

**Bangladesh is likely to hop in 'Next Eleven'**

Bangladesh has been included in the 'Next Eleven', a group of nations with promising economic growth potential, according to a latest report by Goldman Sachs, a US-based investment banking and securities firm. The states include Bangladesh, Pakistan, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, Philippines, Turkey and Vietnam. The report relates international institutions are now recognizing growth potential of the country because of its sustained development activities during the last few years, both in the private and public sectors. The country's inclusion as the higher growth potential nation might also end the differences of opinion over the real growth rate of the gross domestic product by various quarters. As per the report, economic potential being realized in Bangladesh and Pakistan will have important consequence, since it will interest both the countries in investing in the peace and stability rather than altercation. It also predicted that South Korea would become the world's 9<sup>th</sup> largest economy with its GDP expanding to over \$2,630b by 2025. At present, South Korea is in the 11<sup>th</sup> position with a GDP worth \$680b. The report also forecast that the world's top 10 economies would be the US, China, Japan, Germany, India, UK, France, Russia, South Korea and Italy by 2025.

**BB projects 6.3-6.8% GDP growth for FY2005-06**

Bangladesh Bank has projected that real growth rate of GDP is likely to be between 6.3 and 6.8% in the current fiscal year (2005-06) in its first "Monetary Policy Review (MPR)" report. The report sparked a debate among various quarters, as the Finance and Planning Minister predicted more than 7% growth in the same period, and a donor agency at 6%. The projection has been based on 5 vital factors: stronger consumer demand, agricultural growth, stable industrial growth, robust service growth and steady growth of remittances, offsetting the trade deficit assuming a more stable and predictable import regime including the petroleum price behavior, a stable exchange rate, adequate private sector credit flows, and the continuation of a tight monetary policy stance in light of current inflationary pressure. The report also predicted that the 12-month average inflation rate in FY06 is unlikely to exceed 7% taking the above factors in account but added a note of caution about the global phenomenon of real interest rate hike in the global economy. The following table shows the growth rate of a few sectors as projected by the MPR in current fiscal:

Sector	Growth rate
Agriculture	3.8-4.3%
Industrial	8-8.5%
Service	6.5-7%
Overall	6.3-6.8%

The review also mentioned that overall goal of the monetary policy will be to contain inflationary expectations, maintain the currency stability and ensure smooth credit flows to the growth points in the productive sectors of the economy in support of the targeted real output growth. Earlier, Asian Development Bank (ADB) predicted a 6% growth in its quarterly journal in September 2005, with a much better performance forecast in the agriculture and foreign direct investment.

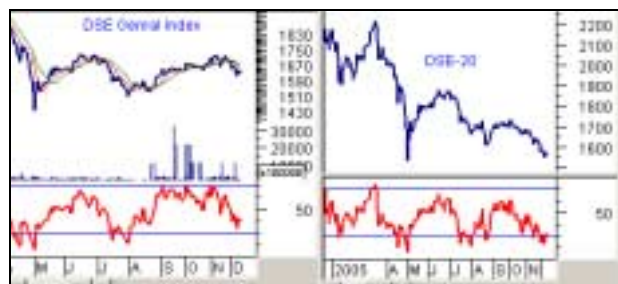
**Three draft acts to streamline insurance business**

Three new draft acts, i.e. Independent Insurance Regulatory Authority Act, 2005, Insurance Act, 2005 and a Takaful Act, 2005 for reforming and regulating operations of the insurance business have been finalized by an 8-strong committee headed by Chief Controller of Insurance (CCI). The proposed Insurance Act 2005 would replace the existing Insurance Act, 1938 and Insurance Rules, 1958. The provisions include establishment of a policyholders' protection fund through which valid claims of policyholders would be settled if the insurers fail to pay the claimed money, creation of brokerage houses for insurance policies and requirement of the minimum solvency margin for running their operation. The proposed brokerage houses would be an alternative to the existing commission agents. The establishment of the brokerage houses in particular is expected to bring an end to the irregularities that are indulged in by a section of general insurance companies under the existing system of 'commission' payments. The committee has suggested that paid-up capital of general insurance companies should be raised to Tk250m from the existing level of Tk150m and that of life insurers to Tk150m from Tk75m. It has also proposed a separate independent regulatory authority act to replace the existing department of insurance for bringing all the insurance companies, both private and state-run, under a uniform regulatory framework. Currently, the CCI regulates the private insurance companies while the state-owned Sadharan Bima Corporations (JBC) and Jiban Bima Corporation (JBC) are regulated under the Insurance Corporation Act, 1973. The committee has also prepared a draft on the proposed Takaful Act, a modern concept of Islamic insurance business, in line with the experiences of those existing in some other countries, especially in Malaysia. The committee included a provision for establishment of a Shariah Advisory Board in order to oversee the operations of the country's Islamic insurance companies.

