

FACTORS AFFECTING SHARE PRICE OF CEMENT INDUSTRY: “A STUDY ON LISTED CEMENT COMPANIES OF DSE”

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ABSTRACT

This report is about the Factors affecting the share price of the cement industry: A study on the listed cement companies of DSE.” The objective of this study is to analyze the factors influence in determining the share price of the listed cement companies in DSE. The study analyzes the share price movement of the factor for a specific time period. The factors are mainly categorized in three broad categories such as: dividend, company, country. Therefore, the factors included: Dividend Announcement Date & Payout Amount, Disclosure of News, and Sharp Movement of Market Index. After thorough analysis the study reveals that the most influential factors contributing to the price movement of the listed cement companies are sharp movement of market index as well as the disclosure of news whereas dividend did not affect that much surprisingly. It was also found that the theoretical perspectives regarding the stock market are often surpassed by different stock market volatility variables due to the inefficiency of the existing capital market. Recommendations like decreasing the news circulation time, proper monitoring system, awareness were made lastly to minimize the inefficiency and to attract more educated investors to benefit the market in the long term.

Keywords: Share Price, Cement Industry, DSE, Factors, Dividend.

INTRODUCTION

Stock exchange is an important part of financial mechanism in Bangladesh. It works as a supplement of fund raising through shares to spread the fund to deficit units of economy. Hence it is undoubtedly a vital institute for economy of Bangladesh. The main objective of stock exchange is to create a win-win situation for both investor and issuer through trading of stocks and debt financing. With the supervision of government, investors gains confidence to invest in share market. But only supervision is not enough to ensure financial gain for the investor. Other particular analyses are also important to make investment decisions. This report focuses on some crucial factors that have high impact on share prices. Based on historical data, the analyses were to conclude the dependability of share price on the factors. Factors assumed to cause change in share price are the dividend announcement news, other news regarding change in organization structures (merger or acquisition), change DSE general index.

Objectives

The main objective of the study are, To study and analyze movement of share price after the Dividend Announcement Date & Payout Amount, To observe share price changes after disclosure of important company based News circulated by DSE, To study the change in share price with the sharp Movement of Market Index (DGEN).

Scope

There are 5 cement companies enlisted in Dhaka Stock Exchange. To conduct the study, data of all the 7 companies were collected. Daily data available in stock exchange and other secondary sources were used for definite periods focusing on the study. The 5 cement companies are:

i. Aramit Cement Ltd ii. Confidence Cement Ltd iii. Heidelberg Cement Ltd iv. Lafarge Surma Cement v. Meghna Cement Ltd .

Limitations

- Due to the volatility of share market, trends of the factors didn't show relevance according to the theory sometimes. Hence making any concrete interpretation was difficult.
- An overall macro-economic study could have elevated the accuracy of the study.
- Lack of availability of some confidential information about the companies also hindered the study.

LITERATURE REVIEW

A large number of empirical studies have been conducted about the determinants of stock prices. Several researchers examined the relationships between stock prices and selected factors which could be either internal or external. The results show a variety of findings depending on the scope of the study. Some of those factors could be common for all stock markets. In this section some of these studies will be reviewed. (Rahman, 2006) found the negative correlation between the beta and stock return, which is reason for inefficiency of market. The decomposition of stock price movements is very sensitive to what assumption is made about the presence of permanent changes in either real dividend growth or excess stock return (Wohar & Mark, 2006). (Hartono, 2004) examined that the positive recent earning information has significant relation with stock prices when it follows negative dividend information, and vice versa. Dividend change announcements elicit a greater change in stock price when the nature of the news (good or bad) goes against the grain of the recent market direction during volatile times (Docking and Koch, 2005). (Glaser and Weber, 2007) found the Stock prices have a significant positive effect on long term money demand and its omission can lead to serious misspecification in the money demand function in both short and long term. (Joshep, and Vezos, 2006) assert that Foreign exchange (FX) rate and interest rate risks are important financial and economic factors affecting the value of common stocks. The results indicate a significant and negative relation between stock prices and inflation and output growth negatively and significantly affect stock prices. (Dimitrios Tsoukalas, 2003) Exchange rate, industrial production, money supply, and consumer prices were used as macroeconomic factors and reveal a strong relationship between stock prices with those factors. (Bayesid Ali and Tanbir Ahmed, 2010) stated in their study that announcement of dividend is considered to be a significant variable for stock price movement. Theories of finance are never concrete. The laws in finance are seldom proven. However, the laws provide the ideas about the mechanism of stock market (Bergen, 2017). It explains the flow of funds around the economy through stock exchange. The pattern fluctuates, but somehow stabilizes. Such fluctuations raise confusion among the investors. They fall in dilemma about whether to invest in stock market or not. They debate about the efficiency of stock market. That means whether the available public information reflects the share price of a company or not. Rumors and falsification started to dominate and tempered the peak of price of shares for so many companies. In 2007, the stock exchange almost outperformed the previous years. In 2010, it gained almost 83% (Saha, 2012). Everything was going so well until the liquidity level hit the ceiling, calling for a new policy and the implementation of policy disrupted the whole share market, reducing

the share price index sharply within few days in December 2010. Such unexpected price fall crashed the whole Dhaka stock exchange, causing the investors great financial misery. The abnormal growth of DSE finally became an eye wash. Such volatility and abnormality is always sure to cause problem in financial condition of any country. Hence, it is important to study the factors affecting the price of share more than any other factors existing. There are some factors causing positive growth in share price and company profitability. For example, any news of disclosure of dividend indicates that the performance of that particular company is being well in the industry. So this news causes a temporary increase in share price. There are many other factors which affect share price both positively and negatively. However, such impact not only depends on those factors only but also on the macroeconomic condition of country as well.

Methodology

The report is mainly based on the findings and interpretations that came up after consulting the secondary data and primary data. The secondary research was carried out elaborately to generalize the idea of Dhaka stock exchange, its previous and current scenario. Though there were many data regarding the different modes separately, the final sorting of data were made based on the 5 cement companies.

Findings & Analysis

Price movement of stocks in Dhaka Stock Exchange (DSE), more specifically of the listed companies in the cement sector are affected by a number of factors; among which some key factors have been taken considering the availability of quantitative data to calculate and show actual price shift incurred by the below mentioned factors. The factors discussed in this part of the report can be categorized broadly as company specific, industry specific, country specific, and global market specific whereas a single factor isn't strictly limited to fall into one single category. This categorical aspect of the factors is going to provide insights into the movement of share price of the listed cement companies from different angles and give a more overall view on how closely the companies' share prices are related with the relevant factors, three factors have been chosen based on the criteria mentioned above and the factors are as follows: Dividend Announcement Date & Payout Amount, Disclosure of News, Sharp Movement of Market Index (DGEN).

Dividend Announcement Date & Payment Amount

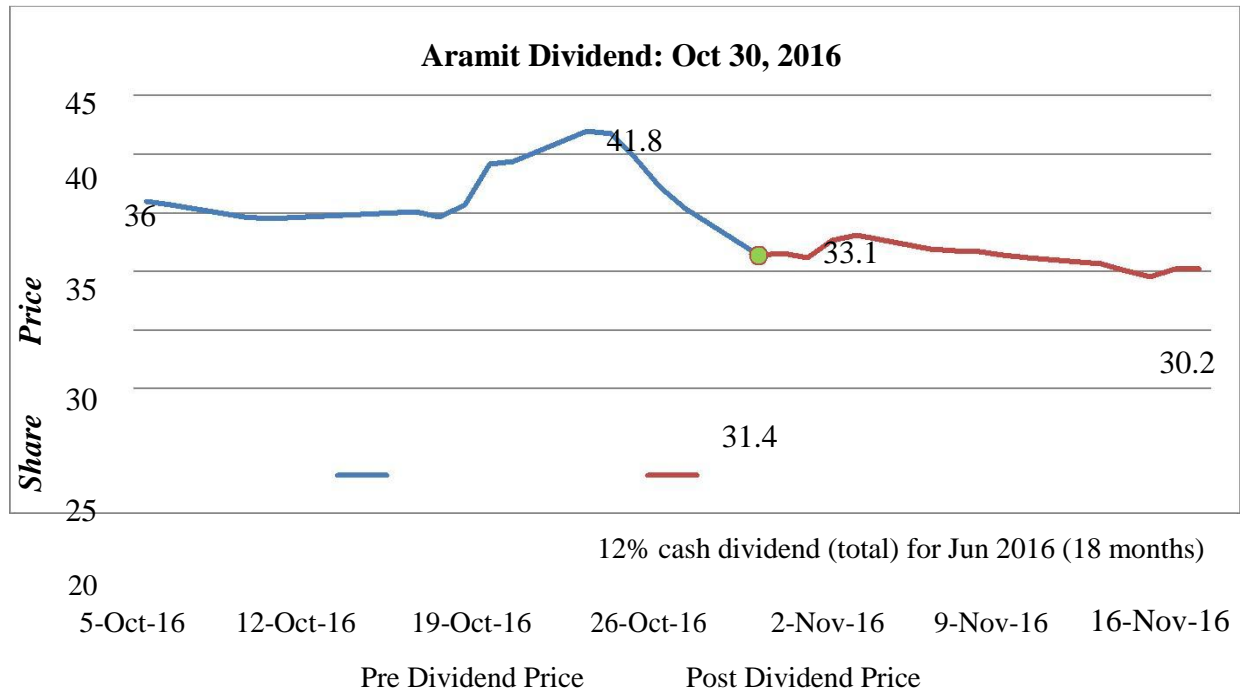
A dividend is a systematic distribution of a portion of a company's earnings, to a segment of its shareholders and is decided by the board of directors of the company. Dividends can be issued as cash payments, as shares of stock, or as other property (Investopedia). Dividend are announced and distributed in both interim and final periods, depending on the company policy.

