DSE Monthly Market Analysis

August 2026

From reform optimism to liquidity reality

Institutional Market Analysis | Includes post-month-end validation through 3 September 2026

CENTRAL ANALYTICAL FINDING

August was a domestic confidence and liquidity correction: DSEX fell 5.05%, average daily turnover contracted 30.16%, breadth deteriorated sharply and valuation compressed. Energy stress added a second transmission channel: imported oil prices rose sharply while domestic gas and power constraints remained material. The first sessions of September improved the liquidity signal but not the breadth picture.

01 Executive analysis

The month in one page: price, liquidity, breadth, valuation, flows, earnings and macro transmission

Indicator	August / latest verified	Context	Analytical signal
DSEX	5,598.08	-5.05% MoM	Risk-off month
Avg daily turnover	Tk876cr/day	-30.16% MoM	Liquidity contraction
24 Aug breadth	14 up / 355 down	A/D 0.04x	Broad stress
Market P/E	8.8x (27 Aug)	9.1x on 30 Jul	Multiple compression
Dividend yield	3.47% (27 Aug)	3.34% on 13 Aug	Income yield improved
Foreign net flow	-Tk155cr through 27 Aug	Small participation share	Net selling
WTI / Brent	+11.36% / +12.97%	10-session source window	External energy cost shock
USD/BDT	123.5856 → 122.3057	10 Aug → 20 Aug	Taka +~1.05%
Domestic gas	~2,300 mmcfd total	LNG after restart ~686 mmcfd	Supply remained constrained
July inflation	8.32%	Supplied infographic	Macro pressure remained elevated

What the data say

- **Price and participation moved together.** The failed 5,900 breakout was followed by declining turnover and broad negative breadth, showing that the correction was not just a heavyweight-index event.
- **Valuation became cheaper, but confidence remained weak.** P/E compression did not trigger broad accumulation while energy, earnings and liquidity uncertainty were rising.
- **Energy pressure was both external and domestic.** Oil benchmarks rose 11–13% over the supplied window, while load shedding remained high despite the 22 August FSRU restart.
- **FX partly cushioned imported inflation, but not enough to offset oil.** The ~1.04% taka appreciation reduced the local-currency impact, yet the implied WTI and Brent increases remained roughly 10.2% and 11.8% in taka terms.
- **Earnings evidence was dispersed.** Non-life insurance showed positive EPS breadth, while energy exposure created more uneven company-level risk.

02 Market performance

The failed 5,900 breakout turned into a second-half de-rating

Index	July close*	August close	MoM return
DSEX	5,895	5,598.08	-5.05%
DS30	2,217	2,113.24	-4.68%
DSES	1,195	1,124.49	-5.90%

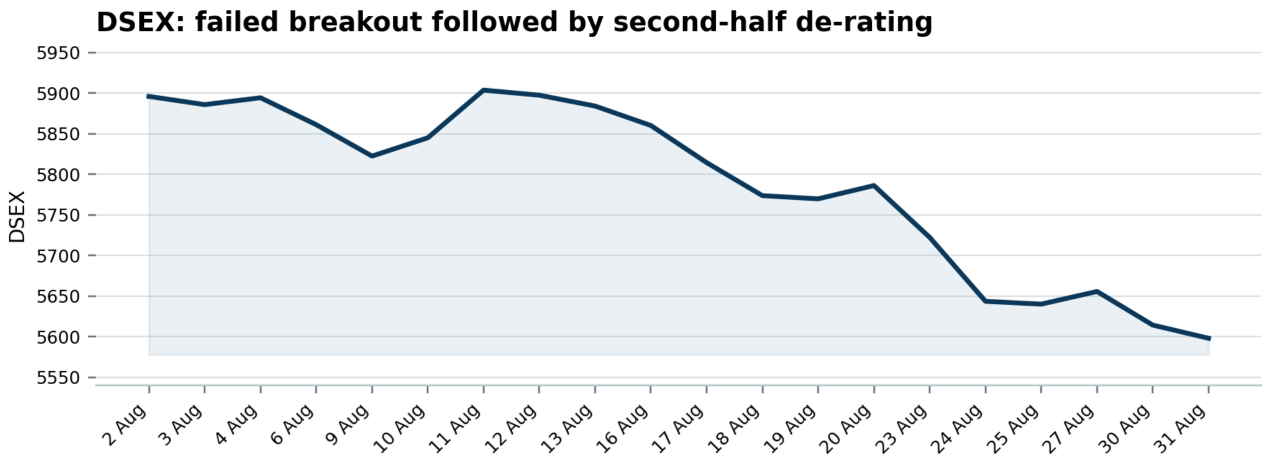

Figure 1. DSEX daily closes — August 2026. Source: supplied monthly report / DSE-linked historical data.

