

Trust Deed of Grameen Mutual Fund Registered

Grameen Mutual Fund One (GMFO), country's second privately managed mutual fund, got a fillip to take wings shortly as the Trust Deed of the Fund was registered on May 09, 2001. Grameen Bank is the Sponsor and Grameen Fund, a venture capital financing undertaking, is the Trustee of GMFO. The Standard Chartered Bank is the Custodian and AIMS is the Fund Manager.

At a Press Briefing attended by eminent economist Prof. Rehman Sobhan, Chairman and Prof. Muhammad Yunus, MD of Grameen Bank, Monzurul Haque, Chairman and Yawer Sayeed, MD & CEO of AIMS and A.A.Qureshi, MD of Grameen Fund revealed their shared vision on the occasion. The Fund has been conceived to provide the rural poor women with a unique vehicle to lock their savings in an attractive investment opportunity. The first scheme of the Fund, with an assured minimum 10% dividend and a size of Tk 150 million is to have a tenure of 10 years and would go for public subscription shortly.

Merchant Bankers slam SEC move

Market operators are carping on a new SEC directive to close collection immediately when any IPO subscription receipts exceed 100% of the offer, any time during the subscription period. The move will admittedly deprive a lot of general investors of investment opportunity and encourage them to jump on an IPO issue without much pondering. Besides, it will let loose a wide opportunity for market manipulation by subscribing a big chunk by a syndicate to show full subscription, notwithstanding the communication impediment in ascertaining subscription position from remote bank branches.

It will simply create a nightmare for the issue manager if banks receive cheques and end up with a seemingly 'saturated' subscription to come up as under-subscribed when cheques are bounced. Market operators view the move, apparently to halt the capital flight to a 'stuck up investment' seemed to have been conceived impulsively without pondering on its implications.

DSE System Hacker nabbed

A three-member SEC investigation team has successfully detected the hackers who intruded into the Dhaka Stock Exchange (DSE) main server, apparently for trawling sensitive data. They seized a workstation of a broker, Shamsul Alam, loaded with the 'Outside View' software that was illegally installed on 13th November 1999 and was being used to sneak into the DSE servers for picking up privileged trading information to make fortune. Earlier on March 30th last the IT personnel of DSE detected a log-off error message being flashed by one of its secured servers where no one but DSE system administrator had access, which clearly hinted that someone had entered the server and logged off unsystematically. Two authorized traders of the broker were nabbed and handed over to police, and the office of the broker has been sealed.

External debt service on rise

Volume of country's external debt service rate rose by 5.4% on an average during the past decade despite the ratio against exports being shed to half. Debt service-export ratio was 18.5% in 1990-91, up from 12% in 1980-81 that plummeted to 9.0% in less than a decade, thanks to the galloping rise in exports. Outstanding external debt was 30.8% of GDP in 1980-81, which grew by an average annual rate of 10.1% to push the Debt-GDP ratio to 54.3% in 1990-91. Reaching the pinnacle of 57.6% in 1994-95 the ratio again came down to 41.0% recently. The country now owes about US \$ 15.0b to international lending agencies.

Export faces price cuts

Global recession is finally lashing Bangladesh that depend on US and EU markets for 80% of its export. Readymade garments (RMG) and shrimp exports became the major victims of the meltdown that faced price cut by 25% and 20% respectively in the international market. Although the present export growth of 17% looks quite impressive, a global growth of 5.5%, which is more than double of last year, tones down the complacency. The slump hit certain RMG quotas severely that might put the export mainstay at stake if continued.

Classified loan wanes

Volume of classified loans in the banking sector decreased by 6.16% in 2000 compared to that of the previous year. Despite reduction from a record 41.16% in 1999, it still remains much higher than the 31.49% of 1996. Some 35% of total loans and advances now remain classified, lowest in past four years, of which state-owned banks account for 42.14% and private banks, 20.85%. Despite a recently enacted default tackling law, bank defaults could not be harnessed to a level that appreciates its efficacy.

