

### **NBFIs facing adequacy music**

The Bangladesh Bank (BB) has rejected appeals from some non-banking financial institutions (NBFIs) for relaxation of the provision for mobilizing 50% of their capital shortfall by next June. The BB last July raised the paid-up capital requirement from Tk100m to Tk250m for NBFIs. The NBFIs running with low capital bases are supposed to raise 50% of the shortfall by June this year while the remaining 50% has to be met by Jun'05. BB feels it would hardly be possible for many to meet the revised ceiling unless they are able to fulfill the first year target. It has however suggested a number of options to help the NBFIs meet the target, like generating funds from existing shareholders, or mobilizing from fresh sponsors. Besides, the NBFIs can also raise funds from the capital market through floating initial public offerings (IPOs). Troubled NBFIs can also join hands with entrepreneurs willing to establish new leasing companies. As many as 15 entrepreneur groups have reportedly submitted applications to BB seeking licenses for establishing new NBFIs, but the BB has no immediate plans to allow any new company in this sector. But poor financial performance is discouraging some of them from going public.

### **BB & SEC to size up AGM dodgers**

Bangladesh Bank (BB) and the Securities and Exchange Commission (SEC) have joined hands to devise ways for disciplining annual general meeting (AGM)-dodging listed companies and ensuring proper corporate governance and will prepare a number of proposals in this regard. The proposals would be sent to the committee formed to amend the Company Act 1994. Considering the possible delay in the amendment, the BB and the SEC have decided to find out appropriate ways to discipline the AGM-defaulting companies for the interim period. The SEC, and not the High Court (HC), could be empowered to deal with AGM-default cases for the interim period, under the proposal. According to latest SEC statistics, at least 22 listed companies have not been holding AGMs for 2 to 8 years. Inadequate legal provisions, loopholes in the existing regulations and indifference of the shareholders are encouraging errant listed companies. Under the existing regulations, the capital market authorities can only nominally penalize the listed companies financially for failing to hold the AGMs. The fine is, however, applicable only to those companies that do not file time-extension petitions with the courts for extending the time to hold AGMs. Under the Company Act, 1994, any errant listed company can seek time extension for holding the AGM after default and the court can extend the time. There is, however, an instance that the HC had extended time for as long as 7 years. Against this backdrop, the SEC amended a provision of the regulation several years back for board reorganization as punishment for defaulting companies. The HC stayed the amended provision a couple of years back following a writ petition filed by the errant listed companies. The indifference of the shareholders is also creating scopes for the listed companies not to hold AGMs year after year. According to the existing regulation, there are provisions to take action against the AGM-defaulting companies if any individual or groups of shareholders file legal complaints against the companies. But no shareholder has reportedly so far filed such petitions against the defaulting companies. However, recently the state-owned ICB lodged some such cases, at the urging of the SEC.

### **SEC for mandatory IPO of telecom cos**

Considering huge future investment in the private land phone sector the SEC has made a formal proposal to the Bangladesh Telecommunication Regulatory Commission (BTRC) urging for mandatory offloading of new telecom companies in the capital market within three to four years after getting license. New provisions are to be incorporated with the existing licensing conditions in this regard. The banks and insurance companies are required under the licensing terms to float public issue with in a certain year of operation. The measure would boost market liquidity and vibrancy, enhance market capitalization, and also open up new investment opportunities. Short supply of quality stocks has kept most of the investors at bay, limiting the scope for an early turnaround of the country's ailing capital market.

### **NBFIs attain 25% credit growth**

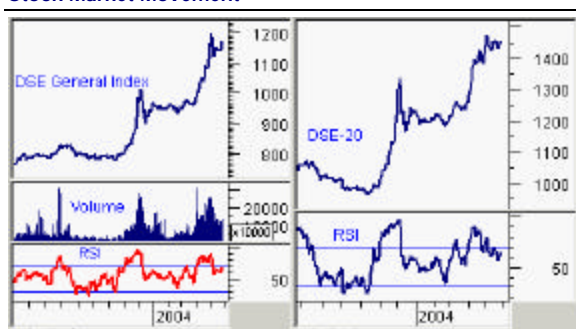
The NBFIs' credit volume attained 25% growth standing at Tk36.50b in 2003 comparing to the previous year's Tk29b. This increase is attributed to significant investment rise in transport, housing, and textile sector in recent times. In 2001, the total lease financing by the NBFIs was calculated at about Tk25b. They are financing leasing businesses with borrowing at high interest of around 12.5-14% from commercial banks due to limited fund mobilization options. The NBFIs are facing an uneven competition as commercial banks are also engaged in equipment lease financing at comparatively lower rates of rental. However, business performance of some new NBFIs are still poor, which has also been identified as another important problem for the sector's overall credit growth.