In Bangladesh, cash payment is the main form of dividend disbursement. Both interim and final dividend is given by the listed companies of the cement industry. Here, interim dividend is announced mainly based on half yearly earnings and final dividend is given based on annual earnings. The cement companies with previous January-December financial year (recently all cement companies is changing their accounting year to July-June as per new BSEC notification) announced their final dividend in March-May period while companies with July-June financial year have announced their final dividend in a period ranging from September-November. However, in both cases the share price of the companies should have affected positively/negatively, based on the amount of dividend that has been announced to be distributed.

Impact of Dividend on Cement Companies' Share Price

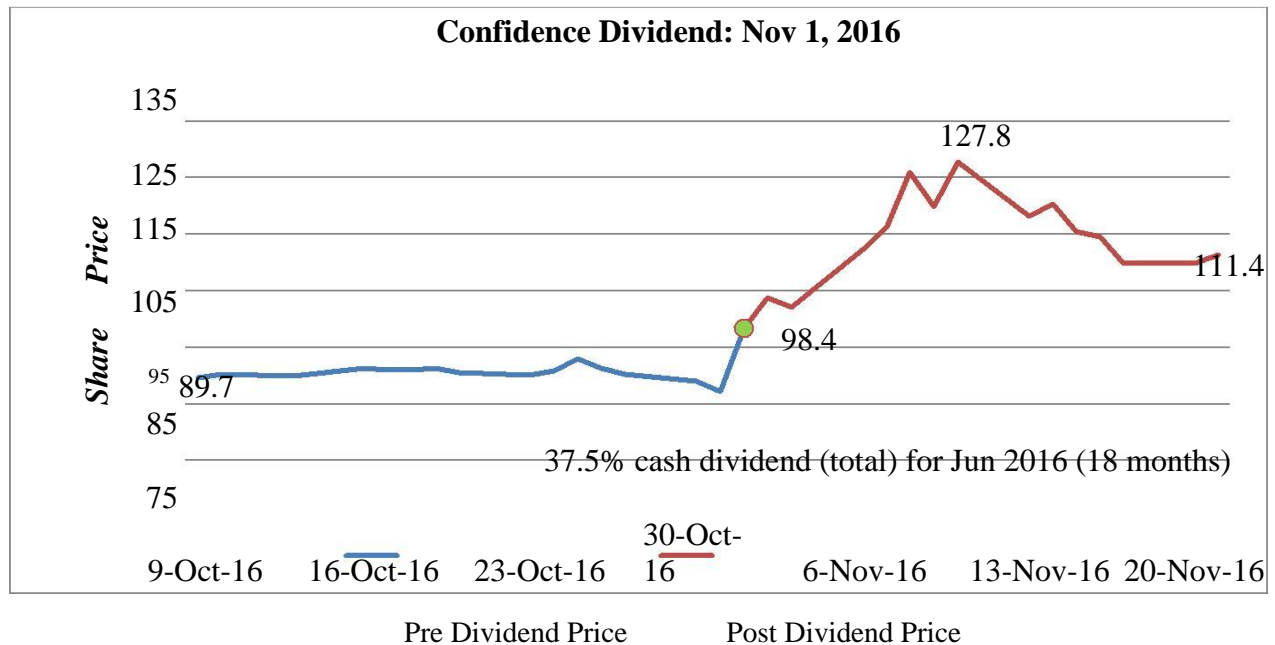
To measure the impact of disclosure of dividend, a period of 15 trading days, both before and after the date of dividend declaration has been taken to visualize the direction of share price movement.

Aramit Cement:

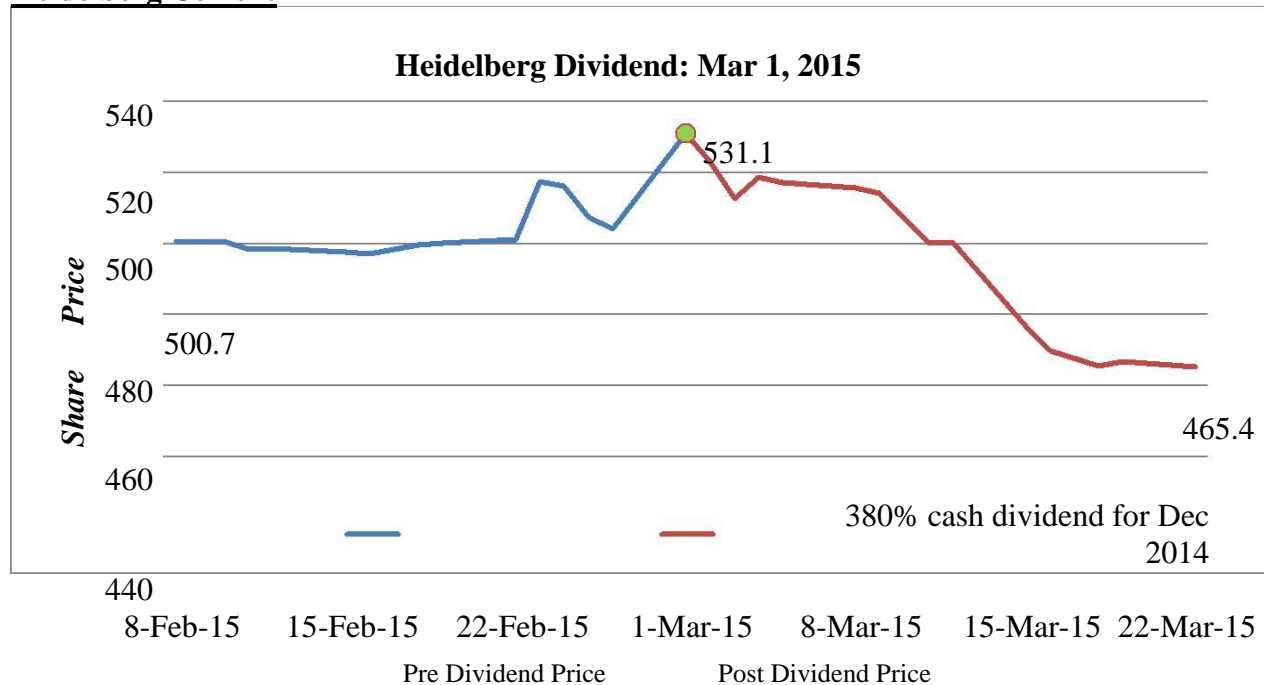


On May 4, 2015, Aramit announced 10% cash dividend per share (means Tk. 1) for the year ended at December 31, 2014, a positive price change after the dividend being announced can be seen. 10% cash dividend is not high considering most of the listed companies in the cement. But this dividend margin showed that the management has confidence in their company to pull through and have better financial performance in the future and the investors have reflected their trust which moved the share price upwards. Within, 4 days of the announcement date the share price reached to Tk. 26.6, making the capital gain at 24.3%. Then the price moved a bit up & down but ultimately hit the price of Tk. 26 within the 15 days period. In the new financial year of July-June ending in 2016, Aramit announced its final dividend to be at 70%, by adding 20% more to the interim dividend announced previously.

