTIAL SUBDUED SECTORS

Construction (Cement, Steel, Real Estate) Companies

Fuel and Power Companies

Textile Manufacturing Companies

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