

56% of SEC cleared issues stale

A recent study by the Dhaka Stock Exchange (DSE) revealed the shocking finding that shares of 70 out of a total 125 (56%) companies that were listed after the creation of SEC in 1993 are now being traded below their face value. Number of listed companies with DSE now reach 253, of which 128 were earlier approved by the now defunct the Controller of Capital Issues (CCI), the regulatory body for capital market before SEC had come into being. Among these 128, shares of 38 companies (30%) are being traded below their face values. Out of the 70 Category Z companies, shares of 22 companies are being traded at less than one-third of face values, while shares of 17 companies at less than 50% of their original values. This has put the rationale for creating an SEC to supplant the CCI for building an efficient capital market to a blazing question.

Guideline for depositor's directorship

The committee on default loans has set a policy guideline for appointing two independent directors in the board of every scheduled bank from the depositors, to protect interest and ensure safety of their deposits. The tenure of such directors will be maximum 3 years renewable for another similar term. The director must be Bangladeshi citizen with graduation. S/he must be maintaining accounts with the relevant bank for at least 2 years and must not be a loan defaulter or involved in politics and also be a regular taxpayer in last 10 years. The depositor should not hold any position in the bank like director, official, employee, auditor or lawyer. The bank shall send a list of 100 such qualified candidates to the Bangladesh Bank, from which the Central Bank shall appoint two, according to the Section 15(5) of Banking Companies Act 1991 incorporated through the Bank Company (Amendment) Act, 2003. This is the first time the central bank abrogates, through laws, the right of share holders for electing or nominating directors.

Poverty alleviation: wastage in thy name

The government has reportedly finalized a Tk135m technical assistance project for poverty reduction, which the Public Expenditure Review Commission (PERC) has termed as an 'unwarranted wastage of resources and a classical example of projects irrelevant to real needs'. The 'aptly' titled 'Preparation & Implementation of PRSP and Millennium Development Goal Action Plan', envisages spending Tk21.4m in luxurious cars, Tk18.0m for air-conditioners, Tk30.0m in foreign training and tours, Tk22.8m in fees of local and foreign consultants, and Tk50.0m for arranging seminars and meetings. The General Economic Division of the Planning Commission finalized the project for implementation, which will help the government to get funds from the donors. It also mentioned that 4 other similar projects are now underway at a cost of Tk502.2m, of which Tk203.6m has already been spent. Planning Commission has earlier procured a huge number of computers, cars, and air conditioners for the same projects making this new one an unwanted duplication. PERC also insists that the conventional structure of the government with inherent weaknesses and inclination on wastage of resources would not help eradicate poverty.

Classified loans on the wane

Classified loans, the most crippling impediment in the banking system, decreased by 3.1% in 6 months between December 2002 and June 2003. The total classified loan now amounts to Tk221.04b, with a bad loan portion of Tk185.26b. During the past six months banks have written off Tk35.0b of bad loans, of which Tk13.0b by nationalized commercial banks (NCBs), and Tk7.18b by the private commercial banks (PCBs). The net classified loan is now 19.31% of the total loans, in which NCBs share 28.46%, PCBs share 9.25% and FCBs 0.03%, while specialized banks (SBs) share the rest single largest 33.7%. Defaulted loans of NCBs decreased by Tk3.9b to Tk117.89b, PCBs by Tk2.52b to Tk52.31b, FCBs by Tk100m to Tk1.27b and SBs decreased by Tk12.05b to Tk49.56b.

Credit rating for IPOs on the cards

The SEC may introduce compulsory rating of companies applying for consent on IPO as many raised funds from the market but failed to pay desired return to the shareholders. SEC views such a rating would help them as well as the shareholders to judge the actual merit and strength of a company. The regulators are also considering introduction of different slabs in order to ensure that small investors are not deprived of shares of new companies. As per the existing rule, mandatory credit rating is applicable only in case of going for rights issues and shares at a premium.

