

G2 debut at bourses

Grameen One: Scheme Two, the second 15 year close-end scheme of Grameen Mutual Fund One and also the largest listed mutual fund undertaking in the country with Tk1.25b paid up capital made its debut at both the bourse of the country simultaneously on September 02, 2008 which coincided with the first day of Ramadan 1429H. The trading code of Grameen One: Scheme Two is GrameenS2. The price of each Tk10 units closed at Tk43 on the debut day at the DSE surging by 330%. It also topped the turnover leaders with units worth Tk308.83m traded. At the CSE, price closed at Tk42.50. It is the only 'growth' scheme mutual fund in Bangladesh. The lottery for distribution of units was held on August 14, 2008. The Scheme collected Tk2.73b against the IPO offer of Tk153.41m only, translating to over 17.75 times in oversubscription, including 12.2x in the mutual fund quota, 9.5x for NRB quota and 19.5x in the resident sloth. Public subscription for 15.341m units of Tk10 each was opened between June 30-July 14, 2008 for general public and mutual funds. For NRBs it closed on July 23, 2008. Selected branches of AB Bank, The City Bank, Mutual Trust Bank and Investment Corporation of Bangladesh (ICB) accepted the subscriptions. Grameen Bank is the Sponsor, Grameen Fund is the Trustee and Standard Chartered Bank is the Custodian while AIMS of Bangladesh Limited is the Asset Manager of the Fund. In a challenging endeavor the Fund became the first to refund all unsuccessful applicants directly to their respective bank accounts. Grameen One, the Tk170m first scheme published Prospectus for public offer on June 26, 2005 for Tk50m which was also massively oversubscribed.

Trade deficit jump again

The country's overall trade deficit soared by 60.23% to \$5.54b in FY2007-08 from \$3.46b of the previous fiscal year. The rise in trade deficit over the last fiscal year was mainly caused by a robust import bill instigated by the rising international prices of food and fuel. According to the Bangladesh Bank (BB) statistics, during the said period export earnings stood at \$13.95b while import payments reached to \$19.49b owing mainly to shortfall in domestic production and higher commodity prices. Despite larger deficit in trade balance the current account balance recorded a surplus of \$672m during FY2007-08 against the surplus of \$936m during FY2006-07. Surplus in the capital account during the last fiscal year reached \$576m. However, the overall Balance of Payments (BoP) maintained a surplus trend and stood at \$604m in the last fiscal year compared to a surplus of \$1.49b during the FY2006-07. Bangladesh expatriate workers sent home a record \$7.94b in remittances in FY2007-08 against \$5.98b in the FY2006-07. Meanwhile, the flow of net Foreign Direct Investment (FDI) came down to \$650m in FY2007-08 from \$793m of the previous fiscal year. The net receipts of foreign aid were recorded higher at \$1.38b in the previous fiscal year against \$1.09b of FY2006-07. The portfolio investment also dropped to \$48m in FY2007-08 from \$106m of the previous fiscal year. Aid disbursement in the earlier fiscal year went up as the government received a good amount of budgetary support credit from the donors to overcome shocks caused by the two disasters -floods and cyclone.

Banking Service: Still a far cry at countryside

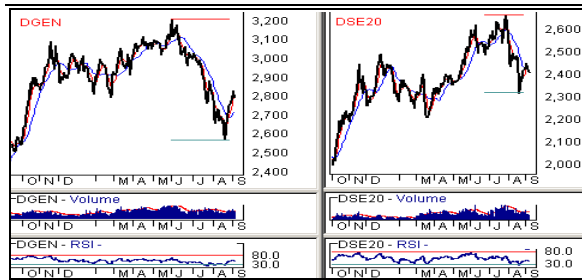
Despite the government efforts to increase access of financial facility in rural areas, the outcome as yet is not that much satisfactory. Bangladesh Bank's recent statistics defined that in the past decade percentage of bank lending in rural areas has fallen by 50%. Total disbursement of loan from banking sector in rural areas were 16.87% in the year 2000 compared with 83.13% in urban areas, which dropped by 14.13% in rural areas and rose by 85.87% in urban areas in 2001. Percentage of bank lending in rural areas fell sharply and reached to 10.52% and 9.94% in 2005 and 2006. While in urban areas lending increased by 89.48% and 90.06% in the same period. At the end of December 2007 in rural areas the rate fell to 8.39% compared to 91.61% in urban areas. Rural people face extra hassle to get access of financial facilities so they acquire help from micro-credit institutions. Moreover, most of the commercial banks want to operate in core urban and industrial areas but in terms of opening bank branches, BB rules say at least one in every five branches must be in rural areas to encourage bank business. But the circumstance started to change in recent times. Brac bank has got permission to open 20 new branches this year, of which 15 will be opened in rural areas. For the current fiscal year, the government set a target to disburse Tk83.08b in agricultural credit and for the up coming fiscal the target has been set at Tk90b. The government will disburse the money mainly through State-owned Commercial Banks, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank.