In this case, the price movement doesn't follow previous post dividend declaration pattern. The price was rising and falling by a significant amount before the announcement of dividend. Then the announcement of dividend came when the price was Tk. 31.4 which then slightly rose to Tk. 33.1 three days after the announcement date. The price later fell gradually for other variables of the stock market but not at the volatile rate that was present before the announcement of dividend.

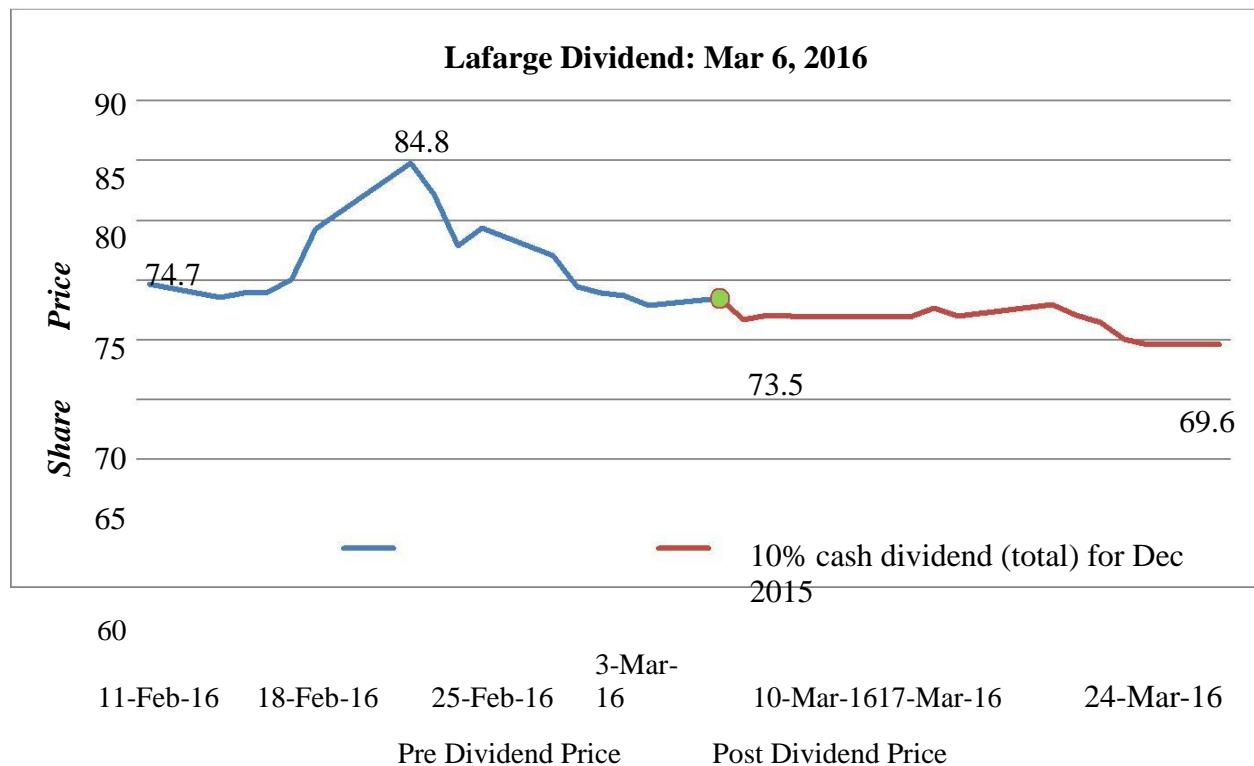
Confidence Cement

On May 4, 2015, Confidence Cement announced 25% cash dividend for the year ended at December 31, 2014. A change in share price is very much evident before and after the date of dividend declaration. The price of the share fell by 17.70% till the date of declaration but then rose by 27.65% to Tk. 88.4 during the 30 days trading period. In the new financial year of July-June ending in 2016, Confidence announced its final dividend to be at 37.5% for the 18 months period, by adding 10% more to the interim dividend announced previously. Here, the price movement is again obvious of a sharp rise after the date of the announcement. The almost flat line movement before the announcement date took a sharp upward to Tk. 127.8/ share, making the capital yield almost 30% within one week of the announcement. But then the price fell for due to share market volatility and parked at Tk. 111.4 at the end of 30 days period-still at a lot higher price than the starting price of Tk. 89.7.

Heidelberg Cement

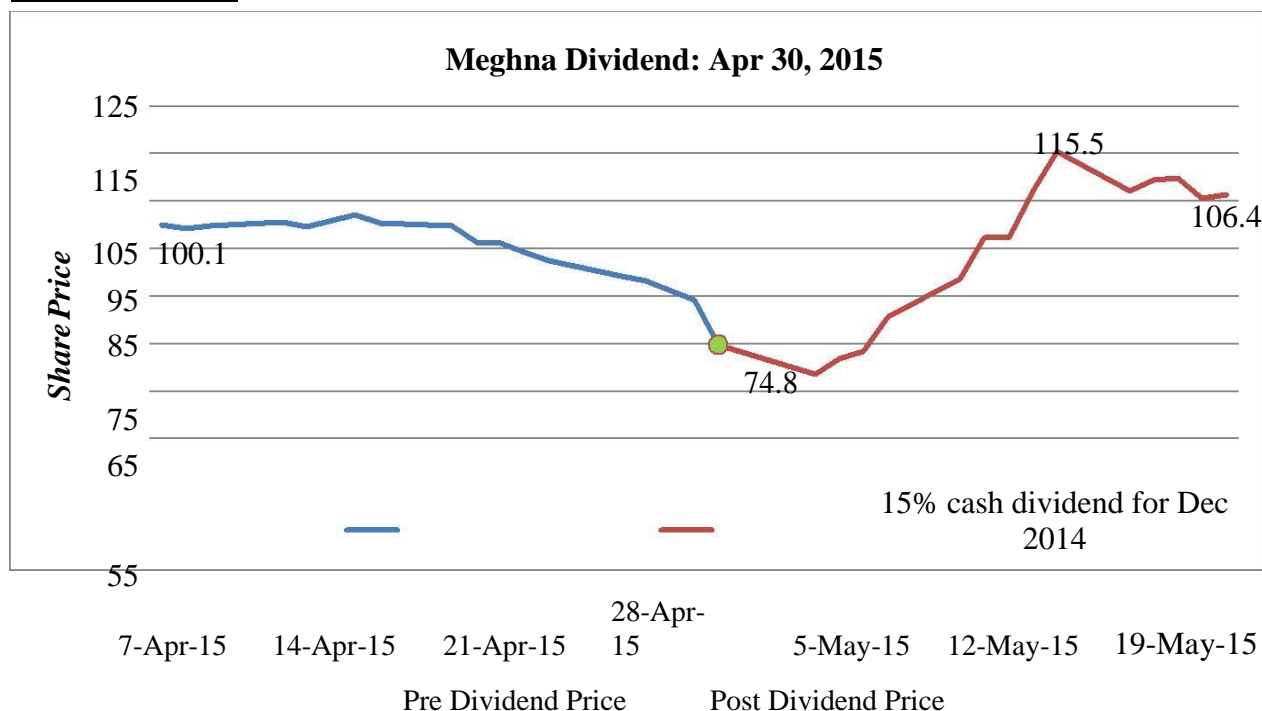
On March 1, 2015, Heidelberg Cement announced 380% cash for the year ended at December 21, 2014.

In this case, an interesting reverse effect of dividend announcement is observed. The price rose to Tk. 531.1 from Tk. 500.7 during the 15 days period before the declaration date, but then took a downturn to ultimately reach at Tk. 465.4 within 15 post dividend trading days. This trend can be explained as the investors' expectation of greater dividend declaration which fueled the price rise before that day of announcement but then fell sharply after expectation being not met. Also, dividend of Tk. 38 means a dividend yield of only 7% at the date of announcement which may have also been a reason behind price downfall. Heidelberg Cement announced 300% cash for the next year ended at December 31, 2015; 80% less than the previous year's declared dividend. The previous trend of price downfall after the dividend declaration can be observed. This can again be accounted to investors' expectation and comparatively lower dividend yield of only 5% than that of previous year, along with the company's symbol of loss of confidence in their own performance by announcing lower dividend rate. This ultimately led to investors' loss of confidence too and hence the downfall of the price.