Dhaka vocal on LDC's interests

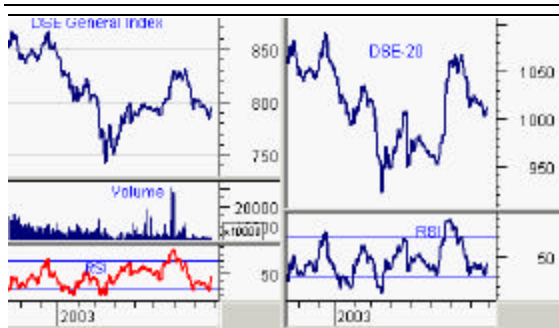
Bangladesh has rejected the draft declaration of the upcoming Cancun ministerial meeting arguing that it fails to address the interest of the LDCs. Most nations are going to take part in the September meeting where a new economic order is expected to be advanced. Many other developing countries allege that the developed countries are trying to reap maximum benefits sidelining the poorer nations through the order. As one of the 3 vice chairs of the meeting and the leader of the LDCs, Bangladesh decided not to ratify any agreement if it does not protect the collective interest of LDCs. Bangladesh also plans to raise issues of non-farm exports and ease of rules of origin, etc. Despite differences, the LDCs have reached consensus to protect the trade interests of the LDCs in last June's meeting at Dhaka, which is expected to be bargained at Cancun meet.

WB may fund SOE, NCB reform scheme

The World Bank expressed willingness to extend financial support to the ongoing privatization process of SOEs and reforms of the nationalized commercial banks (NCBs) at the request of the government as it is aimed at creating new job opportunities and infusing dynamism in economic activities. The bank through this proposed project would be able to support the government's budgetary cost relating to Voluntary Earlier Retirement Scheme (VRS) for SOEs. From this funding the bank may allocate, if required, more funds for counseling, training and retraining of employees who would opt for VRS so that they could maximize benefits from retirement benefits. The project would stand to finance the government initiatives to implement its plans of refurbishing of assets of bigger SOEs for converting them into more viable projects.

This week's data runs from 21 August 2003 to 28 August 2003

Stock Market Movement



	This Week	Last Week	+/- %
DSE General Index	794.87	789.84	0.64
Average Daily Turnover, Tk	33,260,511	36,694,867	-9.36
Market Capital, Tk	66,867,118,080	66,397,573,120	0.71
Market PEx*	6.37	6.33	0.63
Market PBR*	1.02	1.01	0.99
Market EPS, Tk per Tk100*	34.11	34.11	0.00
Market Dividend Yield, %	5.99	6.03	-0.66
1 Year Cap. Appreciation, %	-8.10	-9.92	-18.35

* 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	Closing Price (Tk)			Change %	Avg. Daily Turnover, Tk
	This Week	Last Week	Change %		
Bangladesh Autocars	51.25	43.75	17.14	24,124	
Quasem Textile	3.90	3.40	14.71	2,333	
Sandhani Life Insuran	262.50	229.50	14.38	43,519	
Renwick Jaineswar	142.50	127.75	11.55	145,206	
Karim Pipe	22.00	19.75	11.39	6,413	
Shyampur Sugar	7.00	6.30	11.11	206,158	
Beximco Synthetics	65.25	59.25	10.13	202,214	
Bangladesh Luggage	19.75	18.00	9.72	3,703	
Gem Knitwear	20.00	18.25	9.59	1,950	
Sreepur Textile	20.25	18.50	9.46	14,622	

Top Losers

Company	Closing Price (Tk)			Change %	Avg. Daily Turnover, Tk
	This Week	Last Week	Change %		
4th ICB MF	327.75	368.00	-10.94	19,219	
Amam Seafood	176.00	192.50	-8.57	3,584	
Bangladesh Dyeing	44.00	48.00	-8.33	3,686	
NCC Bank	149.50	162.00	-7.72	511,863	
2nd ICB MF	400.00	432.50	-7.51	2,575	
National Oxygen	19.50	21.00	-7.14	488	
Padma Oil	346.60	368.50	-5.94	43,325	
Hakkani Pulp	5.70	6.00	-5.00	7,125	
3rd ICB MF	428.00	449.75	-4.84	14,019	
8th ICB MF	133.00	139.50	-4.66	1,663	