**BB firm stance on illegal fund transfers**

Bangladesh Bank insisted the commercial banks to follow its instruction unflinchingly on the suspicious transactions reporting (STR) to check illegal fund transfers as banks' reluctance to follow the central bank's instructions on STR for the fear of relations with their clients. The central bank has already taken measures to increase the number of such reporting in line with the existing anti-money laundering act to curb illegal monetary transactions. Under the Act, the banks are required to inform BB's Anti-Money Laundering Department instantly if it detects any suspicious transaction. Earlier, the central bank directed the banks to maintain a transaction profile method (TPM) while opening any account under know your customers (KYC) system to stop suspicious transactions. Meanwhile, BB received only 12 STRs from 49 scheduled banks of the country in last 2 months and a total of 176 STRs have been submitted to the central bank since July 2002. At least 80 STRs have already been investigated into by different agencies including the BB. The government has recently been more stringent on money laundering, as a part of curbing terror finance. At present there is an increasing trend of religious bigots' active involvement in terrorism across the world, which the government vowed to fight back in every front including financial at its soil.

This week's data runs from 09 December 2005 to 15 December 2005



### Stock Market Movement

	This Week	Last Week	+/- %
DSE General Index	1,636.13	1,637.34	-0.074
Total Turnover, Tk	863,256,733.70	1,146,469,848.45	-24.70
Market Capital, Tk	210,718,719,851	209,902,284,484	0.39
Market PEX	13.94	13.89	0.36
Market EPS, Tk per Tk 100	31.59	31.59	0

\* PE is based on latest reported data of listed companies, which registered positive earning. PBR is based on latest reported book values, and 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	Weighted avg. Closing Price (Tk)		Change %	Turnover ('00 0) Lk.
	This Week	Last Week		
BSC	440.88	274.00	60.91	189.58
Samata Leather	16.35	12.48	31.01	94.83
Bengal Biscuits Ltd	30.54	24.00	27.25	150.26
Beximco Textile	64.62	50.81	27.18	4,572.19
Gulf Food	13.73	10.83	26.78	59.04
Beximco Knitting	42.04	33.36	26.02	737.09
M. Hossain Garments	7.15	5.75	24.35	3.58
Beximco Denims	61.62	51.59	19.44	1,106.39
Dynamic Textile	16.90	14.25	18.60	179.82
Tulip Dairy & Food	17.20	14.89	15.51	0.86

### Top Losers

Company	Weighted avg. Closing Price (Tk)		Change %	Turnover ('00 0) Lk. T
	This Week	Last Week		
Atlas Bangladesh	237.18	346.42	-31.53	2,182.06
Usmania Glass	1,143.88	1,493.81	-23.43	1,818.77
Reliance Insurance	360.00	425.00	-15.29	467.64
Raspit Inc. (bd) Ltd	0.70	.082	-14.63	1.40
Rangamati Food	1.00	1.17	-14.53	3.00
Bangas	238.39	274.10	-13.06	34.55
Delta Spinners	75.18	86.44	-13.03	885.62
Anlima Yarn	36.08	41.00	-12.00	7.22
Bionic Seafood	1.70	1.90	-10.53	26.35
BD Dyeing & Finis	14.75	16.06	-8.16	0.30

### Top 20 Market Capital

			In million
Lafarge Surma Cement	24,455	UCBL	5,158
Square Pharma	12,353	City Bank Ltd.	5,141
Islami Bank BD Ltd.	11,955	Southeast Bank Ltd	4,760
Eastern Bank	9,314	Dutch Bangla Ltd.	4,528
Prime Bank	8,996	Bank Asia Ltd.	4,490
Pubali Bank	7,328	Export Import Bank	4,261
Rupali Bank	6,901	National Bank Ltd	4,133
Beximco Pharma	5,830	Mercantile Bank Ltd	3,922
Dhaka Bank Ltd.	5,504	Mutual Trust Bank Ltd.	3,734
BATBCL	5,480	Standard Bank Ltd	3,020

### Technical Talk

#### Index giving mixed signal

This week indices in both the bourses sent mixed signal, turning up slightly in the middle of the week then sliding down at the end. The market reflects more acumen by the investors, as they are buying more when the price goes down instead of when it goes up, a usual trend for the local market.

In the intervening week DSE-20 moved downward by 6.27 points (-0.40%), and closed at 1564.33 points (base 1000 on 01 Jan 2000) against 1570.60 points last week.

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

#### Moving Average

During the week, the DSE General Price Index continued to move below both the 9-day and the 18-day moving average line and indicating a buy signal.

#### Relative Strength Index (RSI)

Currently RSI is 41.57point, indicating a buy signal.