Lafarge Surma Cement

On March 8, 2015 Lafarge Surma announced a 10% final cash dividend. a real case of share market volatility can be observed. The price of the share was in a downward trend before the announcement date. Then the price increased to Tk. 124.6 within 4 days of the declaration, making the capital yield at almost 13% and decreased to Tk. 110.3 just after 2 days. Then the price rose again and fell again; ultimately leading to Tk. 114.5 after the 15 days of dividend declaration. Lafarge announced 10% cash dividend again for the year 2015 on March 6, 2016. Here, it is seen that the price of Lafarge shares were in a sharp upward then downward pattern before the dividend announcement. After the date of announcement, the price ultimately decreased; but the movement of share price became more stable making the capital loss at only 5.31% after 15 days post dividend declaration date. As Lafarge is also changing its accounting year to July-June, they announced an interim 5% cash dividend for the 12 months ended at December 31, 2016.

It can be safely assumed that Lafarge's share price is at more stable state than the previous year's announcement period. The price movement here is represented by almost a flat line; the only significant change being 5% capital gain at Tk. 77.9 only after 4 days of dividend announcement. The price ultimately fell to the announcement date price later.

Meghna Cement

For the year ended at December 31, 2014, Meghna Cement announced 15% cash dividend. It can be perceived that the price of the stock of Meghna had a general decreasing pattern before the date of the announcement. The decreasing pattern also continued for some days after the dividend declaration, probably because of the low dividend yield and the time the investors took to evaluate the newly announced dividend policy and company's future prospects. Then the dividend factor kicked in, making a sharp upward trend to a price of Tk. 115.5 from Tk. 74.8 with a capital yield of 54.4% within one week of the announcement date. Lastly, the price decreased a little to Tk. 106.4, still being a lot higher than the price at the announcement date. For the 18 months period ended at June, 2016, same % of dividend was declared by Meghna Cement. As the same amount of dividend was given for the 18 months period which was given for the previous 12 months period, this indicated a fall in the company's financial performance and the investor's didn't take it positively. The share price decreased after the dividend announcement date but the percentage decrease was only 4% at the end of the given period.

Factor Evaluation

Dividend declaration showed a positive impact on share price movement in most cases; if the dividend declaration didn't take the share price upward, it at least stabilized the movement of share price. Yet, dividend announcement also showed some unexpected downturn for which no justifiable reason can be found. There are so many variables in the share market that dividend solely couldn't affect the price much enough to show the expected theoretical result.

Disclosure of News

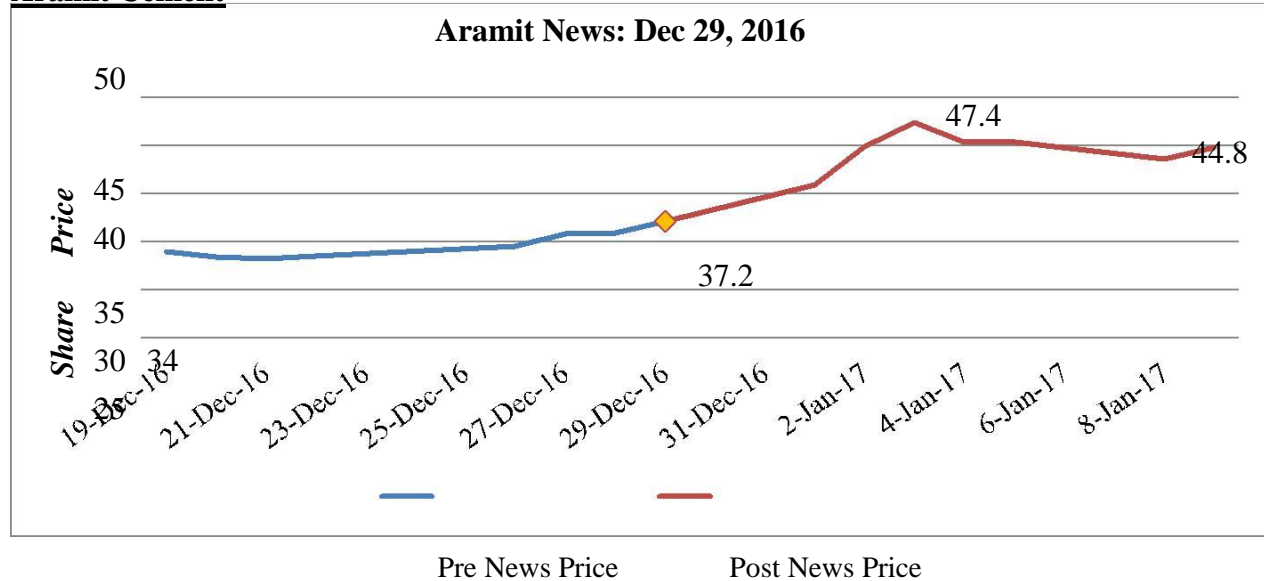
News, in some cases also known as PSI (Price Sensitive Information), is another factor that greatly affects the stock prices in DSE. News can be positive, negative or neutral. In case of cement companies of DSE, positive news are mainly about capacity expansion, acquisition, merger etc. whereas negative news can be decrease in EPS, hiding information etc. Neutral news like AGM date, transfer of shares among the sponsors does not have any impact on the share

price at all. For the purpose of logical analysis, one selected price sensitive news for each listed cement companies have been taken from the latest two years news available at DSE's website.

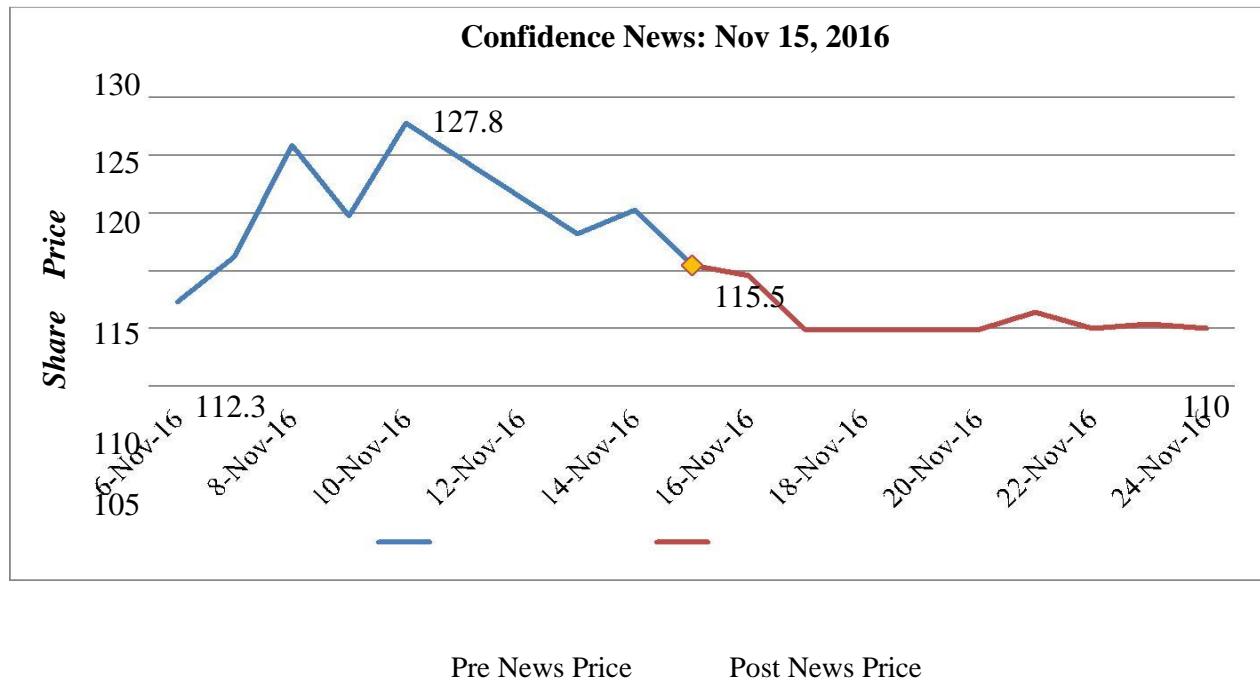
Impact of News on Cement Companies' Share Price

To measure the impact of disclosure of news, a period of 7 trading days, both before and after the date of news disclosure has been taken to visualize the direction of share price movement.

