

### **Businessmen whitened highest amount**

The businessmen as a group topped the list of beneficiaries in the money-whitening scope extended by the past caretaker government. Around 80% in penal taxes on this account was realized from businessmen out of six categories of professions that had whitened undisclosed income in the last two years. About 57,000 persons availed the opportunity during the caretaker government's tenure. According to figures from the National Board of Revenue (NBR), businessmen topped the list followed by physicians, private job holders, government officials, lawyers and military officials who had whitened their income in 2007 and 2008. According to the NBR study paper a total of 56,845 people whitened Tk96.82b in the last two years paying Tk9.11b as taxes to the public exchequer. Of them, 41,801 were business persons who disclosed Tk77.76b by paying Tk6.84b in taxes in the last two years of the caretaker government tenure. The NBR has found that nearly 4,000 physicians legalized Tk6.85b by paying Tk630m in taxes. A total of 4,149 private service holders whitened Tk4.25b by paying Tk530m taxes to the NBR in the last two years. A total of 3,489 government officials whitened Tk2.89b in the two years by paying Tk470m in taxes. 626 lawyers have paid Tk100m taxes against their undeclared money of Tk660m and about 140 defense staff whitened Tk170m by paying taxes worth Tk30m. The NBR also received Tk460m from taxpayers in other professions. According to the NBR this was the highest amount of money that was whitened in the history of Bangladesh even after paying taxes and high fines. In the current fiscal year budget initially the government extended a provision of the black money holders to whiten their money by paying a flat tax of 10% for three years. But after widespread criticism the government was forced to amend the provision and impose a number of conditions. Now undisclosed money will be allowed to be whitened from July 2009 to June 2010 instead by year 2012, for investment in new industries and infrastructures as well as in the stock market but the source of money is required to be disclosed. If undisclosed money is invested in the capital market it cannot be withdrawn in two years that means there is a lock-in period of two years. In case of allowing undisclosed money for purchasing flats and homes a person would be able to buy only one flat or house.

### **Credit growth witnessed in NBFIs**

Private sector credit growth from Non-Banking Financial Institutions (NBFIs) rose by 40% to Tk108.60b at the end of December last year compared to Tk78.30b in the same period of 2007. The industrial lending by NBFIs also increased by 10.4% to Tk61.40b in 2008 compared to Tk55.60b in 2007. Term financing by NBFIs has increased to nearly 40% at the end of June 2009 from 27.3% in December 2008. Total assets of NBFIs also showed a 20% growth. The amount of such assets reached Tk127.53b in December 2008. On the other hand, the rate of overall default loans in the NBFIs sector climbed to 8.50% in March 2009 from 7% of January 2009. The total classified loans of all NBFIs stood at Tk9.13b in March this year against Tk7.18b in December 2008, according to the Bangladesh Bank (BB) statistics. The BB has instructed implementation of the Basel-II framework by the end of 2010 for the 29 NBFIs in an attempt to strengthen and consolidate the financial base of the NBFIs which usually provide lease and other form of corporate finance.

### **Foreign Investment outlook positive**

Bangladesh Bank (BB) conducts a survey twice a year to monitor the foreign investment position in Bangladesh. A recent such survey found that during Jan-Jun period of 2008 inflow of Foreign Direct Investment (FDI) increased in power, textile, telecommunication and banking sectors while it decreased in case of gas and petroleum sectors. The overall inflow of FDI rose during the said period with \$483.66m in investments compared to the same period of earlier year's survey. The survey revealed that the infrastructure and service sectors were the prime recipient of FDI in 2008. However, according to the survey FDI inflow to gas and petroleum sector decreased by \$9.51m or 13.36% to \$61.65m during Jan-Jun period of 2008. The telecommunication sector attracted the highest amount of FDI with \$210.68m in investment during 2008, which was 136.08% higher than the previous year's investment. Whereas, FDI inflow to power sector increased by \$7.19m or 80.25% to \$16.15m in 2008. In the banking sector FDI inflow increased by 221.19% to \$119.58m and textile sector by \$17.4m or 45.78% to \$55.41m.