Top Turnover Companies

Company	Closing Price (Tk)			Change %	Avg. Daily Turnover, Tk
	This Week	Last Week	Change %		
Beximco Pharmaceuti	28.10	29.30	4.27	2,117,563	
Square Pharma	1,570.00	1,551.25	-1.19	1,939,051	
Mutual Trust Bank	164.50	167.00	1.52	1,392,000	
Shinepukur Holdings	26.75	28.25	5.61	1,254,850	
Bangladesh Online	19.40	20.30	4.64	1,221,313	
Square Textile	31.40	31.40	-	1,036,221	
Padma Textile	10.00	10.40	4.00	944,430	
Keya Detergent	10.70	10.70	-	864,025	
Southeast Bank	178.25	180.75	1.40	849,350	
Fine Foods Limited	10.30	10.00	-2.91	612,300	

Technical Talk

Market stalled

Market showed an upward movement in last two days during the week. The average daily turnover went down by 9.36% due to 'hartal' and reached Tk33.26m against Tk36.69m of previous week at DSE, but market capitalization increased a bit by 0.71% to Tk66.86b (US\$1.15b).

During the period, the blue chip DSE-20 edged up by 3.12 points (0.31%), closing at 1013.09 (base 1000 on January 01, 2000); at the same time, the DSE General Index (A & B Category) inched-up by 5.05 points (0.64%) to close at 794.87.

Based on the daily charts of DSE movement, which has been used to track short-term trends, the technical readings are as under:

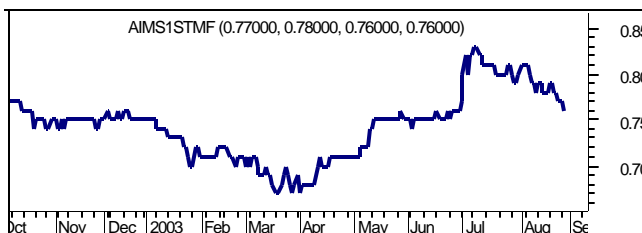
Moving Average

The DSE General Price Index is now above the 9day and at the same level of 18-day moving average line triggering the buy signal.

Relative Strength Index (RSI)

The RSI indicator showed an uptrend and stayed at the over sold area. Currently RSI stands at 45.81.

Price Movement of AIMS First Guaranteed Mutual Fund



Sector Indicators

Sectors	PE	PBR	EPS	DY %	Sector Index	
					This Week	Last Week
Agro Processing	12.07	2.38	22.66	8.04	103.75	103.43
Cement	2.93	1.16	74.17	12.77	42.04	41.48
Ceramics	13	0.9	11.13	10.77	71.17	71.09
Commercial Banking	4.37	0.94	38.78	4.91	93.16	92.47
Engineering	11.73	1.93	21.23	5.48	101.8	100.85
Fishery	7.61	0.46	2.08	6.1	62.65	62.72
Food Processing	12.29	0.53	2.11	5.26	69.64	69.25
Fuel and Power	11.06	1.92	98.52	2.51	140.13	143.16
General Insurance	10.47	1.18	24.45	6.1	115.53	112.9
Information and Comm.	10.46	1.32	14.19	5.08	126.54	123.41
Jute	10.92	0.34	-24.07	2.93	103.64	103.67
Leasing	9.64	2.02	58.68	4.68	126.1	124.82
Leather	10.3	0.45	9.85	1.39	103.66	102.53
Life Insurance		6.38	0	4.28	184.46	172.34
Miscellaneous	6.7	0.97	10.68	5.81	84.23	84.02
Mutual Funds	6.64	0.73	18.72	8.96	87.65	89.19
Paper and Printing	12.39	0.34	-13.87	9.49	55.58	55.58
Pharma and Chemical	6.4	1.25	50.99	5.8	90.19	89.74
Services and Real	11.29	0.39	4.1	4.32	64.55	63.27
Estate						
Textile	3.9	0.5	12.85	8.4	34.05	33.56

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 that registered negative earnings have been excluded from PE calculation and those that have a negative book value have been excluded from calculation of PBR. Base period Index is 100 as on Jan 01, 2001.