Aramit Cement

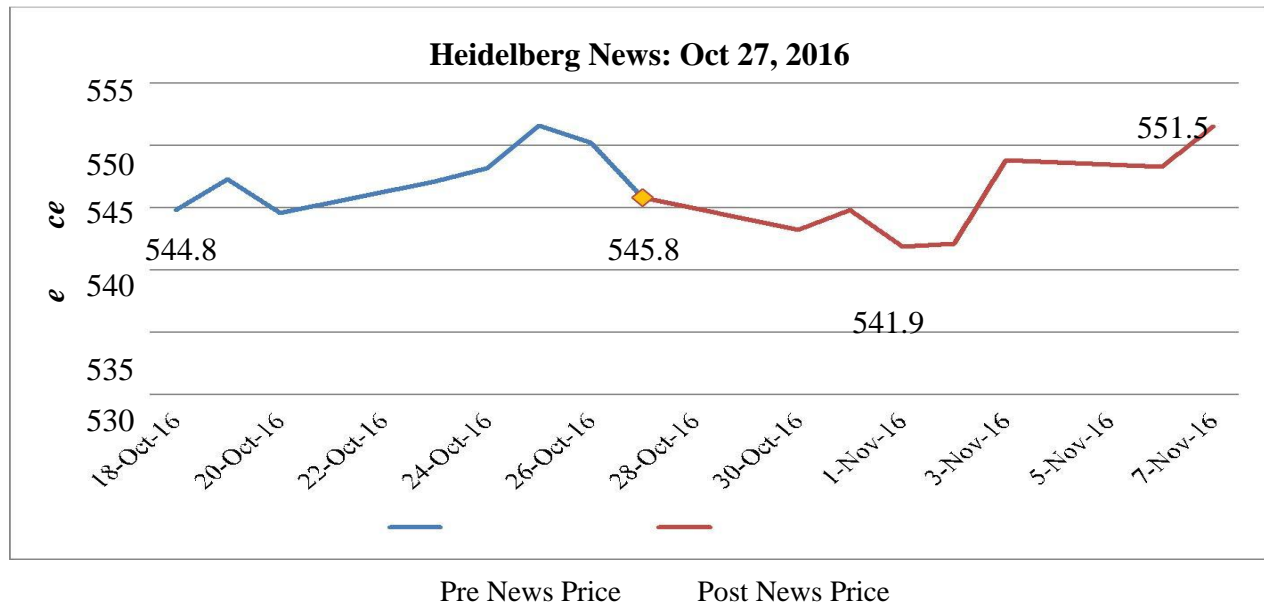


On December 29, 2016, Aramit Cement informed to comply with BSEC regulations that Unit 2's commercial production will initiate from January 01, 2017, having a production capacity of 1,000 M. Tons per day (Dhaka Stock Exchange, 2016). After the news was disbursed, the price of Aramit Cement's stock started to rise, showing a forward effect. The price was already in an upward trend, rising to Tk. 34/ share from Tk. 37.2/ share in 7 days; but started to skyrocket after the disbursement of news. Within 3 trading days, the price increased by Tk. 10.2, reaching to 47.4 tk/ share and making the capital yield 27.4%. Expanding production capacity means that the company is growing and is likely to have more profitability in the near future, which constitutes as the main reason behind this price rise. Later, the price dropped a little and ended at Tk. 44.8 after the end of post 7 days period.

Confidence Cement

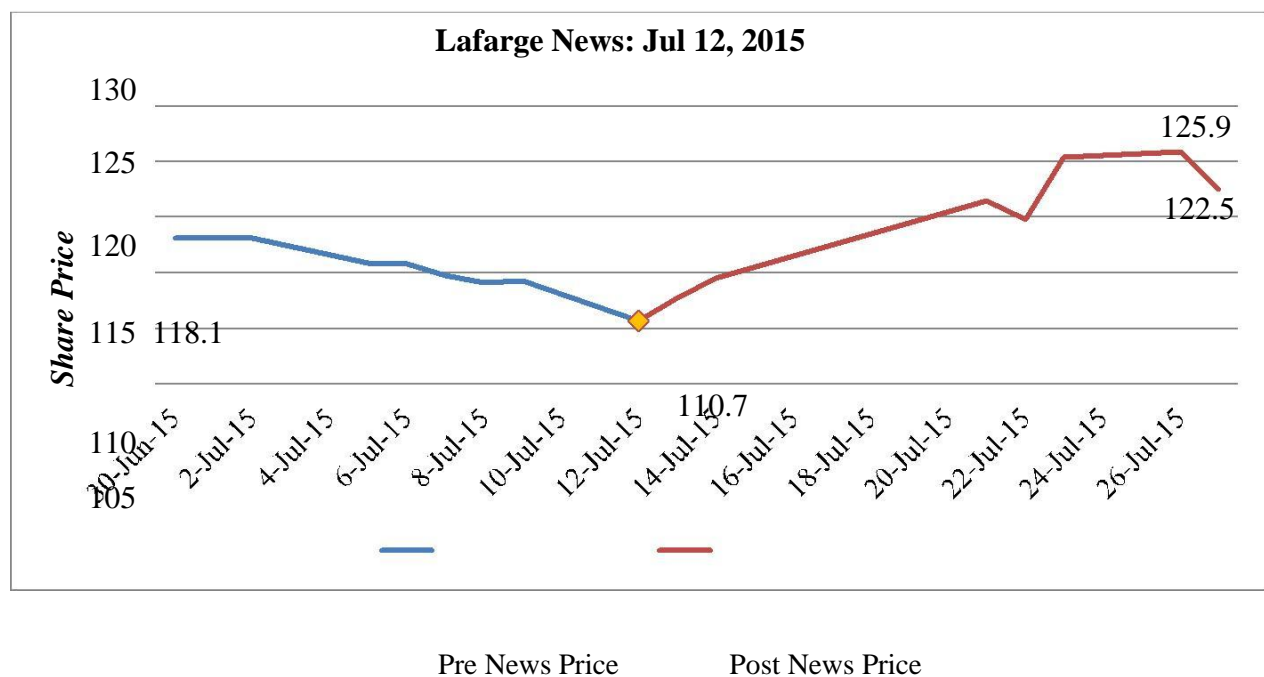
It was on November 15, 2016 that Confidence Cement disclosed the news clarifying their EPS for the period from July-September, 2015, stating that the company didn't mention their income from associate companies in that quarter as the information was not available. That income was later restated in their Q1 '17 quarterly statements (Dhaka Stock Exchange, 2016). As it can be observed from the graph, the price movement of Confidence was very much volatile before the announcement of the news, rising from Tk. 112.3/ share to 127.8 and then again falling to 115.5 tk within just 7 days. But after the news, the price movement became a bit steady, following a downward trend. This was mainly because of the skepticism that was existent in the investors' mind regarding this new source of income as it was not previously mentioned. This withholding of information by the company was not taken lightly by the investors and as a result, the price fell to Tk. 110 at the end.

Heidelberg Cement



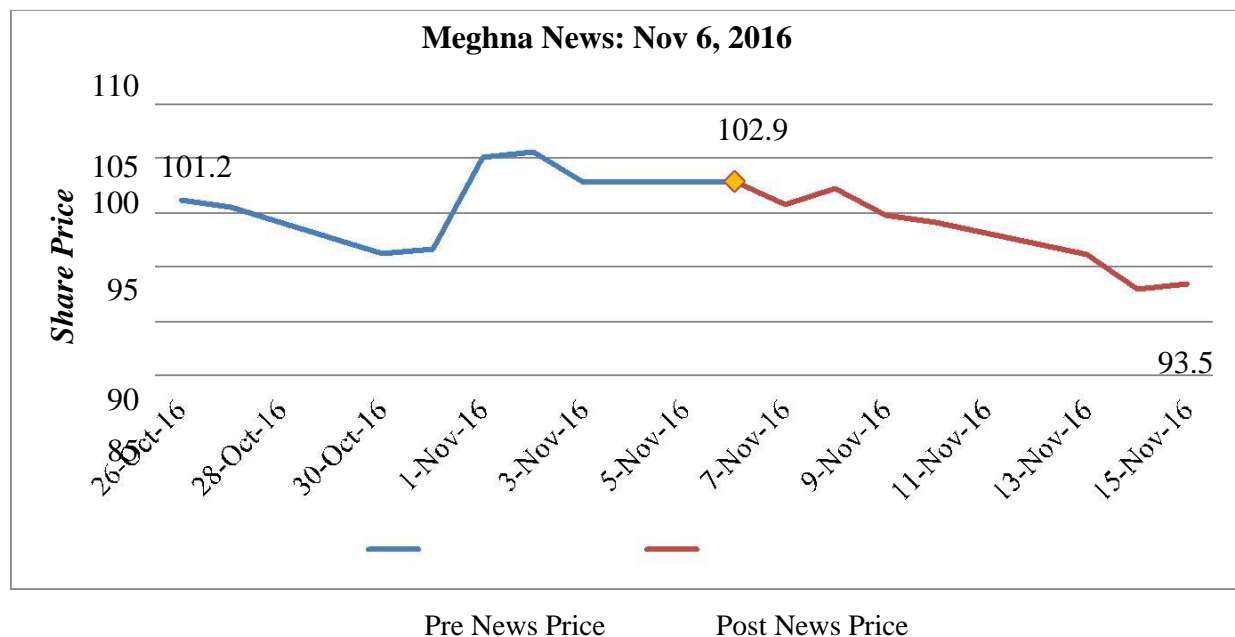
Heidelberg Cement announced on October 27, 2016 that Heidelberg Cement Central Europe East Holding B.V. is acquiring 99.99% share of Meghna Energy Limited, a private company limited engaged in generating and supplying electricity as a Small Power Plant in Bangladesh (Dhaka Stock Exchange, 2016). Heidelberg’s share price was already in a declining trend when this news was announced. Sometimes it takes some time to affect the price movement even after some price sensitive event occurs, known as the „lagging effect, which is observed in this case. The price continued its declining trend the next 3 days after the dissemination of the news, falling to Tk. 541.9/ share. The effect of this positive news then can be observed through the sudden price boost, increasing by around 10 tk within the next 4 days.