### **BAB ponder HC order**

The Bangladesh Association of Banks (BAB) is reportedly pondering on the legal implications of the judgment of the High Court (HC) in January last against the central bank circulars relating to the number and tenure of bank directors on the writ petition filed by some aggrieved directors. The HC in a ruling against the Bangladesh Bank (BB) directive restricting the number of directors in private banks by the Bank Regulation & Policy Department (BRPD) found the relevant section 15 ka of the Bank Company Act 1991 which was incorporated by the Bank Company Act Amendment 2003 not to be ultravires to the Constitution. But the judgment added the BRPD circular no. 12 of 26Apr03 is struck down for having been issued illegally and without lawful authority. Observing that since the BRPD circular no. 8 of 26Apr03 does not have any binding effect on the petitioners or the concerned bank companies, it cannot be said that the petitioners have been aggrieved by its issuance and as such the court refrain from giving any pronouncement to that effect. However, the Appellate Division stayed the HC order on 24Jan04 following an appeal by the BB and the government. The date of hearing will be fixed on July 4 next. The BRPD circular earlier asked the PCBs to downsize the number of directors to 13 and disqualified inclusion of more than one director from a family to streamline the banking sector. The BB also directed the PCBs for limiting the tenure of bank directors to six years in two consecutive terms. A total of 22 PCBs have already downsized their directors in line with the BB circular while the rest could not do so due to legal complications.

This week's data runs from 20 May 2004 to 27 May 2004

## Stock Market Movement



	This Week	Last Week	+/- %
DSE General Index	1,168.89	1,141.43	2.41
Average Daily Turnover, Tk	128,613,231	121,637,064	5.74
Market Capital, Tk	121,143,222,272	118,188,040,192	2.50
Market P/E*	8.7	8.59	1.28
Market PBR*	1.38	1.37	0.73
Market EPS, Tk per Tk100*	33.36	33.36	-
Market Dividend Yield, %	3.63	3.73	-2.68
1 Year Cap. Appreciation, %	50.32	49.24	2.19

\* 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)			Avg Daily Turnover, Tk
	This Week	Last Week	Change %	
Bd. Autocars	53.75	44.00	22.16	57,052
Aziz Pipes	60.75	49.75	22.11	93,386
Gachihata Aqua	17.00	14.50	17.24	283,546
Dulch - Bangla Bank	603.25	528.00	14.25	271,710
Rupali Bank	171.25	150.50	13.79	2,070,871
Padma Printers	3.30	2.90	13.79	1,587
Bank Asia Ltd.	394.75	347.00	13.76	5,797,717
Renwick Jaineswar	83.25	73.50	13.27	44,875
Orion Infusions	104.00	93.00	11.83	2,372,442
Karnaphuli Insurance	247.75	221.75	11.72	125,814

## Top Losers

Company	Closing Price (Tk)			Avg Daily Turnover, Tk
	This Week	Last Week	Change %	
Quasem Silk	2.90	3.50	-17.14	3,900
Petro Synthetics	2.10	2.50	-16.00	147
Tulip Dairy	23.00	26.50	-13.21	3,042
Savar Refractories	65.50	74.00	-11.49	1,013
Quasem Textile	3.10	3.40	-8.82	2,588
Phoneix Leather	380.00	412.00	-7.77	317
Shinepukur Holdings	33.00	35.50	-7.04	1,922,046
Rahim Textile	65.50	70.25	-6.76	1,170
Ctg. Vegetable	35.00	37.50	-6.67	11,230
Alpha Tobacco	25.50	27.20	-6.25	23,148

## Top Turnover Companies

Company	Closing Price (Tk)			Avg Daily Turnover, Tk
	This Week	Last Week	Change %	
Mercantile Bank Ltd.	265.00	276.50	4.34	7,025,117
Beximco Pharma	48.50	46.80	-3.51	6,568,211
Prime Bank	337.25	359.50	6.60	6,317,460
Bank Asia Ltd.	347.00	394.75	13.76	5,797,717
Square Pharma	2,944.00	2,905.50	-1.31	5,606,256
Southeast Bank	324.75	350.75	8.01	5,010,910
Mutual Trust Bank	237.50	259.50	9.26	4,798,165
Lafarge Surma Ce	210.50	227.50	8.08	4,721,221
Square Textile	57.20	57.00	-0.35	4,056,441
NCC Bank	218.50	238.50	9.15	3,974,160

## Technical Talk

### Market still uprisng

Market continued with its upbeat mood but at a slower pace. The general indices of listed securities also increased. The average daily turnover rose by 5.74% and reached Tk128.61m against Tk121.64m of previous week at DSE. Similarly, The market capitalization increased by 2.50% to Tk121.14b (\$2.07b).

During the period, the blue chip DSE-20 rose by 2.34 points (0.16%) closing at 1,453.80 (base 1000 on January 01, 2000); at the same time, DSE General Index (A & B Category) increased by 27.46 points (2.41%) to close at 1,168.89.