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Top 10 Beta

Bd. Autocars	3.17	BSC	-1.56
Mark Bangladesh	3.17	Eagle Box & Carton	-1.54
Pharmaco International	2.8	CMC Kamal	-0.67
Meghna Vegetable	2.79	Al-Arafah Islami Bank	-0.34
Paragon Leather	2.74	7th ICB MF	-0.29
Gachihata Aqua	2.71	Keya Detergent Limited	-0.24
Excelsior Shoes	2.67	Peoples Insurance	-0.09
Bangladesh Online	2.66	Gemini Seafood	-0.03
J H Chemicals	2.51	Sonali Aansh	-0.02
Dynamic Textile	2.51	Monno Staffers	-0.01

Least 10 Beta

Beta indicates volatility of the stock's daily return relative to the market since last 365 days

Initial Public Offering

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Purpose of the issue
Fahad Industries Limited	November 9-10, 2002	25	-	To expand the product lines into salt and detergent
Khaza Tiles and Stone Industries Limited	March 09-10, 2003	10	15	To implement the expansion program of the company
ICB Mutual Fund	First June 16-30, 2003	70	30	-
Agni Systems Ltd.	July 08-09, 2003	30	20	Purchase of communication equipments
Jago Corporation Ltd.	July 08-09, 2003	20	20	Construction of factory and purchase of machineries
First International Ltd.	Lease July 19-20, 2003	30	20	To be utilized for lease finance and term financing
Standard Bank Ltd.	July 29-30, 2003	220	110	To expand normal lending and investment
One Bank Ltd.	August 11-12, 2003	196.98	97.02	Business expansion (normal lending investment) and expanding capital base
Bank Asia Ltd.	September 21-22, 2003	200	100	To expand business and generally used for investment and lending
Mercantile Ltd.	bank October 21-22, 2003	213.19	106.575	To expand banking and investment business

Top 20 Market Capital

		Tk million	
BATBC	6,000	Beximco Pharma	1,297
Square Pharma	3,878	Glaxo Smith	1,218
Eastern Bank	2,772	Mutual Trust Bank	1,002
Singer Bangladesh	2,468	ACI	897
Bata Shoe	1,945	National Bank	829
BOC	1,822	IDLC	825
Padma Oil	1,698	Monno Fabrics	819
Rupali Bank	1,559	IFIC Bank	791
Islami Bank	1,456	Square Textile	791
Chittagong Cement	1,380	Dutch-Bangla Bank	785

Exchange Rate

	This Week		Last Week		Change %	
	T.T/O.D	BC	T.T/O.D	BC	T.T/O.D	BC
USD	58.7500	58.8000	58.7500	58.8000	0	-
EUR	64.5193	64.5742	65.8588	65.9148	-2.03	-2.03
GBP	92.9131	92.9922	94.3525	94.4328	-1.53	-1.53
AUD	38.5048	38.5375	39.4095	39.4430	-2.30	-2.30
JPY	0.5049	0.5053	0.5024	0.5028	0.50	0.50
CHF	41.8746	41.9102	42.5232	42.5594	-1.53	-1.53
CAD	42.3851	42.4212	42.1721	42.2080	0.51	0.51
HKD	7.5406	7.5470	7.5409	7.5474	-0.00	-0.01
SGD	33.6137	33.6423	33.9262	33.9551	-0.92	-0.92
AED	16.1264	16.1401	16.1264	16.1401	-	-
SAR	15.7909	15.8043	15.7926	15.8060	-0.01	-0.01

Based on Standard Chartered selling rates to public in Taka.