Borrowing through savings instrument soars

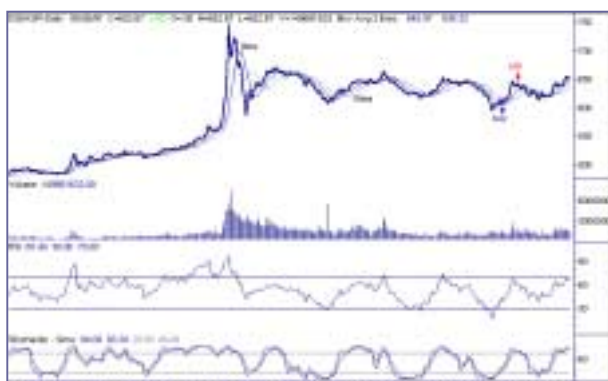
Government borrowing through selling different types of savings instruments for past eight months of the fiscal 2000-01 rose by 20% compared to last year. By Feb 2001, government has borrowed Tk 43.3b against a full year targeted amount of Tk 51.29b. Last year's corresponding figure was Tk 36.12b.

Impediment for banking development

Trade union, political interference, defaulters and corrupt banking officials have been identified as four audacious villains in stymieing the banking sector development race in the country. Leading economists and veteran bankers at a seminar expressed concern about the legal intricacies, lack of accountability, huge overstaffing (about 30%) etc in the state-owned banks, and lack of a more efficient default combating law. They emphasized on political consensus and a rigorous reform program by the policymakers to streamline the country's huddled up banking sector.

This week's data runs from May 05, 2001 to May 12, 2001

Stock Market Movement



	This Week	Last Week	+/- %
DSE All Share Price Index	653	641	1.87
Average Daily Turnover, Tk	172,987,001	183,898,501	-5.93
Market Capital, Tk	62,627,127,067	61,550,997,187	1.75
Market PEx*	9.15	9.01	
Market PBRx*	1.20	1.19	
Market EPS, Tk per Tk100*	25.17	25.17	
Market Dividend Yield, %*	5.13	5.22	
1 Year Market HPY, %**	26.06	24.95	

* PE is based on latest reported data of listed companies which registered positive earning. PBR is based on latest reported book values, companies with negative book value have been excluded. The companies earmarked as 'B' and 'Z' category by SEC have also been excluded from calculation. **1 year Holding Period Yield

Top Gainers

Company	Average Price(Tk)		Change %	Avg. Daily Turnover, Tk
	This Week	Last Week		
Quasem Silk	7.80	5.90	32.20	120,177
Dhaka Vegetable	18	14	28.57	560
Dulamia Cotton	37	29	27.59	7,878
Petro Synthetic	5	4	25.00	1,167
Shinepukur Holdings	70	56	25.00	2,832,058
Mark Bd Shilpa	22	18	22.22	218,967
Kohinoor Chemical	135	111	21.62	47,782
Eagle Star Textile	6	5	20.00	12,083
Padma Printers	6	5	20.00	3,133
Rahman Chemicals	19	16	18.75	1,437

Top Losers

Company	Average Price(Tk)		Change %	Avg. Daily Turnover, Tk
	This Week	Last Week		
Fu Wang Food	9	10	-10.00	228,167
Texpick Industries	28	31	-9.68	937
Dhaka Bank	258	280	-7.86	5,940,233
CMC Kamal Tex	90	97	-7.22	25,292
Purabi General Insu.	111	119	-6.72	20,942
Green Delta Insurance	455	485	-6.19	22,075
NCCBL	170	181	-6.08	8,692,858
BLTC	400	425	-5.88	2,712
Tulip Dairy & Food	82	87	-5.75	11,947
Libra Infusions	198	210	-5.71	3,333

Top Turnover Companies

Company	Average Price(Tk)		Change %	Avg. Daily Turnover, Tk
	This Week	Last Week		
National Bank	266	262	1.53	15,744,363
Fu-Wang Ceramic	181	169	7.10	11,973,675
Meghna Cement	412	389	5.91	11,101,567
Niloy Cement	273	261	4.60	10,823,033
Southeast Bank	278	267	4.12	9,298,200
NCCBL	170	181	-6.08	8,692,858
Beximco Pharma	56	54	3.70	8,192,600
Prime Insurance	142	138	2.90	6,538,367
Dhaka Bank	258	280	-7.86	5,940,233
Prime Bank	351	337	4.15	5,213,583

Technical Talk

Banks continue to fly

As the DSE All Share Price Index struggles to cross above the 660 level, banks continue to rally and reach all time high. The market has fluctuated within a narrow band of 600 to 660 since August 2000. During the week, the blue chip DSE-20 went up 9.18 points, i.e., 0.76%, whereas the DSE All Share Price Index inched up 11.21 points, i.e., 1.75% to close at 652.67. Overall trend remained bullish. However, longer-term fate of the index would depend on its ability to stay above 660.

