

Pharmaceutical growth may peak again

Last year the pharmaceutical companies achieved double-digit growth in overall sales and crossed Tk40b for the first time with top ten companies marketing high quality new products. According to the Intercontinental Marketing Services (IMS), a global pharmaceutical market intelligence agency, Bangladesh medicine sales reached Tk37b in 2007 from Tk35.42b in 2006. As the global source for pharmaceutical market intelligence, IMS provides critical information, analysis and services that drive decisions and shape strategies of the industry. It publishes regular reports that pharmaceutical companies in the world uses in optimizing portfolios, ensuring successful launches, managing brands and improving the effectiveness of sales teams. Among the top ten companies-Square, Beximco, Eskayef, Incepta, Acme, ACI, Opsonin, Renata, Aristopharma and Drug International take up nearly 70% of the total market share, according to the IMS survey. The survey reveals that Square, with a fifth of the total market share, hold the leading position in the local market with Tk9.43b sales in 2008. Incepta, the second, sold drugs worth Tk3.54b in the local market last year. Beximco, Acme and Eskayef are the third, fourth and fifth respectively, with Tk3.33b, Tk2.47b and Tk2.18b in sales turnover. Currently the industry is capable of fulfilling near about 97% of the domestic demand but most companies generally import most of the raw materials, which is one of the main disadvantages for the local companies. Besides meeting domestic demand, the industry exported Tk3b worth of medicines. The export figure was Tk2b and Tk1.50b in 2007 and 2006 respectively. Pharmaceutical companies have been demanding modernization of the Drug Administration, setting up Independent Drug Testing Laboratory, Clinical Testing Bioequivalence Center, Active Pharmaceutical Ingredients (API) Industrial Park, allowing the industries to spend sufficiently for operating office abroad in line with the rules of foreign markets, changing Bangladesh Bank's limit to spending on registration cost and sending product samples abroad, for the sake of smooth and sustainable flourishing of the pharmaceutical sector.

SoE losses rise alarmingly

The losses of State owned Enterprises (SoEs) have been rising and hit a new high of nearly Tk100b in the FY2008-09. However, a decline in procurement expenses for Bangladesh Petroleum Corporation (BPC) on petroleum products from international markets helped it to reduce losses. The BPC incurred loss of Tk35.75b in FY2008-09, which was Tk95.53b in the last fiscal year. Loss of Bangladesh Chemical Industries Corporation (BCIC) amounted Tk3.35b and that of Bangladesh Jute Mills Corporation (BJMC) amounted Tk2.48b in FY2008-09, up from Tk1.51b of earlier year. The loss incurred by Bangladesh Inland Water Transport Authority (BIWTA) was Tk130m from Tk200m of last fiscal year. Bangladesh Telecommunication Regulatory Commission (BTRC) incurred a loss of Tk0.37b in FY2007-08 but in the FY2008-09 it made a profit of Tk32.38b. Bangladesh Power Development Board (BPDB) made a loss of Tk15.66b against last year's Tk9.93b. The loss of Bangladesh Sugar and Food Industries Corporation (BSFIC) also increased, as it suffered a loss of Tk2.11b against Tk1.55b of previous fiscal year. Bangladesh Road Transport Corporation (BRTC) losses in the FY2008-09 rose to Tk370m from Tk350m of previous financial year.

Forex reserve set new record

The foreign exchange reserve has crossed the \$7b mark for the first time, thanks to a fall in cost and volume of imports and robust inflow of wage earners remittance. The country's foreign exchange reserve rose to a record high at \$7.01b as on June 15, 2009 from \$6.94b of the previous day. Opening of Letters of Credit (LCs) for imports fell in April over that of the previous month. Import LCs worth \$1.90b and \$1.70b were opened in March and April respectively. On the other hand, in the first eleven months (Jul-Apr) of the FY2008-09 the country received \$8.76b in remittance, marking a 22.39% growth over the same period of the last fiscal year. The central bank continued intervention in the inter-bank foreign exchange market through buying of US dollars from the commercial banks to keep the market stable.