Lafarge Surma Cement



The company informed on July 12, 2015, “Lafarge S.A., one of the two sponsor groups of Lafarge Surma Cement Ltd. (LSC), has merged with Holcim Ltd. to form Lafarge Holcim Ltd. As a result of the above merger in the Group level, one of the Lafarge Surma’s sponsor groups is now LafargeHolcim Ltd.” But in Bangladesh, they remained as separate entity for the time being due to the current corporate structure (Dhaka Stock Exchange, 2016). The sudden change in price due to this huge merger news is pretty evident from the above line chart. The price was following a decreasing pattern before the news, falling from Tk. 118.1 to Tk. 100.7 per share during the previous 7 trading days. But after that, a massive uplift in the movement of price is seen; within 6 days the price increased by around 15 tk with a capital gain of 13.7%. Lastly, the price fell a little to Tk. 122.5/ share, at the end of 7 post trading days.

Meghna Cement



On November 6 of 2016, Meghna Cement notified DSE in compliance to the BSEC regulations that they have taken a price sensitive decision to import machineries and equipment valued at Tk. 244.79 crore to increase their annual production capacity (Dhaka Stock Exchange, 2016). The direction of price before the news disclosure was a bit unstable. After the news disclosure, the downward trend that is observed in price can be expressed as the effect of cost increment because of this capacity expansion. Though capacity expansion is positive news, in an ideal scenario this should lead the price downward as it means increased financing cost needed for this expansion and decreased profitability for the time being. Therefore, what happened here goes with the theoretical perspective of share price movement, which has made the share price fall by 9.1% in the next 7 trading days after the day of the announcement.

Factor Evaluation

The impact of DSE news on share price has been consistent in most of the cases. Where positive news was disbursed, the price increased and vice versa. But arguments can be made on whether the price movement occurred when it was supposed to occur like it can be observed in case of capacity expansion. Demonstration of both theoretical and expectation based movement of stock price was found and it can be safely inferred that in case of established companies the price trend

was theoretical, but not for the emerging or growing companies.

Sharp Movement of Market Index (DGEN)

The Dhaka Stock Exchange General Index or DGEN is a stock market index for the Stock Exchange of Dhaka. It is mainly an index of the main market capitalizations of the listed companies in DSE. It started on November 27, 2001 with a base-index of 817.62 points and the shares were classified as A, B, G and N group of shares but excluded the Z group shares. So all the calculations made by DGEN were excluding the Z group shares which ultimately led to the obsolescence of this index. The calculations were done on the basis of price movement of individual stocks. The faults in the DGEN index first came to notice in November, 2009 when Grameenphone (GP) was listed on the DSE. After much controversy, on Jan 28 2013, the regulator BSEC launched a new index, the DSEX, which was developed by the US-based financial service organization Standard and Poor's (Stock Market, 2013).

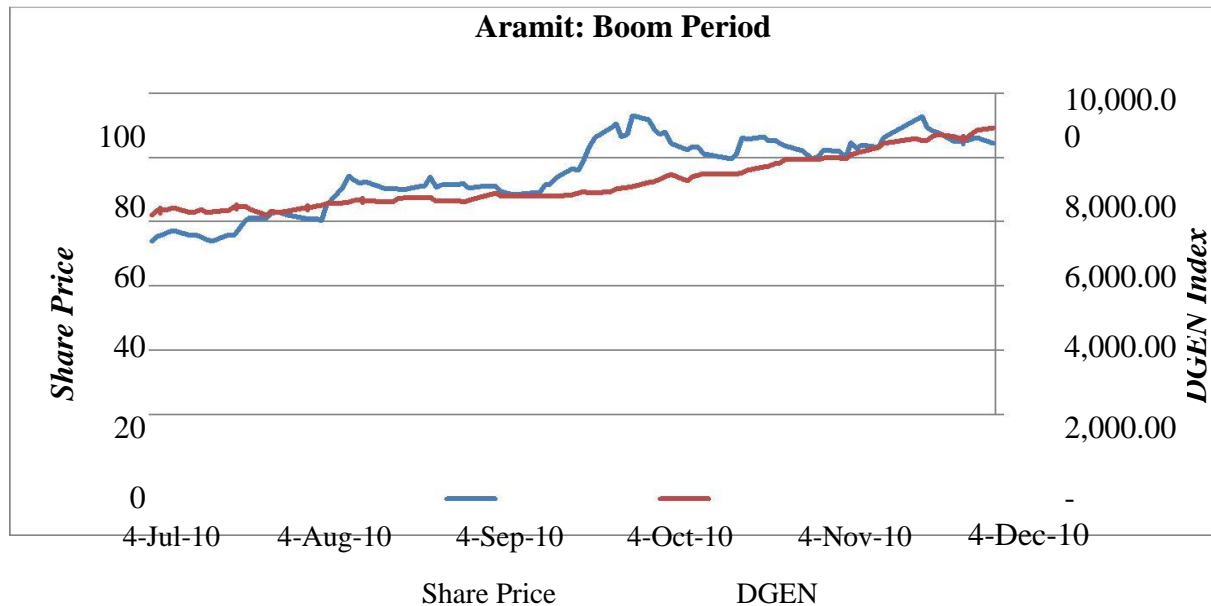
The Boom

Banks & other financial institutions of Bangladesh had a lot of idle fund available to them due to less business opportunities in the global recession period of 2009-10. To minimize this cost and generate a greater return, these financial institutions & its officials as well as the general people took loan and invested in the capital market. This made a huge flow of liquidity in the share market. The total number of BO (Beneficiary Owner) Account holders on 20th December, 2010 reached to 3.21 million while the number was 1.25 million in December 2009, making it more than double over one year (Saha, 2012). Such changes from 2009 to 2010 caused a drastic change in the DGEN index. The index increased abnormally, breaking all the previous records.

