

Investment Trend Analysis of Dhaka Stock Exchange: A Comparative Study

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Abstract : Capital market is a crucial financial market place where companies and the government can raise long-term funds and, at the same time, investors get the opportunity to invest in the listed companies. Capital markets play a vital role not only in shifting the funds from surplus entity to deficit for investment, but also in the overall economic development of any developing country like Bangladesh. Being the first and biggest capital market of Bangladesh, Dhaka Stock Exchange (DSE) is the prime bourse of the country. The differences in the investment preference—among three broad categories of investors in DSE including individual investors, institutional investors, and government—are easily observed. Authors of this article have used five categories of investors such as sponsors or directors of the company, institutional investors, foreign investors, government, and the general public in order to present a comparative analysis of their investment patterns. Obtaining data on the percentage of investment by these five types of investors in different sectors from the DSE website, this study aims to analyze the sector-wise investment preference of these investors using August 2018 data. The study has found that the sponsors or directors of the company have the highest percentage of investment in the textile industry which is close to 16%. The Bangladesh government, as an investor, has the highest percentage of investment in the fuel & power sector, approximately 32%. It has also found that the mutual funds' sector is mostly financed by institutional investors, nearly 28%. Foreign investors have their most investments in the banking sector, which is close to 22%. It has also revealed that the textile sector is mostly financed by the general public, close to 17%. Nevertheless, general public, surprisingly, has the lowest percentage of investment in the telecommunication sector, which is 0.10%.

Keywords : stock market investment, Dhaka stock exchange, capital market, Bangladesh

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