Turning points

Period	Observed market development	Interpretation
2–8 Aug	Policy easing lifted activity, but the index failed to convert liquidity into durable gains.	Early distribution warning
10–11 Aug	Margin-rule optimism drove the strongest risk-on burst; 11 Aug closed at 5,903 with Tk1,115cr turnover.	Breakout attempt
18 Aug	Finalized margin-rule catalyst reversed sharply intraday.	Sell-on-news transition
23–31 Aug	Energy, earnings and confidence concerns dominated; 5,800, 5,700 and 5,600 failed.	Risk-off / support test

03 Market internals

Liquidity and breadth provide the clearest evidence of the August regime shift

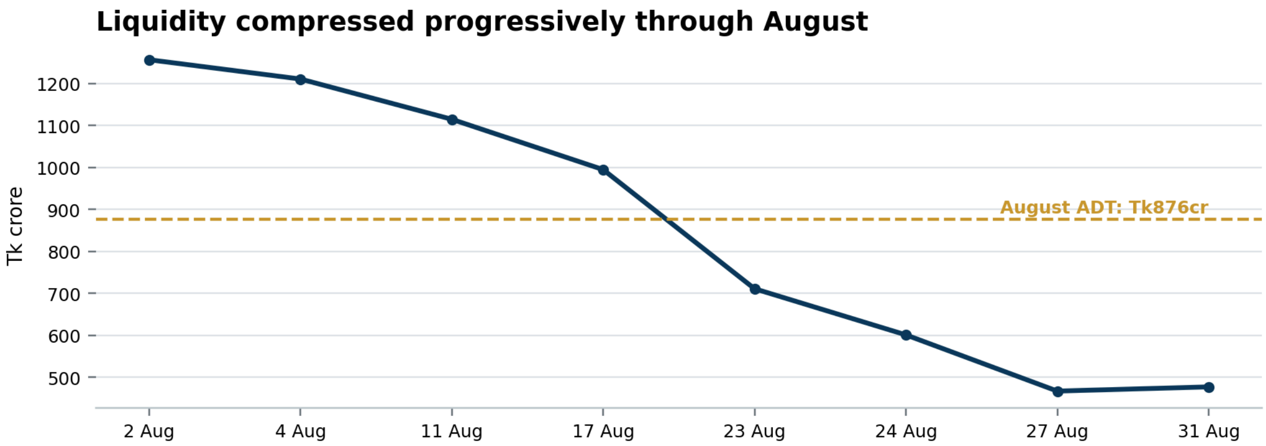

Figure 2. Selected daily turnover observations. Dashed line = verified August average daily turnover.

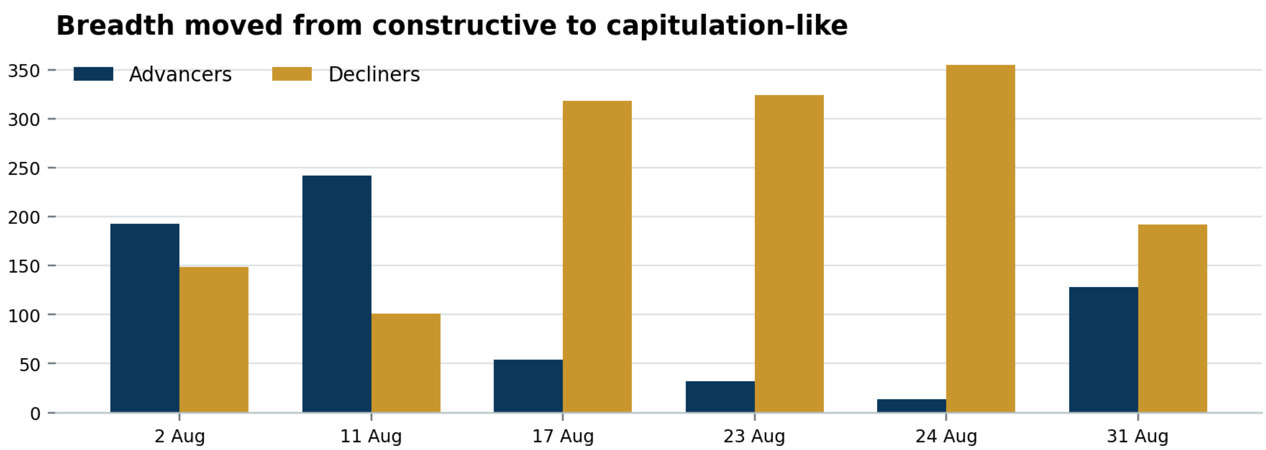

Figure 3. Selected-session market breadth.