### Top Turnover Companies

Company	Volume	Value(000)Tk.	% of total
Islamic Finance & Investment	334,600	114,299	13.31
Summit Power Ltd	252,350	112,255	13.08
Lafarge Surma Cement	101,850	42,893	5.00
City Bank Ltd.	51,215	36,569	4.26
Southeast Bank Ltd	61,845	33,439	3.90
Pubali Bank Ltd	17,910	32,812	3.82
Prime Bank Ltd.	43,268	27,803	3.24
Export Import Bank	52,401	25,406	2.96
Bangladesh Online Ltd.	467,125	25,215	2.94
Beximco Pharma	370,646	22,528	2.62
Dhaka Bank Ltd.	43,856	19,654	2.29
Standard Bank Ltd	55,849	18,520	2.16
Uttara Bank Ltd.	5,790	15,215	1.77
Mutual Trust Bank	34,179	14,771	1.72
Orion Infusions Ltd.	86,280	13,777	1.60
Grameen M F One	783,000	13,162	1.53
Premier Leasing	43,850	13,060	1.52
Padma Textile	550,878	12,863	1.50
Mercantile Bank	32,660	12,818	1.49
Islami Bank BD Ltd.	2,765	11,956	1.39

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## Exchange Rate

	This Week		Last Week		Change %	
	T.T/O.D	BC	T.T/O.D	BC	T.T/O.D	BC
USD	67.9200	67.9500	67.8200	67.8500	0.15	0.15
EUR	82.4141	82.4505	80.7058	80.7415	2.12	2.12
GBP	121.1082	121.1616	118.6036	118.6561	2.11	2.11
AUD	52.3527	52.3769	51.8145	51.8374	1.04	1.04
JPY	0.5866	0.5869	0.5672	0.5675	3.42	3.42
CHF	53.6366	53.6603	52.4476	52.4708	2.27	2.27
CAD	59.6051	59.6314	59.1385	59.1646	0.79	0.79
HKD	8.7804	8.7843	8.7661	8.7700	0.16	0.16
SGD	41.5642	41.5825	41.0732	41.0913	1.20	1.20
AED	18.6430	18.6512	18.6155	18.6237	0.15	0.15
SAR	18.2556	18.2637	18.2273	18.2353	0.16	0.16

**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			
AMCL (Pran)	Record Date	21-12-05	06-05	21-12-05	26
Aftab Auto	Record Date	30-11-05	06-05	21-12-05	20
Fahad Industries	05-12-05	22-12-05	06-05	22-12-05	5
Altex Industries	23-11-05	22-12-05	06-05	22-12-05	7.5
Imam Button	27-11-05	22-12-05	06-05	22-12-05	5
Sajib Knitwear	08-12-05	22-12-05	06-05	22-12-05	2.5
National Tubes	Record Date	22-12-05	06-05	22-12-05	40, 18:3
Fu-Wang Foods	01-02-05	22-12-05	06-05	22-12-05	15%S
Dhaka Fisheries	04-12-05	22-12-05	06-05	22-12-05	-
Quasem Drycells	Record Date	30-11-05	06-05	24-12-05	10
Prime Textile Mills	27-11-05	24-12-05	06-05	24-12-05	5
Usmania Glass	18-12-05	24-12-05	06-05	24-12-05	70, 30S
Fine Foods	11-12-05	26-12-05	12-03	26-12-05	-
Fine Foods	11-12-05	26-12-05	12-04	26-12-05	-
Fine Foods	11-12-05	26-12-05	12-05	26-12-05	5
Fu-Wang ceramic	01-12-05	26-12-05	-	26-12-05	6
Yousuf Flour Mills	11-12-05	26-12-05	06-05	26-12-05	4S
Olympic Industries	Record Date	15-12-05	03-05	27-12-05	11
Anilma Yarn	28-11-05	27-12-05	-	27-12-05	5
BD Auto Cars	03-12-05	27-12-05	12-05	27-12-05	3
Atlas Bangladesh	05-12-05	27-12-05	06-05	27-12-05	100, 1B:2
Al-Amin Chemical	20-12-05	27-12-05	06-05	27-12-05	-
Al-Haj Textile	22-12-05	27-12-05	06-05	28-12-05	20B
Standard Ceramics	15-12-05	28-12-05	06-05	28-12-05	7.5
Saiham Textile	05-12-05	29-12-05	06-05	29-12-05	7
Jute Spinners Ltd.	11-12-05	29-12-05	06-05	29-12-05	17.5
Delta Spinners	15-12-05	29-12-05	06-05	29-12-05	12
Mono Spool Paper	14-12-05	29-12-05	06-05	29-12-05	-
Keya Cosmetics	09-12-05	29-12-05	06-05	29-12-05	1B:2
Keya Detergent	09-12-05	29-12-05	06-05	29-12-05	1B:5
Pharma Aids	20-12-05	29-12-05	06-05	29-12-05	20
Uttara Finance	-	-	-	29-12-05	1:1R, Premium Tk. 200
Metro Spinning	10-12-05	31-12-05	06-05	31-12-05	12
Rahim Textile	26-12-05	12-01-06	06-05	12-01-06	5
Padma Oil Co	Record Date	05-01-06	06-05	04-02-06	50
Samorita Hospital	02-03-06	16-03-06	06-05	16-03-06	5
IFIC	-	-	-	-	10B
BOC Bangladesh	-	-	09-05	31-01-06	50
Asraf Textile	01-01-06	17-01-06	EGM	17-01-06	-
Bangladesh Shipping	21-12-05	27-12-05	06-05	27-12-05	10