Based on daily chart of DSE All Share Price Index, which is used to track short-term trend, technical readings are given below:

Moving Average

The All Share Price Index remained above the 9-day and 18-day moving average lines. Sell signal would occur if the index comes below the 9-day moving average line.

Relative Strength Index (RSI)

The RSI has become overbought. Now RSI is at 65.49.

Stochastic-Slow

Stochastic indicator also remained overbought. Possible reversal in this indicator would trigger a sell signal.

Price Movement of AIMS First Mutual Fund



Technical Notes:

Support/Resistance Lines: Support/Resistance Lines are horizontal lines drawn on chart and are used to identify market retracement and price breakouts. These are indicators of psychological price levels.

Moving Average: Buy signal occurs when (1) price line goes above the moving average, (2) short term moving average crosses above the long term moving average. Opposite is true for sell signal.

Overbought: Description of a security or a market that has recently experienced an unexpectedly sharp price rise and is therefore vulnerable to a price drop. When a stock has been overbought, there is fewer buyers' left to drive the price up further.

Oversold: Description of a stock or market that has experienced an unexpectedly sharp price decline and is therefore due for an imminent price rise. When a stock has been oversold, there are fewer sellers left to drive the price down further.

RSI (Relative Strength Index): This indicator issues buy signal when the RSI line dips below the bottom line into the oversold zone; a sell signal is generated when the RSI rises above the top line into the overbought zone.

Stochastic-Slow

Sell signal happens when the SlowK (Solid line) goes below the SlowD (dotted line) and vice versa. This indicator is good for picking sells.

Recently Listed

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Trading started on DSE on
Social Investment Bank	10 Jul- 24 Jul, 2000	10	50	Nov 20, 2000
Raspi Data Management	Nov 05 - 09, 2000	10	15	Mar 21, 2001
Prime Insurance Company	Nov 07-21, 2000	20	70	Mar 21, 2001
Dutch-Bangla Bank	Jan 15- 24, 2001	15	18.2	Mar 21, 2001

Initial Public Offering

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Purpose of the issue
Hakkani Pulp & Paper Mills	Jan 28-Feb 7, 2001	50	30	Setting up a paper manufacturing plant with capacity of 12,000 MT
Rangamati Food Products	Mar 27 - Apr 12, 2001	10	10	Expanding its fruit processing business
Pioneer Insurance Co. Ltd.	Apr 16- 30, 2001	27	94.50	Satisfying statutory requirement
German Bangla J.V. Food Ltd.	May 10-17, 2001	10	15	Expanding into tetra pack fruit juice business

Sector Indicators

Sectors	PE	PBR	EPS	DY, %	Sector Index	
					This Week	Last Week
Cement	11.77	3.63	51.32	3.34	604.22	697.51
Ceramic Tableware	20.16	1.27	7.36	5.23	266.83	241.88
Commercial Banking	5.46	1.12	41.79	6.17	228.27	136.42
Dairy, Poultry & Fishery	11.07	0.41	-0.69	4.83	37.07	54.25
Dry Cell Batteries	9.88	0.75	16.02	3.32	158.25	148.37
Edible Oil		0.45	-4.17	1.32	46.62	72.75
Frozen Shrimp	12.05	0.68	10.62	5.95	144.19	155.82
Fruit Processing	9.27	1.51	42.2	5.12	391.0	423
General Insurance	6.47	0.95	29.91	8.77	193.48	200.89
Heavy Engineering	10.3	0.49	3.28	7.25	66.35	96.84
Household Durables	18.3	6.93	64.69	4.22	1184.0	1324
Industrial & Medical Gas	7.89	1.81	80.81	3.79	637.25	739.67
Investment	5.03	1.3	38.94	9.21	195.67	178.11
Jute	47.12	1.19	-70.56		81.1	113.06
Leasing	8.35	1.66	48.83	5.64	407.85	457
Leather	18.31	1.35	9.69	4.28	254.98	294.07
Life Insurance		0.13		6.86	306.0	332
Paper & Printing	0.19	0.49	209.83	8.92	39.48	28.96
Pharmaceutical	8.69	1.26	83.71	4.25	766.57	749
Real Estate	22.58	0.71	3.48	2.51	78.69	87.88
Retail Electric Appliance	78.09	1.46	2.73	5.23	213.14	210.65
Steel Products	5.6	1.49	2.83	4.25	241.9	235.03
Sugar			-151.23			-
Tea		1.61	-45.3	2.77	631.0	641.61
Textile	6.32	0.7	11.63	6.66	102.16	103.40
Tobacco	17.61	2.96	58.89	3.78	1037.04	1024.31

- Based on latest reported year of listed companies. Companies, which did not hold AGM for last two years, and new companies yet to report audited accounts have not been included in the calculation of the indicators. Companies which registered negative earnings, have been excluded from PE calculation and those which have a negative book value, have been excluded from calculation of PBR.