Metric	Reading	Interpretation
July ADT	Tk1,254cr	Healthy participation before August
August ADT	Tk876cr	-30.16% MoM
31 Aug turnover	Tk477cr	-60.6% vs 4 Aug
11 Aug A/D	2.40x	Broad risk-on session
24 Aug A/D	0.04x	Capitulation-like breadth
31 Aug A/D	0.67x	Still negative at month-end

ANALYTICAL READ

Falling prices with contracting turnover point to buyer withdrawal and weak fresh-fund formation rather than a pure high-volume capitulation. August was therefore a confidence/liquidity correction as much as a price correction.

04 Sector and stock dispersion

Sector weakness broadened, while speculative liquidity remained visible in selected counters

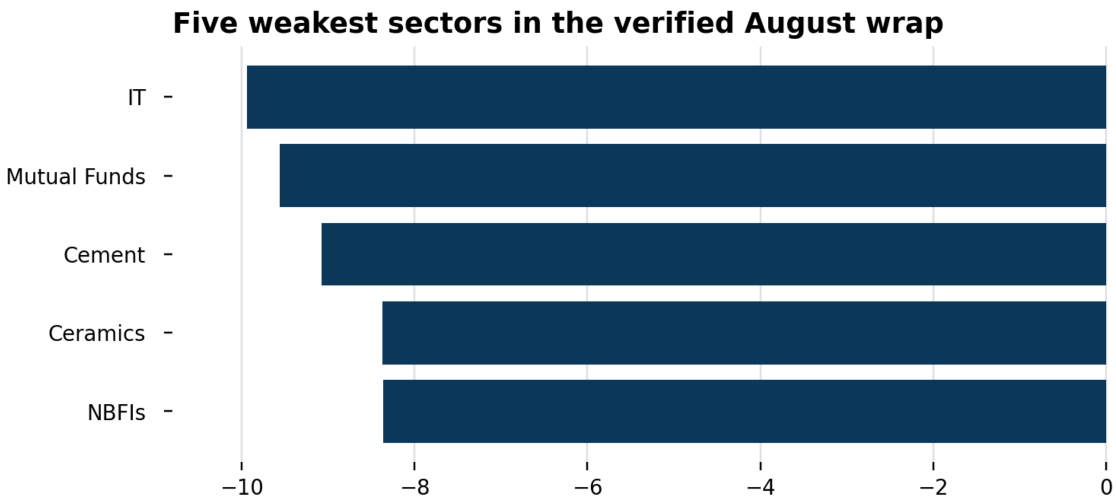

Figure 4. Five weakest sectors in the verified monthly wrap.

Sector	August return	Analytical read
IT	-9.94%	Worst verified monthly sector; high-beta de-risking
Mutual Funds	-9.56%	Sharp reversal after July reform-driven re-rating
Cement	-9.08%	Macro / construction and energy sensitivity
Ceramics	-8.37%	Direct gas/power sensitivity
NBFIs	-8.36%	Financial-sector risk and weak sentiment
Textiles	22.1% mid-month / 24.8% late-month turnover share	Liquidity leadership, not verified performance leadership

04A Stock-level dispersion

Speculative and event-driven price action persisted despite the broad risk-off tape