Impact of the Boom Period on Cement Companies' Share Price

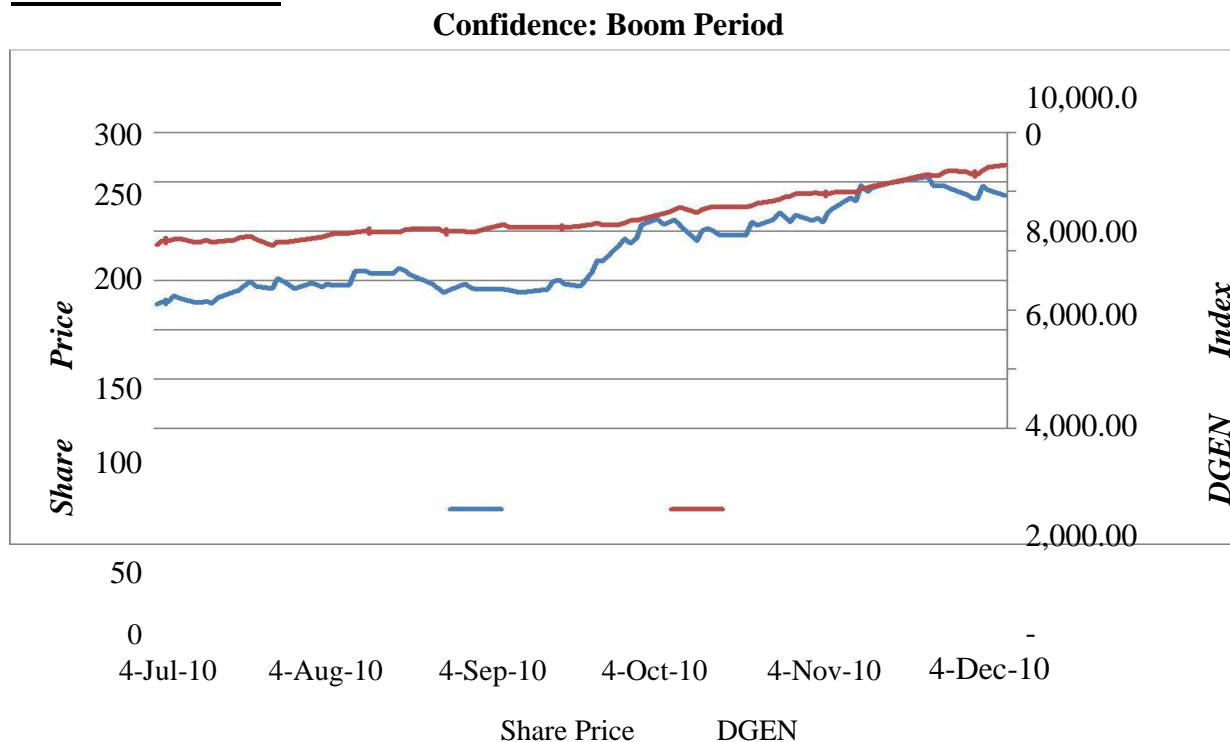
To measure the impact of the boom period, the DGEN index data were taken from 4th July 2010 to 5th December 2010, the time period in which the index increased significantly. Along with the index, share price of the players of cement industry were taken of those dates. Data were plotted in line graphs where the X axis defined the dates on a monthly interval. The Y axis on the right hand side indicated the values of DGEN Index whereas Y axis on left hand side indicated the actual values of share price in Taka. The red line denotes the DGEN index and the blue line denotes the share price in this portion of analysis.

Aramit Cement



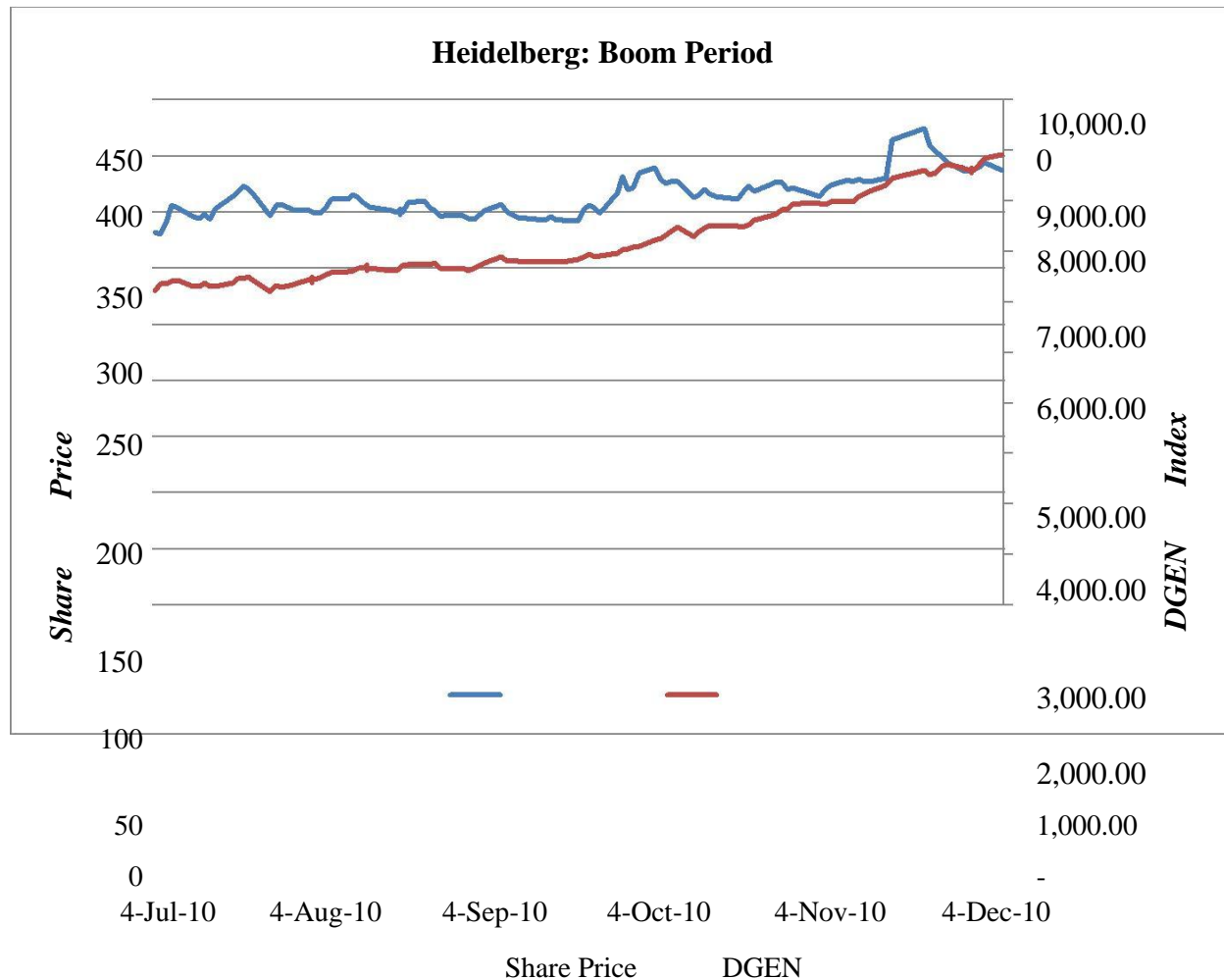
From the graph, it can be inferred clearly that the change in share price of Aramit cement maintained a positive correlation with the changes in DGEN index. That means the price curve and the index curve almost went line in line during that period. However, the increase in share price was slightly above the rate of increase of DGEN index during the month of September 2010. But the price started to decrease in mid-October 2010, taking a stable increase in early November 2010.

Confidence Cement



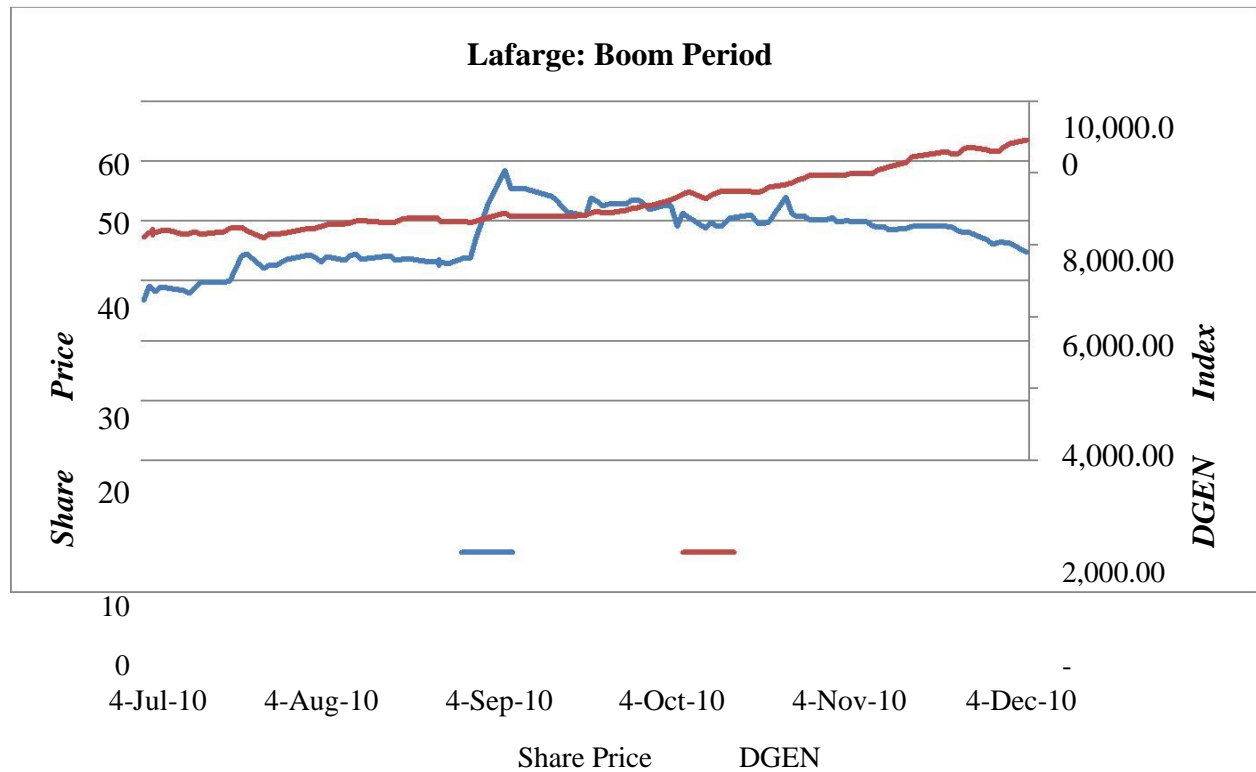
This graph also clearly indicates that the change in share price of Confidence cement maintained a positive correlation with the changes in DGEN index. However, the increase in share price was slightly below the rate of increase of DGEN index during the month of July 2010. But the price started to increase in mid-October 2010, taking a stable increase in late November 2010 and maintaining an almost equal increasing pattern in price per share along with the increase in DGEN index