### **Overall imports fell in FY2008-09**

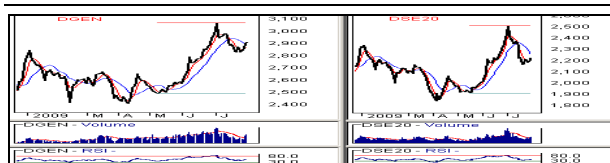
The overall imports in the just concluded fiscal year fell due to higher amount of local food production and moribund trend of commodity prices in the global market. Central Bank statistics reveal that the value of Letters of Credit (LCs) against import worth \$21.44b was settled in FY2008-09. Import of food grains and other consumer goods dropped by 38.31% and 2.33% respectively in the FY2008-09 over the last fiscal year. Import of food grains stood at \$871.09m in the last fiscal year as against \$1.41b of FY2007-08. However, import of industrial raw materials witnessed a 10.47% growth to \$8.49b in the FY2008-09 against \$7.69b of FY2007-08 while the import of industrial spares and accessories was worth \$1.66b in the last fiscal year compared to \$1.44b in the FY2007-08. Import of petroleum products fell to \$2.04b in the previous fiscal year from \$2.29b of the FY2007-08 owing to fall in prices of petroleum products in the international market.

### **Foreign aid plunged in FY2008-09**

Foreign aid has started to plunge from the second half of the just concluded fiscal year due to lack of budgetary support from the multilateral donors and a drastic cut in aid by major bilateral donors which have been hit by the global economic recession. Foreign aid disbursement to the country declined by about \$335m or 17% in FY2008-09 compared with that of the previous fiscal year. According to the Economic Relation Divisions (ERD) data total amount of aid disbursed by multilateral and bilateral donors stood at \$1726.91m in FY2008-09 against \$2061.51 in FY2007-08. Of the total amount of foreign aid \$1204.05m was disbursed in the form of loans and the rest \$522.86m came as grants in FY2008-09. The highest amount of aid worth \$512.85m was disbursed by the World Bank (WB) in FY2008-09. According to the ERD statistics, Japan disbursed aid of \$75.87m, of which \$48.09m was as loans and \$27.78m as grants. The agencies like the UNDP, ILO and WFP disbursed aid to the tune of \$151.51m in FY2008-09 against \$177.94m in the previous fiscal. UK's Department for International Development (DFID) provided grants worth \$90.81m in FY2008-09 compared to \$127.62m in the FY2007-08. The USA has not provided any grant to the country in the just ended fiscal year but the amount of grant assistance from Germany in FY2008-09 stood at \$62.34m against \$29.79m in FY2007-08.

This week's data runs from 23 July to 30 July 2009

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	987.48	979.26	0.84%
FTSE 100	4608.36	4576.61	0.69%
Nikkei 225	10356.83	9944.55	4.15%
SENSEX	15670.31	15378.96	1.89%
KSE 100	7720.93	7783.39	-0.80%

### DSE Indicators

	This Week	Last Week	+/- %
DSE General Index	2914.53	2866.21	1.69
Total Turnover, Tk	24,798,954,077	21,616,201,185	14.72
Market Capital, Tk	946,019,991,880	924,482,820,615	2.33
No of Issue Gain*	185	95	
No of Issue Loss*	58	144	
No of Unchanged Issues*	1	3	

\*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 %	
Samorita Hospital	403.56	703.50	74.35	3,918,000
Gemini Sea Food	781.67	1306.75	67.21	1,004,000
Savar Refractories	277.03	442.50	58.18	1,728,000
Reckitt Benckiser	553.32	773.00	39.96	16,868,000
Bangla Process	499.00	691.00	38.48	93,000
Kohinoor Chemicals	760.00	1020.50	34.90	1,222,000
Jute Spinners	1406.69	1891.00	33.73	3,576,000
Desh Garments	146.46	184.00	30.50	7,544,000
Glaxo SmithKline	353.23	458.70	29.83	227,178,000
Dulamia Cotton	107.94	132.75	26.43	15,626,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Prime Islami Life	1994.99	1619.25	-18.29	34,061,000
IFIC Bank	849.11	776.75	-7.91	97,898,000
2nd ICB M F	2181.80	2021.00	-7.37	649,000
Meghna Cement	602.46	579.00	-6.04	226,304,000
CMC Kamal	78.50	74.00	-5.73	30,000
ACI Formulations	197.38	188.70	-3.97	303,049,000
Rahim Textile	1403.28	1350.00	-3.79	597,000
Aflab Automobiles	1281.73	1228.50	-3.51	202,013,000
Beximco Synthetics	441.62	422.75	-3.48	107,677,000
Jamuna Bank	326.36	317.00	-3.43	79,182,000

### Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	9.59	285.93	288.17	-0.77	2919.96	3331.13	-12.34
Cement	38.96	150.32	151.23	-0.60	1161.02	833.41	39.31
Ceramic	41.29	1,402.20	1,393.09	0.65	289.19	212.07	36.36
Engineering	35.28	597.84	598.06	-0.04	1444.34	1203.22	20.04
Food & Al.	21.59	313.56	299.80	4.59	629.00	478.61	31.42
Fuel & Pow.	22.68	2,230.25	2,157.63	3.37	4483.46	3763.19	19.14
Insurance	24.36	712.42	690.50	3.17	2029.12	1202.19	68.79
Investment	26.29	2,035.83	1,938.55	5.02	1941.11	1595.79	21.64
IT	61.61	430.20	429.17	0.24	557.22	619.59	-10.07
Jute	48.90	481.10	404.51	18.93	7.30	3.77	93.35
Misc.	30.00	1,087.74	1,051.18	3.48	2032.13	1849.61	9.87
NBFI	22.23	671.69	664.91	1.02	1542.72	1627.87	-5.23
Paper	68.47	601.56	594.94	1.11	0.12	0.08	42.86
Pharma	26.88	440.36	429.20	2.60	2423.36	1989.52	21.81
Service	44.49	2,006.22	1,984.03	1.12	564.02	532.98	5.82
Tannery	27.07	348.26	337.59	3.16	385.61	273.22	41.14
Textile	26.34	396.90	384.39	3.25	2124.51	1980.72	7.26

## Technical Talk

Market clawed back to gaining track last week as uncertainty faded away to some extent following a meeting between Bangladesh Bank and SEC where central bank asserted that it will play positive role for the development of the capital market and wouldn't take any inimical step. Liquidity also started flowing to market evident by 14.72% increase of average daily turnover. Investors' risk appetite increased as they showed keen interest on speculative stocks. Without some surprise half-yearly earning results were moderate. Last week's trading was dominated by fuel and power stocks. Upcoming dividend declaration, probable upward adjustment of utility price lured investors' to this sector.

DSE General Index reached at 2914.53 rose by 48.32 points or 1.69% from the previous week. Total turnover reached at Tk24798.95m with 14.72% increase from the last week's Tk21616.20m. On the other hand, market capital gained by 2.33% and stood at Tk946.02b (\$13.81b) at the weekend against Tk924.48b. DSE-20 has moved upward by 13.44 points (0.61%) and closed at 2222.01 points against 2208.57 points. Last week weighted average Market PE was 17.43 which was 1.66% lower than previous week's 17.15.

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

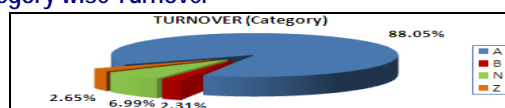
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO Ltd.	5,483,300	1,672,359,000	6.74
Titas Gas TDCL	2,191,500	1,456,870,000	5.87
BEXTEX Ltd.	20,452,800	1,352,228,000	5.45
AIMS First Guaranteed M F	51,297,500	838,735,000	3.38
Jamuna oil	3,787,800	833,981,000	3.36
Beximco Pharma	4,079,450	685,755,000	2.77
Summit Power	520,450	661,101,000	2.67
AB Bank	664,990	652,126,000	2.63
Grameen One: Scheme2	9,921,000	541,766,000	2.18
DESCO Ltd.	274,650	397,365,000	1.60

### Top 10 Market Capital

Company	Value (Tk)	% of total	
Titas Gas TDCL	45,403	Power Grid Co.	27,151
Square Pharma	39,880	ICB	25,527
Islami Bank BD	34,538	Beximco Pharma	25,349
Lafarge Surma Cement	29,148	BEXIMCO Ltd.	25,343
Summit Power	27,347	AB Bank	24,993

### Category wise Turnover



### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	68.50	69.45	68.45	69.45	0.07	0.00
EUR	95.89	101.38	95.02	100.32	0.92	1.06
GBP	111.50	117.19	110.25	115.78	1.13	1.22
AUD	54.85	57.57	53.70	57.44	2.14	0.23
JPY	0.70	0.78	0.71	0.79	-1.41	-1.27
CAD	62.53	65.32	61.13	63.81	2.29	2.37
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)
Marico Bangladesh	August 02-06, 2009	-	134.29	-
ICB AMCL 2nd M F	August 09-16, 2009	100	400	-
Islami Ins. Bangladesh Ltd.	August 16-20, 2009	-	90	-