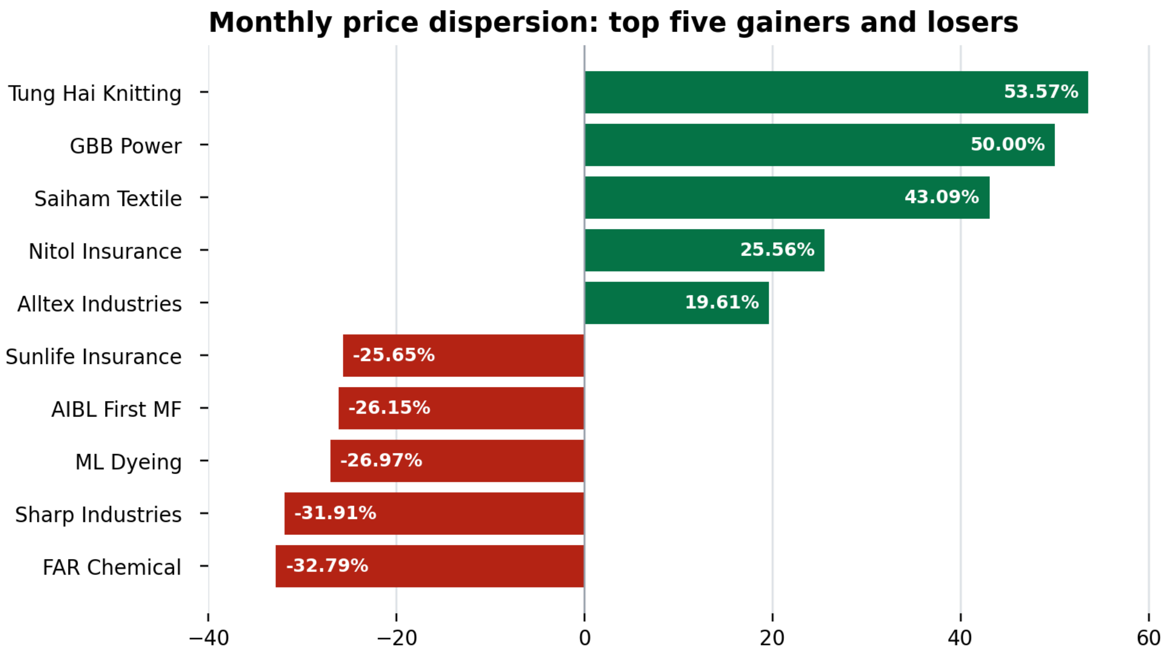

Figure 5. Top five gainers and losers — August 2026.

Stock	August return	Classification	Analytical flag
Tung Hai Knitting	+53.57%	Momentum / speculative	Large outlier in a -5.05% market
GBB Power	+50.00%	Event-driven / speculative	Non-operational >3 years; solar project later announced
Saiham Textile	+43.09%	Unusual price-volume	DSE query; company denied undisclosed PSI
FAR Chemical	-32.79%	De-rating / selloff	Steepest monthly loser
Sharp Industries	-31.91%	Regulatory / speculative unwind	Earlier 132% rally despite losses; BSEC probe
ML Dyeing	-26.97%	De-rating	Third-largest monthly decline

STOCK-LEVEL DISPERSION

Several of the strongest monthly gains were linked to DSE/BSEC queries, event-driven narratives or operating concerns. That divergence indicates pockets of speculative liquidity surviving inside an otherwise risk-off market.

05 Valuation, flows and earnings

Cheaper multiples improved relative value, but participation and earnings visibility remained uneven

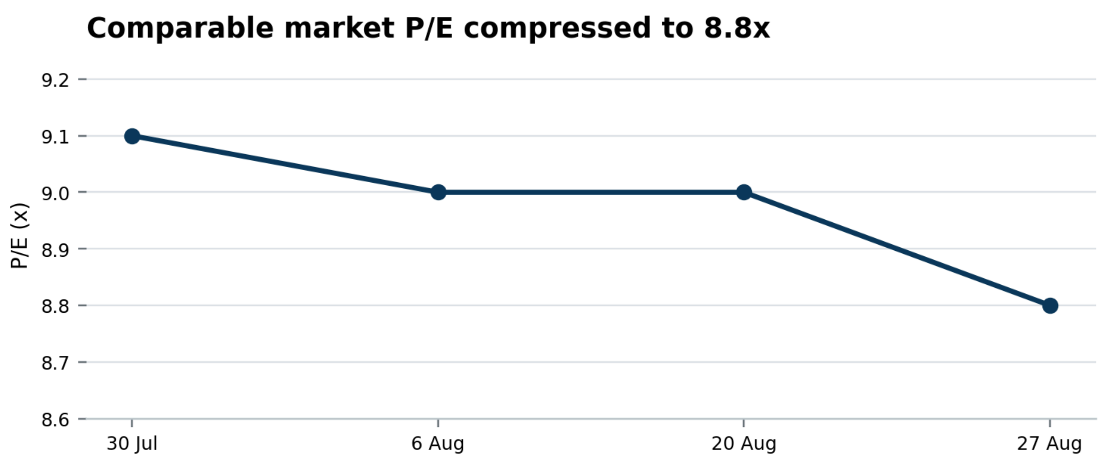

Figure 6. Comparable market P/E snapshots from IDLC data in the supplied report.

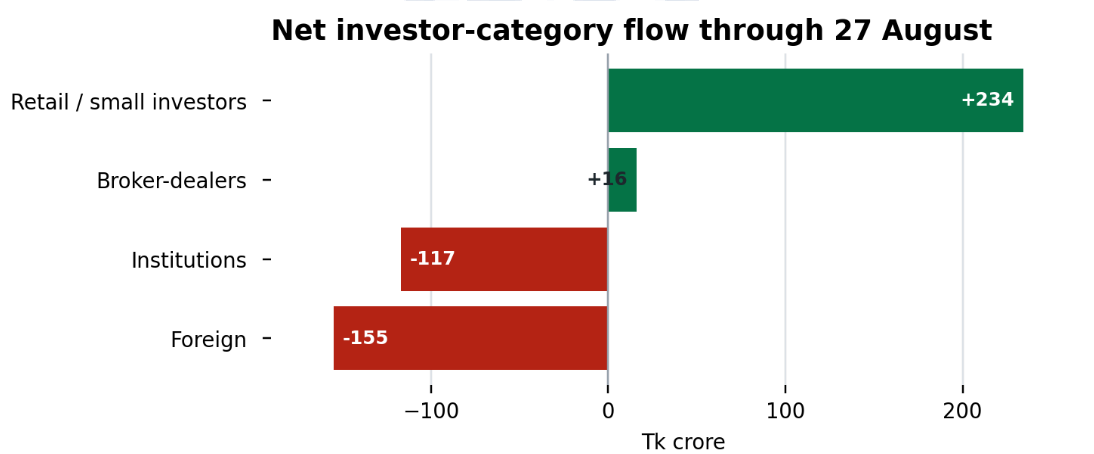

Figure 7. Net investor-category flow through 27 August (Tk crore).