Heidelberg Cement



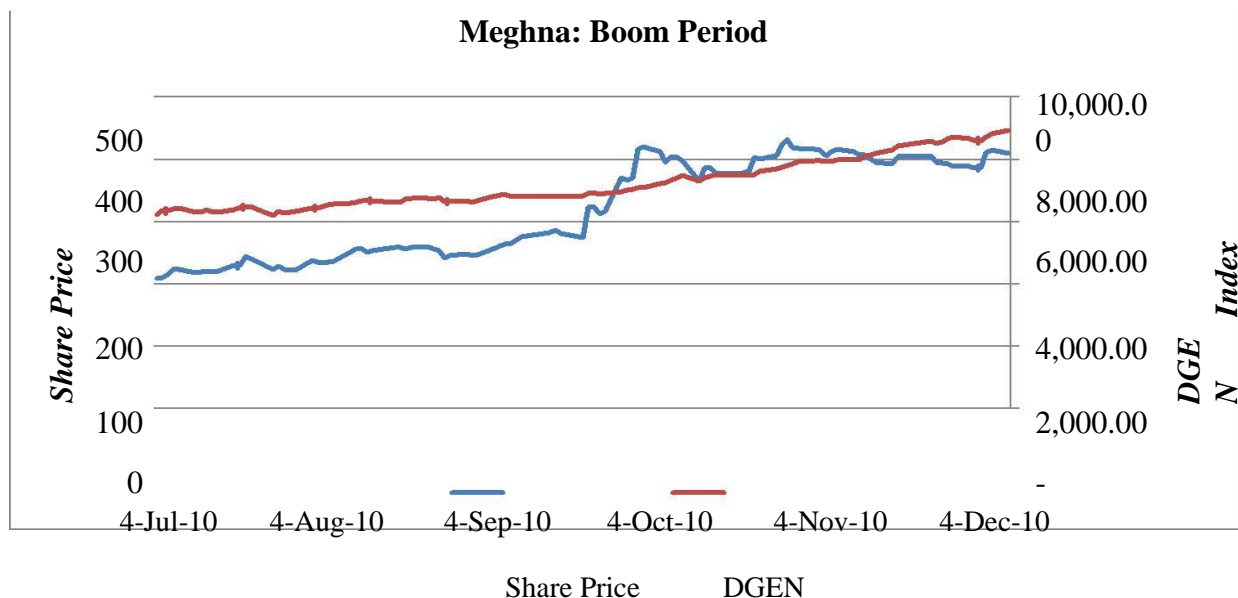
The graphical representation shows that the change in share price of Heidelberg cement also went almost line in line with the change in DGEN Index. However, the increase in share price was slightly above the rate of increase of DGEN index at the beginning of the month of October 2010. But the rate of increase in price started to decline at the beginning of November 2010. But in the end the increasing rate of DGEN index became a bit higher than the price movement of Heidelberg cements share.

Lafarge Surma Cement



The change in share price of Lafarge cement also maintained a somewhat positive correlation with the changes in DGEN index. That means with the increase in DGEN index, the price per share of Confidence Cement also increased. The increasing rate in share price was almost same with the rate of increase of DGEN index till the month of July 2010. But the price started to increase sharply in early September 2010, but then again started to decline continuously even with the increase in DGEN index.

Meghna Cement



This graph also indicates that the change in share price of Meghna cement maintained a positive trend with the changes in DGEN index during most of the period. . The increasing rate in share price was almost same with the rate of increase of DGEN index till mid-September 2010. But the price started to increase at the end of September 2010, and then from late November 2010 maintained almost equal increasing rate in price per share along with the increase in DGEN index.

Overall Evaluation

From an overall point of view, it is apparent that theoretical perspectives regarding share market do not hold much value in real life scenario, at least in Bangladeshi stock market. All the four factors discussed and analyzed here should have affected the stock price movement unambiguously; yet inconsistency in various cases has been found in the evaluation.

Dividend is one of the strongest factors that should single-handedly control the share price movement at the period it was announced. The capital gain at the period of dividend declaration should have reflected the dividend amount; which cannot be established from the analysis. The dividend factor also didn't show any lagging effect, which should have been present in an ideal scenario. Dividend effect here is completely company and investors expectation based.

News is one of the strongest factors that affected the price direction of shares in the report. Disclosure of news showed results from both types of perspectives; investors' enthusiasm moved the price and the theoretical „lagging“ effect was also found in the analysis.

The sharp movement of DGEN index is the only factor that showed almost line on line movement along with the share price of then listed cement companies. During the Boom period, all of the companies' share experienced price inflation and showed strong positive correlation with the index pattern. Same scenario is evident in case of the Bust/ Crash period.

The unusual exchange rate fluctuation period also showed an impact on price, but that impact should have shown a „lagging“ effect. The cost of importing raw materials couldn't have increased and affected the profitability of the companies almost instantly because of inventories and companies' risk safety mechanism. But the price movement failed to show such effect.

Therefore, overall it can be deduced that the **disclosure of news** and **sharp movement of the index** within a short time period have the **dominant** impact on the share price of the listed cement companies. The other two factors do not have that much strong relationship with price movement; rather can easily be diminished by other volatility factors of the stock market.

RECOMMENDATIONS

To identify the limitations of the factors discussed and the flawed characteristics of the price sensitivity of the listed cement companies' shares, the overall evaluation of the analysis has to be considered. In the cases where the factors failed to demonstrate consistency in terms of price movement; it was due to the inefficiency and volatility of the market, where price is no longer affected by these determinants. Some determinants are so much positive to the investors that the theoretical perspective or even the financial performance of the companies

becomes irrelevant.

To minimize the effect of such inefficiency in terms of share price movement and the stock market, the following recommendations are provided:

1. As DSE news is the main credible source of news for the stock market investors, the time between the management's taking of the decision and the news being published in DSE's website should be reduced as much as possible.
2. A specific guideline regarding the accounting year change to July-June for the cement companies should have been provided as many companies took this as an opportunity not to publish their audited annual statement and declare their dividends.
3. Investors have to be made more aware and more educated investors should be made involved in the capital market of Bangladesh. Without the awareness of investors and educated investors, majority of the share transactions become prone to rumors instead of actual news.
4. Proper monitoring system of the transactions, especially after disclosure of news and dividend should be implemented so that the news and dividend can have the intended affect after disclosure. Educated investors make decision based on these policies and without ideal market reaction; they will leave which will make the market more volatile.
5. The listed companies should be forced to publish their annual statements with proper financial notes while making their previous years statement available for performance analysis. Some cement companies (Aramit, Meghna) do not have proper information available and their share price movement can easily be manipulated.

CONCLUSION

In conclusion, it can be said that the cement companies listed in Dhaka Stock Exchange (DSE) are not that much different from the other listed companies. The factors that ideally should affect the price of shares of other listed companies also influenced the price movement of the cement companies in most cases. But the price movement of the shares in the cement industry is still highly dependable on investors' expectations, rumors and other volatility factors. This is why, the price of the shares of the listed cement companies went the most coherently with the previous DGEN index as reflected the overall market condition. But in can be said that the cement companies are doing better financially, basing on the dividend they offer. All the listed companies are categorized in Class- A, which is also again a proof of their success. But due to the in efficiency of the market, the price status of the listed cement companies isn't where it is supposed to be.

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