**Yawer Sayeed, Managing Director & CEO**  
**Wasiq al Azad, Head of Operations**  
**Laila Mahmuda Shilpi, Manager**  
**Sukumar D'Costa, Manager-Accounts**  
**Arpita Ali, Executive -Research**  
**Subrata Bhakta, Executive -Fund Management**  
**Nasima Sultana, Executive- Customer Support**

## Last Initial Public Offering

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk.)	Purpose of the issue
Asia Pacific General Insurance	August 21-25, 2005	105.00	-	Business Expansion
Sonar Bangla Insurance	September 11-15, 2005	90.00	-	Business expansion and invested in procuring assets, shares and term deposit
Progressive Life Insurance	October 08-12, 2005	45.00	-	To be utilized for investment
Berger Paints Bangladesh Ltd	November 08-14, 2005	139.14	-	To repayment of existing bank loan
Pragati Life Insurance Ltd	November 20-24, 2005	45.00	-	Business Expansion
Jamuna Bank Limited	February 05-09, 2006	514.8	-	Strengthen the capital base of the business and expansion

## Recently Listed

Company	Subscription Period	IPO (M.Tk)	Private Placement (M.Tk)	Trading started on DSE on
Summit Power Limited	August 27-31, 2005	280.00	-	Nov 15, 2005
Premier Leasing International	August 14 - 18, 2005	100.50	-	October 20, 2005
Prime Finance & Investment	July 30 - 03 Aug, 2005	50.00	-	October 06, 2005
Grameen Mutual Fund One	July 11 - 16, 2005	50.00	103.50	September 04, 2005
Meghna Life Insurance	July 03 - 07, 2005	45.00	-	-
Fareast Islami Life Insurance	May 07 - 11, 2005	45.00	-	July 20, 2005
People's Leasing & Financial Services	May 14 - 18, 2005	63.60	42.40	July 20, 2005
Popular Life Insurance	April 24 - 28, 2005	45.00	-	July 12, 2005
Global Insurance	Jan 29 - Feb 09, 2005	90.00	-	April 16, 2005
Agrani Insurance	January 09 - 13, 2005	90.00	-	March 05, 2005
Nitol Insurance	July 24 - 28, 2005	90.00	-	November 29, 2005
Asia Pacific General Insurance	August 21-25, 2005	105.00	-	December 04, 2005 at CSE
Islamic Finance & Investment	September 25-29, 2005	100.00	-	December 11, 2005

## Corporate Announcements

- Aims First Guaranteed M F: The Net Asset Value (NAV) of the fund stood at Tk 1.11 per share at the close of business operations on November 30, 2005 against the face value of Tk1.00 per unit.
- The Engineers Ltd.: earned a net profit of Tk. 15.18m as on August 31, 2005 and the EPS stood at Tk. 759.14.
- InTech Online Ltd.: recommended 100% rights share subject to the approval by the shareholders in the EGM scheduled to be held on February 02, 2006.
- Eastern Housing Limited: earned a net profit of Tk.75.43m as per audited accounts ended on July 31, 2005 and the EPS stood at Tk.12.16.
- Tripti Industries Ltd: incurred a net loss of Tk. 20.34m as per the audited accounts for the year ended August 31, 2005.
- Mita Textile: earned net profit of Tk.1.92m as per the audited accounts as on June 30, 2005 and the EPS stood at Tk.1.07.
- Modern Dyeing: earned net profit of Tk.0.29m for the year ended on June 30, 2005 and the EPS stood at Tk.2.13.
- Ashraf Textile Mills Ltd.: incurred a net loss of Tk.119.02m and the EPS stood at Tk.11.33 as on the year ended June 30, 2005.
- Usmania Glass Sheet Ltd.: increased it's paid up shares to 568,750 by bonus shares of 131,250 (30% bonus of 437,500 shares).

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