Valuation / flow metric	Reading	Read-through
Market P/E	9.1x → 8.8x	~3.3% multiple compression
Dividend yield	3.34% → 3.47%	Income yield improved
RSI (14d)	57.26 → 33.93	Momentum deteriorated sharply
Foreign flow	-Tk155cr through 27 Aug	Small, net-negative foreign participation
Institutional flow	-Tk117cr through 27 Aug	Session-level buying did not become full-period accumulation
Retail / small investors	+Tk234cr net; 89.12% of turnover	Market remained overwhelmingly retail-led

05A Earnings and regional context

Company-level results were dispersed, while Bangladesh underperformed the selected regional set

Company / group	Period	Verified signal	Interpretation
Non-life insurers	Q2 / H1	31 higher EPS; 10 lower EPS	Strong sector earnings breadth
Walton	FY26	Profit +8.5%; EPS Tk33.75 vs Tk31.11	Positive
Grameenphone	H1 2026	EPS Tk10.52 vs Tk11.21	Negative
Marico Bangladesh	Q2 2026	Profit -12.38% YoY; EPS Tk54.12 vs Tk61.77	Negative
Desh General Insurance	H1 2026	Profit +439% YoY	Positive

EARNINGS CONCLUSION

August earnings evidence was mixed rather than uniformly poor. The better framing is greater dispersion and uncertainty, with energy exposure becoming an increasingly important company-level differentiator.

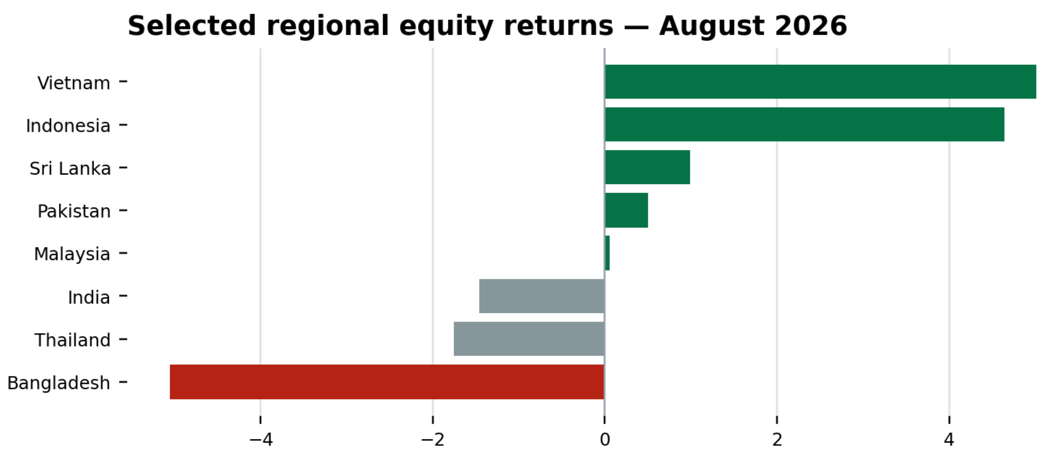

Figure 8. Selected regional equity returns — August 2026. Bangladesh was the weakest of the listed set.

06 Energy and macro transmission

External oil prices, domestic gas/power availability and FX jointly shaped the earnings-risk backdrop