Yawer Sayeed, Managing Director & CEO
Mahmudul Bari, Head of Operations
Mizanur Rahman, Head of Finance & Administration
Md. Moniruzzaman, Manager, Fund Management
Laila Mahmuda Shilpi, Sr. Executive Officer, Research Group
Naheed Nusrat, Sr. Executive Officer, Research Group
Rownak Matin, Sr. Executive Officer, Customer Support Center

Top 20 Beta

Maq Enterprise	2.84	Eagle Box & Cartoon	-0.81
Paragon Leather	2.69	Petro Synthetic	-0.6
Niloy Cement	2.67	Texpick Industries	-0.57
Rupali Bank	2.48	Monno Jutex	-0.55
National Bank	2.46	National Oxygen	-0.5
BD. Autocars	2.46	Bangla Process	-0.47
Wonderland Toys	2.45	Metalex Corporation	-0.29
Tamijuddin Textile	2.38	Green Delta Insurance	-0.27
Pubali Bank	2.36	BLTC	-0.19
Chic Tex	2.34	Padma Printers	-0.12
Excelsior Shoes	2.3	Libra Infusions	-0.11
Fu-Wang Ceramic	2.28	Bangladesh Plant	-0.06
Mark Bd Shilpa	2.24	Islam Jute	-0.02
Legacy Footwear	2.15	Sonali Aansh	-0.02
IFIC Bank	2.12	Sonali Paper	-0.02
Paper Processing	2.09	CMC Kamal Tex	0.01
Dhaka Fisheries	2.05	Peoples Insurance	0.07
Aramit Cement	2.04	Atlas Bangladesh	0.09
Raspi Food	2.02	Al Baraka Bank	0.11
Gachihata Aquaculture	2.01	Desh Garments	0.12

*Beta indicates volatility of the stock's weekly return relative to the market since last 200 days.

Top 20 Liquid

	Liquidity Index		Liquidity Index
National Bank	7.8	Eastern Cables	1.1
Quasem Drycells	4.27	UCBL	0.93
Raspi Food	4.12	Tripti Industries	0.72
Monospool Paper	3.79	BCIL	0.52
AB Bank	3.44	Quasem Silk	0.52
Olympic Industries	2.35	BD. Autocars	0.5
Apex Tannery	2.34	Paper Processing	0.47
Ashraf Textile	1.41	Confidence Cement	0.46
Beximco Pharma	1.37	Delta Millers	0.36
Saiham Textile	1.2	Meghna Shrimp	0.32

Liquidity Index = $\frac{\text{Number of market lots traded average daily for last one month}}{\text{Price of a market lot}}$

Top 20 Market Capital

	Tk million		Tk million
BATBC	4,200	The Engineers	2.02
Square Pharma	3,535	Petro Synthetic	2.10
Beximco Pharma	2,478	Texpick Industries	2.19
Singer Bangladesh	1,968	Modern Industries	3.25
Shinepukur Holdings	1,764	Rabeya Flour Mills	4.80
Bata Shoe	1,655	Therapeutics	4.80
Islami Bank	1,608	Eagle Box & Cartoon	5.00
BOC	1,537	Pharma Aids	5.15
Prime Bank	1,404	Himadri	5.25
Rupali Bank	1,363	Bangladesh Hotels	5.40
Eastern Bank	1,320	Quasem Textile	6.90
Glaxo Wellcome	1,301	BD. Autocars	7.45
Beximco Textile	1,100	Modern Dyeing	7.52
National Bank	1,040	Karim Pipe	7.54
Padma Textile	973	Rahman Chemicals	7.60
Meghna Cement	927	Ahad Jute	9.00
ACI	906	Islam Jute	9.36
Southeast Bank	834	BEMCO	9.46
AB Bank	828	Padma Printers	9.60
Monno Fabrics	805	Monno Staffers	10.40

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