Remittances drop in August

Remittances sent by Bangladeshi working and living abroad fell by 10.69% in August 2008 and stood at \$732.98b over the previous month due to labor unrest in Middle Eastern countries. Overseas jobs dropped by about 38% in August compared to the previous month due to a decline in demand in the Middle Eastern countries and Malaysia. Bangladeshi expatriates remitted record \$829m in July this year, first month of the current fiscal year. The country received \$754m remittance in June and \$808m in March this year. Despite decline in overseas jobs higher inflow of remittance would continue until the next month because during the month of Eid inflow of remittance usually makes a substantial rise as expatriate Bangladeshis send higher remittances to their family members on the occasion of Eid-ul-Fitr. According to the Bureau of Manpower, Employment and Training (BMET) statistics, a total of 54,708 Bangladeshis secured jobs abroad in August this year, the lowest monthly figure since January, which is also 27.86% down from the same period last year. More than 5.6m Bangladeshis are now working in over 100 countries across the globe. Remittances sent by Bangladeshi working abroad grew by 32.80% and stood at nearly \$8b in the last fiscal year, which is a record in the country's history. Saudi Arabia topped the list of major sources of remittances with a total of \$2.32b sent from the country in FY2007-08 while a total of \$863.73m was remitted from Kuwait, the BB's data showed. A total of \$4.98b was remitted from eight Middle East countries in the FY2007-08 while \$2.94b came from other countries of the world, according to the statistics.

This week's data runs from 28 August to 04 September 2008

Stock Market Movement



	This Week	Last Week	+/- %
DSE General Index	2802.97	2765.46	1.36
Total Turnover, Tk	13,802,826,130.95	10,667,397,589.60	29.39
Market Capital, Tk	786,149,544,698	778,542,512,052	0.98
No of Issue Gain*	120	183	
No of Issue Loss*	131	52	
No of Unchanged Issues*	4	10	

*Issues-Gain, Loss, Unchanged—are reported on Average price basis.

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover ('000) Tk
	Last Week	This Week	Change %	
BD. Thai Aluminum	270.00	381.50	42.40	1,918.51
Pragati Gen. Ins.	932.53	1165.50	22.27	194,103.07
Delta Brac HFCL	1338.80	1622.25	20.98	239,154.61
Chittagong Vegetable	26.00	31.00	19.88	92.57
Titas Gas TDCL	369.45	455.00	19.01	1,998,414.52
ICB Islamic Bank	1481.51	1803.50	17.87	177,905.62
AMCL (Pran)	983.52	1107.00	15.07	55,260.76
Al Amin Chemical	4.70	5.20	12.77	254.40
Pragati Life Ins.	2709.85	3129.50	12.77	76,448.95
Dandy Dyeing	29.40	33.00	12.24	11.55

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover ('00) Tk
	Last Week	This Week	Change %	
Mutual Trust Bank	391.77	341.50	-13.29	23,903.33
Monno Stafflers	580.00	525.00	-9.48	2.63
Rahima Food Corp.	51.72	47.25	-8.64	23.63
Dynamic Textile	21.42	19.50	-8.50	292.04
National Polymer	1740.58	1612.50	-7.64	3,215.10
Rupali Bank	2686.50	2485.25	-7.49	49.71
Eastern Cables	725.72	665.00	-7.42	37,629.09
Bengal Fine Ceramic	56.00	52.00	-7.14	5.20
Bangas	455.78	425.25	-6.67	529.60
1 st ICB M F	5599.75	5234.50	-6.52	680.49

Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	13.72	346.13	352.34	-1.76	2048.71	2343.25	-12.57
Cement	11.61	158.45	157.00	0.92	216.85	175.13	23.82
Ceramic	56.45	153.54	160.18	-4.14	5.26	9.79	-46.25
Engineering	43.52	308.87	305.30	1.17	579.16	401.13	44.38
Food & Al.	21.04	223.95	223.39	0.25	403.12	301.81	33.57
Fuel & Pow.	20.45	1,407.03	1,305.48	7.78	2658.50	1471.56	80.66
Insurance	26.77	550.63	534.60	3.00	1438.01	1160.40	23.92
Investment	52.20	1,469.21	1,188.61	23.61	1417.60	567.44	149.82
IT	44.93	243.17	238.06	2.15	355.58	222.94	59.50
Jute	20.36	139.21	138.18	0.75	0.25	0.03	730.98
Misc.	30.79	544.20	528.18	3.03	693.87	506.33	37.04
NBFI	21.11	526.39	526.87	-0.09	1182.38	1147.34	3.05
Paper	10.68	280.05	267.03	4.88	0.15	0.10	49.85
Pharma	25.68	317.83	314.41	1.09	1816.41	1485.75	22.26
Service	24.57	568.77	509.73	11.58	321.14	114.86	179.60
Tannery	20.39	380.93	371.21	2.62	320.53	210.33	52.39
Textile	14.86	188.75	192.83	-2.11	252.72	277.29	-8.86

*Base Year 2005

Technical Talk

Bullish trend of bourses slightly slowed down last week as investors went for profit taking. Losers outnumbered gainers and blue chips also witnessed some erosion in prices. But significant price rise followed by heavy trading of market giant Titas Gas kept market afloat. Debut trading of Grameen One: Scheme Two in September 02, largest closed end mutual fund by size has drawn huge response from investors and marked 330% rise in first trading day. It added TK5b in market capitalization. Investment, power, insurance, tannery and service sector were most upbeat.

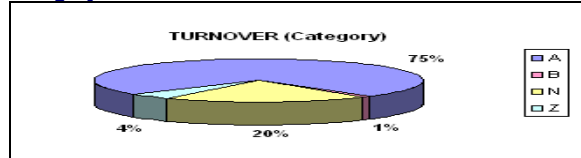
DSE General Index reached at 2802.97 rose by 37.51 points or 1.36% from the previous week. Total turnover reached at TK13802.26m with 29.39% increase from the last week's TK10667.40m. On the other hand, market capital improved by 0.98% and stood at TK786.15b (\$11.56b) at the weekend against TK778.54b. DSE-20 has moved downward by 16.88 points (0.70%) and closed at 2409.00 points against 2425.89 points. Last week weighted average Market PE was 20.26 which was 0.69% higher than previous week's 20.12.

During the week, DSE General Price Index was above of 9 and 18-day moving average line.

Top Turnover Companies

Company	Volume	Value(000)Tk	% of total
Titas Gas TDCL	4,544,950	1,998,415	14.45
ACI Ltd.	1,512,586	777,968	5.63
BEXIMCO Ltd.	5,245,809	640,671	4.63
Grameen One:Scheme Two	13,450,500	545,956	3.95
Beximco Pharma	4,072,739	451,626	3.27
LankaBangla Finance	1,750,650	378,876	2.74
Islami Bank BD	45,862	342,164	2.47
ICB AMCL 2 nd NRB	1,845,350	326,442	2.36
Square Pharma	105,579	313,388	2.27
BATBCL	1,339,420	286,274	2.07

Category wise Turnover



Top 10 Market Capital

Company	Market Capital (in million)
Square Pharma	35,834
Titas Gas TDCL	29,455
Islami Bank BD.	35,453
Uttara Bank	22,672
Lafarge Surma Cement	34,760
AB Bank	21,845
Dutch Bangla Bank	34,547
Power Grid Co.	19,534
Rupali Bank	31,066
National Bank	18,952

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	68.05	69.05	67.95	68.95	0.15	0.15
EUR	104.59	109.18	103.68	108.27	0.88	0.84
GBP	133.17	138.46	131.25	136.51	1.46	1.43
AUD	63.24	66.96	60.95	64.63	3.76	3.61
JPY	0.63	0.66	0.62	0.65	1.61	1.54
CAD	65.70	68.77	64.46	67.43	1.92	1.99
SAR	18.00	18.56	17.98	18.53	0.11	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, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Initial Public Offering

Company	Subscription Period	Sponsor (M.Tk)	IPO (M.Tk)	Private Placement (M.Tk)
Takaful Islami Insurance	August 25-31, 2008	-	90.00	-
Standard Ins. Ltd.	September 07-11, 2008	-	90.00	-
Maksons Spinning Mills Ltd.	October 12-16, 2008	-	80.00	-
Republic Insurance Comony Ltd.	October 26-30, 2008	-	90.00	-