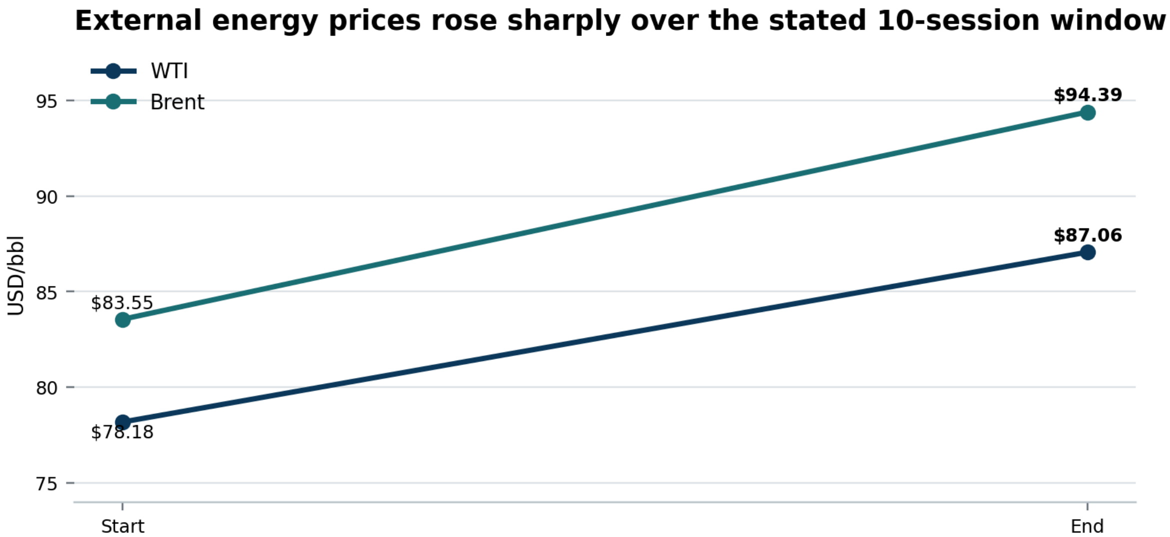

Figure 9. External oil-price change using the start/end values in the supplied energy infographic. Source window: 10 sessions.

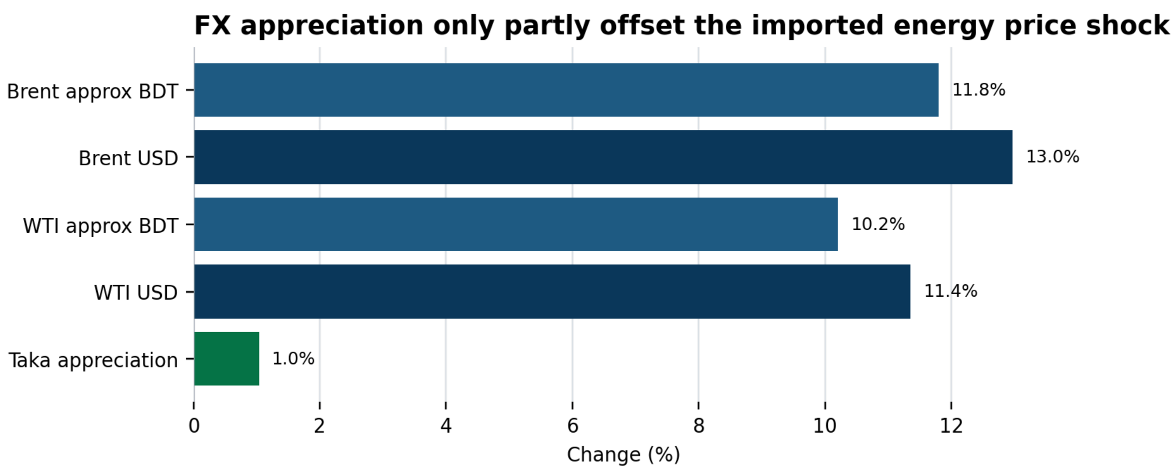

Figure 10. Empire Capital calculation based on the supplied oil and USD/BDT endpoints. “Approx BDT” combines USD oil-price change with the indicated FX move.

06A Domestic energy, power and macro snapshot

The FSRU restart improved LNG supply, but system-level shortages remained material

Energy / macro variable	Supplied reading	Analytical significance
WTI	US$78.18 → US$87.06	+11.36% over stated 10-session window
Brent	US$83.55 → US$94.39	+12.97% over stated 10-session window
Excelerate FSRU	Restarted 22 Aug	Partial normalization of LNG infrastructure
LNG supply after restart	~686 mmcfd	Improved imported-gas supply
Total gas supply	~2,300 mmcfd	Domestic system remained supply-constrained
Load shedding — 19 Aug, 7pm	2,530 MW	Large power deficit during evening peak
Load shedding — 20 Aug, 7:30pm	1,778 MW	Improved, but still material
USD/BDT reference rate	123.5856 → 122.3057	~1.05% taka appreciation
FX reserves	US$37.35bn gross / US$32.53bn BPM6	External buffer context
July inflation	8.32%	Inflation pressure remained elevated

ENERGY-MACRO INTERACTION

The FX move cushioned but did not neutralize the oil shock. Combining the supplied endpoints implies an approximate local-currency increase of 10.2% for WTI and 11.8% for Brent. That is materially larger than the ~1.0% currency appreciation. For listed manufacturers, the transmission is two-sided: higher imported fuel and energy costs externally, and gas/power shortages domestically. The result is a credible margin and production-risk channel for energy-intensive sectors such as ceramics, cement, textiles and selected industrial names.