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 stayed above both the 9-day and the 18-day moving average line, triggering a sell signal.

### Relative Strength Index (RSI)

The RSI indicator is also showing an upward trend. Currently RSI is 68.98 point, also indicating a sell signal.

## Price Movement of AIMS First Guaranteed Mutual Fund



## Sector Indicators

Sectors	PE	PBR	EPS	DY %	Sector Index	
					This Week	Last Week
Agro Processing	16.66	3.23	22.66	5.98	139.4	144.23
Cement	2.82	1.11	12.23	2.14	251.17	235.61
Ceramics	12.72	0.89	11.13	11.01	69.64	69.3
Commercial Banking	7.81	1.61	32.99	2.44	187.83	177.04
Engineering	12.6	2.1	21.23	5.05	110.54	107.78
Fishery	8.2	0.46	2.08	6.14	62.29	62.32
Food Processing	13.02	0.49	2.11	5.74	63.8	62.6
Fuel and Power	11.84	2.06	98.52	2.35	150.07	146.25
General Insurance	14.57	1.64	24.45	4.39	160.7	159.55
Information and Comm.	11.99	1.53	10.94	3.7	173.93	176.85
Jute	10.14	0.32	-24.07	3.22	94.19	91.13
Leasing	11.53	2.42	45.34	3.64	162.39	163.89
Leather	11.53	0.45	9.85	1.26	114.56	114.55
Life Insurance		11.89	0	2.3	343.71	341.78
Miscellaneous	7.28	1.02	10.68	5.53	88.39	87.52
Mutual Funds	8.78	0.89	16.2	5.74	119.52	119.46
Paper and Printing	9.77	0.29	-13.87	10.97	48.1	48.35
Pharma and Chemical	10.18	1.97	50.99	3.71	141.17	141.68
Services & Real Estate	13.35	0.46	4.1	3.66	76.28	77.89
Textile	4.08	0.57	12.85	7.31	39.14	38.78

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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## Recently Listed

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Trading started on DSE on
Standard Bank Ltd.	July 29-30, 2003	220	110	November 17, 2003
One Bank Ltd.	August 11-12, 2003	196.98	97.02	December 06, 2003
Lararge Cement Ltd.	Surma November 10-15, 2003	150	743.90	December 29, 2003
Bank Asia Ltd.	September 21-22, 2003	200	100	January 08, 2004
Jmi Bangla Co. Ltd	November 02-06, 2003	30	20	January 11, 2004 at CSE
Daffodil Computers Ltd.	October 07-12, 2003	45	30	February 15, 2004 at CSE
Mercantile bank Ltd.	October 21-22, 2003	213.19	106.575	February 17, 2004

## Initial Public Offering

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Purpose of the issue
Jago Corporation Ltd.	July 08-09, 2003	20	20	Construction of factory and purchase of machineries

## Exchange Rate

	This Week		Last Week		Change %	
	T.T/O.D	BC	T.T/O.D	BC	T.T.O. D	BC
USD	61.9000	61.9500	60.9500	61.0000	1.56	1.56
EUR	75.9451	76.0065	73.8044	73.8649	2.90	2.90
GBP	113.4875	113.5791	109.4479	109.5377	3.69	3.69
AUD	44.7475	44.7837	43.1343	43.1697	3.74	3.74
JPY	0.5629	0.5633	0.5475	0.5479	2.81	2.81
CHF	49.4054	49.4453	48.1172	48.1566	2.68	2.68
CAD	45.6658	45.7027	44.5769	48.1566	2.44	-5.10
HKD	7.9500	7.9564	7.8317	7.8381	1.51	1.51
SGD	36.4332	36.4626	35.7143	35.7436	2.01	2.01
AED	16.9906	17.0043	16.7298	16.7435	1.56	1.56
SAR	16.6380	16.6514	16.3826	16.3961	1.56	1.56