Notes: USD-US dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CHF-Swiss Franc, CAD-Canadian Dollar, HKD-Hong Kong Dollar, SGD-Singapore Dollar, AED-UAE Dirham, SAR-Saudi Riyal

Book Closure

Name of the Company	Share transfer & Book closure		Year end	AGM Date	Dividend Pro. %
	From	To			
Aramit Cem.	21-08-03	10-09-03	12-02	10-09-03	5
Aramit Ltd.	21-08-03	10-09-03	12-02	10-09-03	33
Bd. Thai Alumi	22-08-03	18-09-03	12-02	18-09-03	5
BLIC	01-09-03	15-09-03	12-02	15-09-03	25
Therapeutics	01-09-03	25-09-03	12-02	25-09-03	-
Lexco Ltd.	01-09-03	25-09-03	06-02	25-09-03	5
Central Insur.	03-09-03	17-09-03	12-02	17-09-03	12
Square Pharm	03-09-03	25-09-03	03-02	25-09-03	70, 1B: 5
Apex Spinning	03-09-03	25-09-03	06-03	25-09-03	13
Zeal Bangla S	04-09-03	25-09-03	06-02	25-09-03	-
Legacy Footw	05-09-03	29-09-03	06-03	29-09-03	5
Purabi Gen In	10-09-03	24-09-03	12-02	24-09-03	10
Sandhani Life	10-09-03	24-09-03	12-02	24-09-03	12
Federal Insura	11-09-03	29-09-03	12-02	29-09-03	10
Ambee Pharm	13-09-03	30-09-03	12-02	30-09-03	22
Bionic Sea	15-09-03	29-09-03	12-02	29-09-03	-
IFIC Bank	05-11-03	04-12-03	12-02	04-12-03	7.5
Eastern Bank	18-11-03	08-12-03	12-02	08-12-03	20, 1B: 100
Pubali Bank	11-12-03	28-12-03	12-02	28-12-03	-

Recently Listed

Company	Subscription Period	PO (M.Tk)	Private Placement (M.Tk)	Trading started on DSE on
InTech Online Limited	October 12-13, 2002	25	-	January 01, 2003
Keya Detergent Ltd.	March 23-24, 2003	36	24	July 10, 2003
Mutual Trust Bank Ltd	April 16-17, 2003	125	375	July 12, 2003

Corporate Announcements

Profit & Loss

- Aramit: audited accounts for the year ended 31 December 2002 with net profit after tax Tk.24.98m and Tk.106.77m reserve & surplus, as against Tk. 34.50m & Tk.98.00m as on 31 December 2001.
- Aramit Cement: audited accounts for the year ended 31st December 2002 with net loss after tax of Tk.(45.32)m, and Tk.11.79m reserve & surplus as against Tk.22.60m and 61.12m as on 31 December 2001.

AGM & Dividend

- Bd Luggage Debenture: debenture register and debenture book will remain closed from 26 Aug 2003 to 04 September 2003 for the payment of interest for the period from 05 March 2003 to 04-September 2003.
- Petro Synthetics: 26th AGM will be held on 30th Sept., 03. No dividend has been recommended by the board.
- Al-Arafah Islami Bank Ltd. (AIBL): company offered 253,000 right shares for the year 2003, in this regard, CSE has increased the paid up shares of AIBL by those right shares and adjusted with the indices from august 24, 2003.

Market Changes

Companies listed in B & Z groups shall be traded in Public Market instead of Compulsory Spot Market from Monday, 1st Sept.03. For easy identification of B & Z group Companies, Group Name will appear in Bases column of Trading Screen from the effective date. However, settlement procedure of B & Z group companies will remain unchanged.

Yawer Sayeed, Managing Director & CEO

Wasiq Al Azad, Head of Operations

Laila Mahmuda Shilpi, Manager

Gazi Afsana Banu, Executive Officer

Ashrafal Alam, Executive Officer

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