Source note: the energy and macro figures above are incorporated exactly from the user-supplied Empire Capital infographic. The graphic itself cites BSEC, Bangladesh Bank, Power Grid Bangladesh, BPDB, Petrobangla/BSS and Reuters. This revision does not independently re-validate those infographic figures.

07 Policy, regulation and market color

Supportive policy measures improved the framework, but did not overcome liquidity and earnings uncertainty

Driver	Confirmed / supplied development	Observed market implication
Monetary policy	Policy repo cut 50 bps to 9.5%, effective 2 Aug	Initial liquidity support; weak sustained equity transmission
Margin rules	BSEC amendment published mid-August	Strong anticipation rally; sell-on-news reversal after finalization
Regulatory oversight	Increased scrutiny of unusual price movements and broker conduct	Structurally supportive for quality; tactically reduced speculative risk appetite
Energy	Gas/electricity shortages plus higher external oil benchmarks	Direct cost, production and margin pressure
FX	Taka appreciated over the 10–20 Aug source window	Partial cushion to imported cost pressure
MSCI accessibility	Normal review treatment indicated to resume from Nov 2026	Potential structural relevance for foreign access / benchmark treatment

MARKET COLOR

August started as a continuation trade and ended as a confidence test. The tape shifted from catalyst-seeking to downside defense. “Rotation without accumulation” best describes the month: enough liquidity for thematic and speculative runs, not enough fresh capital for a durable broad-market re-rating.

Technical reference	Level / reading	Interpretation
Failed resistance	5,900–5,944	Breakout did not hold
Support zone	5,527–5,643	Key stabilization area entering September
31 Aug close	5,598.08	Inside / near support zone
RSI (14d, 27 Aug)	33.93	Weak / near oversold
52-week high	5,966.46	31 Aug ~6.2% below high
52-week low	4,620.66	31 Aug ~21.2% above low

08 Post-month-end validation

The first September sessions improved liquidity confirmation, while breadth remained uneven

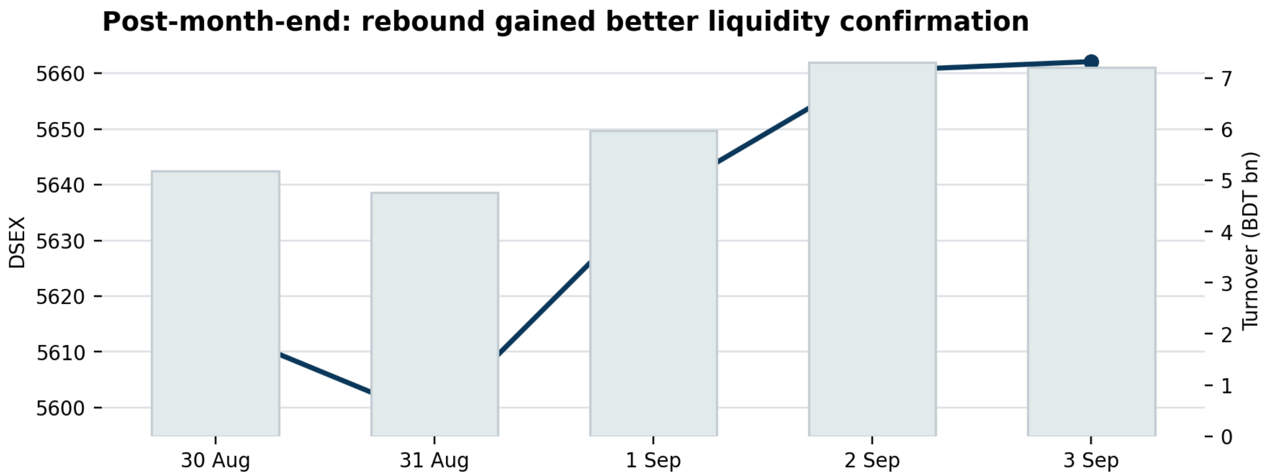

Figure 11. DSEX and turnover, 30 August–3 September 2026.

Metric	30 Aug–3 Sep reading	Interpretation
DSEX	5,662.09 on 3 Sep; +1.14% from 31 Aug low	Early-August decline recovered
Average daily turnover	BDT6.09bn	Liquidity improved from 31 Aug low
Turnover peak	BDT7.31bn on 2 Sep	+53.2% from Monday low
Breadth	3 Sep: 127 up / 226 down	Index recovery remained narrower than ideal
Retail participation	89.05% average on four official sessions	Market remained retail-dominated
USD/BDT WAR	123.0000 → 122.8000, 30 Aug–2 Sep	Modest additional taka firmness
91-day BCR	9.60% → 9.57%, 30 Aug–1 Sep	Mild short-rate easing

VALIDATION READ-THROUGH

The rebound had better turnover confirmation than earlier August bounces, but market breadth did not hold consistently. The immediate post-month-end evidence therefore indicates partial stabilization rather than a fully broad recovery in market participation.