## 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	Divide nd Pro. %
	From	To			
ACI	30-05-04	22-06-04	12-03	22-06-04	40
BGIC	30-05-04	28-06-04	12-03	28-06-04	20
BATBCL	01-06-04	30-06-04	12-03	30-06-04	65
Bex. Pharma	02-06-04	24-06-04	12-03	24-06-04	10, 15, 10
Intech Online	05-06-04	24-06-04	12-03	24-06-04	10
ISN Ltd.	06-06-04	27-06-04	12-03	27-06-04	11
Saiko Spinning	06-06-04	29-06-04	12-03	29-06-04	5
Eastland Ins	07-06-04	27-06-04	12-03	27-06-04	20
Bd, Online	07-06-04	30-06-04	12-03	30-06-04	15
Bank Asia	08-06-04	29-06-04	12-03	29-06-04	68, 25
Pioneer Insuran	09-06-04	29-06-04	12-03	29-06-04	12
Eastern Bank	10-06-04	30-06-04	12-03	30-06-04	20
Peoples Insuran	10-06-04	30-06-04	12-03	30-06-04	25
Monno Stafflers	10-06-04	24-06-04	12-03	24-06-04	20
Green delta Ins.	10-06-04	24-06-04	12-03	24-06-04	35
Eastern Insuran	16-06-04	07-07-04	12-03	07-07-04	18
Meghna Cem	17-06-04	26-06-04	12-03	26-06-04	25
Confidence Ce	06-07-04	21-07-04	12-03	21-07-04	5
National Life Ins	07-07-04	26-07-04	12-03	26-07-04	15, 25, 5
Karnaphuli Ins	07-07-04	28-07-04	12-03	28-07-04	16, 8
Ambee Pharma	15-07-04	29-07-04	12-03	29-07-04	25
Sonargaon Text	03-08-04	18-08-04	12-03	18-08-04	7
Aramit Ltd.	19-08-04	08-09-04	12-03	08-09-04	33
Islami Bank	19-08-04	17-09-04	12-03	17-09-04	18, 5

## Corporate Announcements

- Ambee Pharma: audited accounts as on 31 Dec '03 with net profit of Tk. 5.90m and retained earnings of Tk.30.21m as against Tk.4.56m and Tk.28.71m as on 31 Dec '02.
- Sonargaon Textile: cash dividend @7% for the year 2003. AGM will be held on Aug 18, 2004.
- Naional Life Insurance: cash dividend @15% and bonus share @25% for 2003. AGM will be held on July 26, 2004.
- Karnaphuli Insurance: stock dividend @16% for the year 2003. AGM will be held on July 28, 2004.
- Beach Hatchery: shares will be held in "Z" category from existing "A" category with effect from May 29, 2004 as the company failed to submit the dividend disbursement confirmation in stipulated time as per Security and Exchange Commission (SEC) order May 11, 2004.
- ICB AMCL unit fund: on the close of operation on May 25, 2004 net asset value (NAV) of the fund stood at Tk.113.06 on the basis of cost price and Tk.114.66 on the basis of current market price per certificate against the face value of Tk.100.00. The sale and re-purchase prices of the ICB AMCL unit certificate have been re-fixed at Tk.118.00 and Tk.115.00 per unit with effect from May 29, 2004.
- New Circuit Filter For "B" & "G" Categories Shares: the new circuit filter for "B" & "G" categories shares as follows: 1. filter 10% for breaker 20% to 15% 2. filter 7.5% for breaker less than 15% to 10% 3. filter 5% for breaker below 10%.
- New Circuit Filter For "Z" Category Share: the new circuit filter for "Z" category share is 10%.
- Square Pharma, IDLC, Sandhani Life Insurance, Square textile, Pragati Insurance, Pioneer Insurance, Southeast Bank & Dhaka Bank: member houses are advised not to submit any buy or sale order of the shares of the companies without demating the shares in favor of BO's account. If any order is placed without clients BO's account and Member's clearing account, the member house will be subject to punitive fine and trade suspension as the paper share will not be allowed for these companies.

## Tk million

### Top 20 Market Capital

### Least 20 Market Capital

Lafarge Surma Cement	13,210.62	Petro Synthetics	0.88
BATBC	8,520.00	The Engineers	2.02
Square Pharma	7,263.75	Modern Industries	2.60
Eastern Bank	3,247.20	Texpick Industries	2.68
Prime Bank	2,516.50	National Oxygen	3.75
Singer Bangladesh	2,512.71	Rahima Foods	3.75
Bata Shoe	2,225.74	Metalex Corporation	4.00
Bank Asia Ltd.	2,188.00	Azadi Printers	4.06
BOC	2,170.13	Quasem Textile	4.28
Rupali Bank	2,140.63	Bd. Plantation	4.83
Islami Bank	2,137.44	Rabeya Flour	4.86
Beximco Pharma	2,070.90	Himadri	4.95
Mercantile Bank Ltd.	1,768.30	Padma Printers	5.28
Padma Oil	1,621.90	Bangladesh Hotels	5.40
Mutual Trust Bank	1,557.00	Tulip Dairy	5.50
Glaxo Smith	1,505.81	Quasem Silk	5.80
Square Textile	1,435.83	Pharma Aids	5.89
Pubali Bank	1,402.00	Paper Processing	6.00
UCBL	1,352.18	Pharmaco Internatio.	6.55
Heidelberg Cement	1,330.64	Therapeutics	6.68

**Yawer Sayeed, Managing Director & CEO**  
**Wasiq al Azad, Head of Operations**  
**Laila Mahmuda Shilpi, Manager**  
**Gazi Afshana Banu, Executive Officer**  
**Zakia Rashid, Executive Officer**

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