BoP balance stands surplus

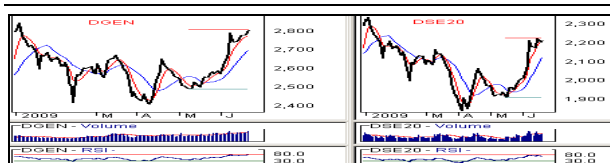
Despite a deficit in the financial account the overall Balance of Payment (BoP) continued to show a surplus during the first nine months (Jul-Mar) of the FY2008-09. The deficit of overall financial balance rose to \$303m during the period from \$272m of earlier fiscal year. The country saw a trade deficit of \$4.04b during the said period from 3.76b of the corresponding period of earlier fiscal year. According to the central bank statistics, export earning in the Jul-Mar period stood at \$11.68b against the import payment of \$15.72b. The current account balance showed a surplus of \$1.09b during the period compared to \$415m in the same period of last fiscal year. However, the net receipts of foreign aid dropped to \$888.26m during the period against \$964.85m of the same period of earlier fiscal year. The flow of portfolio investment also recorded a deficit of \$111m during the period.

Foreign investment register growth

Foreign Direct Investment (FDI) in Bangladesh shot up by 67.4% and reached to \$882m in the first nine months of the FY2008-09 compared to \$527m in the same period of earlier fiscal year. The Board of Investment (BoI) registered \$4.1b worth of FDI proposal till April this year. Of these proposals most are for the manufacturing, textile and pharmaceutical sectors. In FY2005-06, Bangladesh received \$793m worth of net FDI, which plunged to \$650m in FY2006-07 and to \$527m in FY2007-08. In "Doing Business 2009" survey prepared by the International Finance Corporation (IFC) and the World Bank (WB) it showed some improvements in some of the business indicators of the country. The report said Bangladesh has reduced procedures, time and cost to start a business and simplifying registration formalities to some extent. Name clearance and registration for starting a business in the country are done in one day, which took minimum seven days or more in the past. According to the report there are some key areas of business where reforms are badly needed. The focus of such reforms should be to facilitate easy access to loans for small and medium enterprises, improvement of customs clearance process, making tax payment easier, encouraging more business competition, simplifying labor regulations and land ownership and registration issues. The survey on business competitiveness is based on 10 categories: starting business, dealing with licenses, employing workers, registering property, obtaining credit, protecting investors, paying taxes, trading across border, enforcing contracts and closing a business.

This week's data runs from 11 June to 18 June 2009

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	921.23	946.21	-2.6%
FTSE 100	4345.93	4441.95	-2.2%
Nikkei 225	9786.26	10135.82	-3.4%
SENSEX	14521.89	15237.94	-4.7%
KSE 100	7039.73	7059.48	-0.3%

DSE Indicators

	This Week	Last Week	+/- %
DSE General Index	2807.57	2747.27	2.19
Total Turnover, Tk	34,194,499,406	31,890,923,216	7.22
Market Capital, Tk	862,374,047,736	838,569,160,716	2.84
No of Issue Gain*	184	113	
No of Issue Loss*	79	146	
No of Unchanged Issues*	1	5	

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

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Delta Spinners	288.20	342.00	37.90	27,243,800
Monno Stafflers	837.07	913.75	35.97	1,047,400
Fine Foods	33.06	33.70	24.35	82,635,800
Rahim Textile	1029.39	1030.25	19.83	1,593,100
1st BSRS M F	1225.82	1280.50	19.06	146,980,100
AB Bank	857.64	877.25	18.19	1,666,485,400
One Bank	363.04	394.75	16.10	475,502,200
Fu-Wang Ceramic	359.48	378.75	14.86	407,486,900
BEXIMCO Ltd.	286.21	288.90	14.83	3,016,861,200
Atlas BD	468.91	472.70	13.01	534,720,800

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Sonargaon Textiles	283.30	272.00	-18.81	1,891,700
National Housing Fin.	1336.57	1268.75	-10.10	41,127,900
Agrani insurance	312.51	306.50	-9.12	50,459,600
Sonali Paper	19.00	17.50	-8.85	13,200
Daffodil Computers	34.85	34.20	-8.80	94,094,400
Jute Spinners	614.00	575.00	-6.35	54,900
Eastern Lubricants	408.83	408.20	-6.23	2,553,900
BDCOM Online	46.40	45.00	-6.05	71,061,000
Samorita Hospital	367.50	363.00	-5.77	110,400
ISN Ltd.	44.00	37.90	-5.49	47,324,800

Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	9.97	273.22	264.12	3.44	5091.99	5492.51	-7.29
Cement	36.92	139.65	134.68	3.69	608.23	466.23	30.46
Ceramic	40.26	1,455.67	1,401.81	3.84	977.56	505.68	93.31
Engineering	34.85	598.87	556.72	7.57	2671.47	1843.89	44.88
Food & Al.	20.23	253.32	241.62	4.84	616.07	393.86	56.42
Fuel & Pow.	23.28	2,078.12	2,050.65	1.34	6788.99	6461.33	5.07
Insurance	23.26	662.73	661.05	0.25	1788.40	2700.45	-33.77
Investment	25.06	1,838.47	1,806.90	1.75	1349.12	902.09	49.56
IT	57.88	402.91	411.61	-2.12	791.08	793.37	-0.29
Jute	14.13	166.52	163.47	1.87	0.10	0.17	-40.48
Misc.	27.54	978.62	899.83	8.76	3234.50	1261.02	156.50
NBFI	21.85	643.47	617.70	4.17	3060.65	3232.65	-5.32
Paper	59.38	563.94	546.39	3.21	1.70	0.49	247.27
Pharma	27.38	436.75	432.27	1.04	4005.87	3580.46	11.88
Service	50.54	2,118.61	2,238.93	-5.37	1232.44	1888.33	-34.73
Tannery	22.54	317.90	317.94	-0.01	250.91	285.55	-12.13
Textile	20.90	373.84	354.94	5.32	1598.90	1424.70	12.23

Technical Talk

Market parked up for the 8 consecutive weeks with record liquidity inflow. DSE bull is in full force and general index back to January level of 2807 points. Index advanced 16.5% from its April 9 low, still lagging the performance of other emerging markets. All sectors except IT, tannery and service & real estate declined last week. Banking sector advanced 3.44% mainly powered by AB, Brac & One bank. Investors are waiting for upcoming half yearly results to fully enter into banks. Power stocks advanced in last trading day after an intra week correction. NBFIs also regained. Beximco declined in profit taking after news of acquisition of GMG airlines which is a loosing concern hit the market. Speculative Z category scripts again started rising. It would be a bad precedence for the capital market if black money enters into black stocks.

DSE General Index reached at 2807.57 rose by 60.30 points or 2.19% from the previous week. Total turnover reached at Tk34194.50m with 7.22% increase from the last week's Tk31890.92m. On the other hand, market capital jumped by 2.84% and stood at Tk862.37b (\$12.60b) at the weekend against Tk838.57b. DSE-20 has moved upward by 38.23 points (1.76%) and closed at 2213.46 points against 2175.23 points. Last week weighted average Market PE was 17.52 which was 1.64% higher than previous week's 17.24.

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

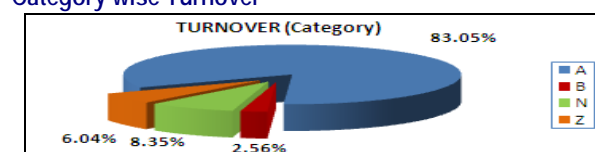
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO Ltd.	10,797,500	3,016,861,200	8.82
Titas Gas TDCL	4,535,800	2,585,890,000	7.56
Beximco Pharma	12,261,550	2,176,752,100	6.37
AB Bank	2,017,570	1,666,485,400	4.87
Summit Power	1,105,700	1,580,126,600	4.62
LankaBangla Finance	5,361,500	1,346,388,300	3.94
BEXTEX Ltd	20,479,400	1,300,099,700	3.80
Power Grid Co.	1,450,550	1,061,296,600	3.10
Summit Alliance Port	363,800	763,324,600	2.23
Prime finance	576,700	759,356,400	2.22

Top 10 Market Capital

Company	Value (Tk)	% of total
Square Pharma	41,060	27,126
Titas Gas TDCL	38,598	26,580
Islami Bank BD	31,781	24,361
Summit Power	30,207	23,924
Lafarge Surma Cement	27,737	22,374
Power Grid Co.		27,126
Beximco Pharma		26,580
BEXIMCO Ltd.		24,361
ICB		23,924
AB Bank		22,374

Category wise Turnover



Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	68.45	69.45	68.45	69.45	0.00	0.00
EUR	93.68	99.24	95.79	101.37	-2.20	-2.10
GBP	107.04	112.80	111.50	117.19	-4.00	-3.75
AUD	53.07	56.80	54.84	58.57	-3.23	-3.02
JPY	0.68	0.76	0.70	0.78	-2.86	-2.56
CAD	60.69	63.34	62.53	65.32	-2.94	-3.03
SAR	18.11	18.67	18.11	18.67	0.00	0.00

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)
Asia Ins. Ltd.	April 19-23, 2009	-	90.00	-
Rupali Life Ins. Co. Ltd.	May 03-07, 2009	-	45.00	-
EBL First M F	June 21-25, 2009	200	200	600