09 Analytical synthesis

A consolidated read of the August market regime

Dimension	August evidence	Post-month-end evidence	Synthesis
Price	DSEX -5.05%; 5,900 breakout failed	Rebounded to 5,662.09 by 3 Sep	Support held initially, but trend confirmation remained incomplete
Liquidity	ADT -30.16% MoM; 31 Aug Tk477cr	Turnover rose toward BDT7.3bn	Liquidity quality improved from a weak base
Breadth	24 Aug A/D 0.04x	3 Sep A/D 0.56x	Participation remained unstable
Valuation	P/E 9.1x → 8.8x	No comparable new snapshot supplied	Cheaper valuation did not independently restore confidence
Energy	Oil +11–13%; domestic gas/power deficits	No full normalization data supplied	Energy remained a credible earnings and margin risk channel
FX / macro	Taka +~1.05%; inflation 8.32%; reserves US$37.35bn gross	Further modest FX firmness / BCR easing	Macro cushion improved marginally, but did not offset energy stress
Flows	Foreign net selling; retail-dominated	Retail still ~89% of participation	Market remained domestically driven
Earnings	Mixed / dispersed	No broad new earnings census supplied	Sector/company differentiation remained essential

ANALYTICAL CONCLUSION

August was primarily a domestic confidence and liquidity correction, amplified by a meaningful energy-risk channel. The external oil-price increase was large relative to the modest currency appreciation, while domestic gas and power constraints persisted despite partial LNG-supply normalization. The early-September rebound improved the liquidity signal but did not fully resolve the breadth or concentration problem. The overall evidence is therefore consistent with partial stabilization after a risk-off month, not with a completed shift to broad-based accumulation.

10 Methodology, source discipline and limitations

Verified monthly data, partial-period snapshots and infographic-derived metrics are kept separate

- **Data hierarchy.** The supplied DSE monthly report is used for index, liquidity, breadth, sector, valuation, flow and earnings data. The supplied energy infographic is used for the additional oil, gas, power, FX reserve and inflation figures.
- **Energy data.** WTI, Brent, FSRU, LNG, total gas, load shedding, USD/BDT, reserves and inflation are reproduced from the infographic rather than independently re-sourced in this revision.
- **Derived calculations.** The approximate BDT energy-price changes (10.2% WTI and 11.8% Brent) are Empire Capital calculations combining the infographic's oil-price endpoints with its USD/BDT endpoints.
- **Valuation.** IDLC market P/E is used for the comparable weekly valuation trend; LankaBangla trailing P/E is treated separately because methodology differs.
- **Investor flows.** Flow figures cover through 27 August, not the final two trading sessions.
- **Earnings.** The report uses verified sector/company examples; it does not infer unsupported full-market earnings breadth.
- **Post-month-end data.** The 30 Aug–3 Sep section is a validation layer, not a second weekly recommendation report.

11 Sources

Primary and supporting references used for the August market analysis and the added energy/macro transmission section.

- The Business Standard / Sheltech Brokerage — August 2026 Monthly Market Wrap — Source
- The Business Standard — 31 August close, liquidity and confidence analysis — Source
- IDLC Securities — Market Commentary / comparable market P/E series — Source
- LankaBangla Financial Portal — market parameters, P/E, dividend yield, RSI and market capitalization — Source
- Bangladesh Securities and Exchange Commission — Securities Laws / Margin Rules — Source
- Bangladesh Securities and Exchange Commission — Final Rules / directives — Source
- Business Mirror — investor-category flows through 27 August 2026 — Source
- The Financial Express — gas crisis and reported knitwear production impact — Source
- The Business Standard — GBB Power unusual price movement — Source
- The Business Standard — GBB Power solar-project announcement — Source
- The Business Standard — Saiham Textile / Alltex unusual-price query — Source
- The Business Standard — Sharp Industries rally / earnings disconnect — Source
- The Business Standard — Sharp Industries / Aamra Tech BSEC probe — Source

Energy & macro infographic source note

The WTI, Brent, FSRU restart, LNG supply, total gas supply, load-shedding, USD/BDT, FX-reserve and July-inflation figures in the Energy & Macro Transmission section are reproduced from the user-supplied Empire Capital infographic. The infographic itself cites BSEC, Bangladesh Bank, Power Grid Bangladesh, BPDB, Petrobangla/BSS and Reuters. These infographic figures were not independently re-sourced in this revision; derived local-currency oil-price changes are Empire Capital calculations using the stated oil and USD/BDT endpoints.