

### Records galore in anticipation & anxiety

The year 2010 would be reckoned as the most bullish year for the history of Dhaka Stock Exchange. The exchange started the year on January 03, 2010 with DGEN at 4568.40 points, DSE-20 at 2658.88 points, Tk10949m total turnover and Tk1914b market cap. These figures were the lowest of the year for DGEN, DSE20 and Market cap, while lowest trade volume accounted on April 07, 2010 for Tk5064m. In 244 trading sessions DGEN closed at 8290.41 points with Tk17831m turnover and Tk3508b market cap in the last trading day of the year. DGEN climbed by 82.79% from the year closing of 2009 at 4535.53 points, DSE-20 by 99% from 2613.49. Enhancement of turnover and market cap were 91.17% and 84.32% correspondingly against Tk9327m and Tk1903b on December 30, 2009. Daily average turnover of 2010 was Tk16434m which was Tk6046m in 2009. DGEN suffered a record 551.77 points or 6.72% plunge on December 19, 2010, resuming trade at 8206.17 and closing at 7654.41 points. Index reached its all-time high at 8918.51 points on December 05, 2010. DSE also recorded its highest-ever single-day turnover of Tk32495m on that day. SEC issued 81 new directives during 2010. 11 equity securities, 10 mutual funds and 2 convertible bonds entered in the market worth Tk35b, which was Tk16b larger than 2009's IPO size. Number of BO holders went 3.3m up to from 1.3m in 2009.

### Grip on MFs relaxed

The Securities & Exchange Commission (SEC) on December 29, 2010 suspended earlier restrictions on mutual fund margin loan facility with effect from January 02, 2011. Mutual funds having Net Asset Value (NAV) of Tk100 but trading at above Tk150 were not eligible for margin loan facilities. With the withdrawal from now on investors in all mutual funds will be eligible for margin loans at the ratio of 1:1.5 just like other listed equity securities, based on market value and without any reference to respective NAVs. SEC also decided to allow mutual funds to participate in the bidding process under the book-building method for Initial Public Offering (IPO). In another reversal the SEC decided to increase the private placement ceiling of individual investors in mutual fund IPOs to Tk2.5m from Tk1m and totally withdrew all ceiling limits for the institutional investors. However, the existing one year lock-in on all placements would continue. The measures are expected to reinvigorate the dwindling interest of investors on mutual funds.

### Impressive growth in VAT and income tax

The National Board of Revenue (NBR) earned about Tk10b more in revenue than the target for the last fiscal year, with outstanding performance in Value Added Tax (VAT) and income tax. NBR earned Tk620.07b against target of Tk610b, recording 18% growth. Both income tax and VAT departments achieved growth by over 23% compared to the corresponding period in the last fiscal year. Collection of income tax was for Tk171b against a target of Tk165b while collection from VAT amounted Tk216.43b against target of Tk207b for the period. Out of Tk171b income tax, advance tax contributed 48% or Tk82.13b. In the first five months (Jul-Nov) of the current fiscal year income tax collection attained 31.34% growth over the corresponding period of the last fiscal year. NBR has collected Tk61.15b income tax in Jul-Nov period of the FY2010-11 against Tk46.56b in the same period of FY2009-10. For the current fiscal year the government has set a Tk210.05b target for income tax collection which is 29% of the total revenue budget.

### Defaulted loans significantly up

The volume of defaulted loans at banks has again increased in recent times despite intensive recovery measures initiated under the aegis of the Central Bank. Though laws have been amended to facilitate banks in recovery drives, the success rate appear not to be satisfactory as yet. Defaulted loans in the banking sector stood at Tk240.88b in September this year compared to Tk233.79b in June, 2010. Classified loans with the banks were Tk224.82b in December last year, according to Bangladesh Bank (BB) statistics. Defaulted loans increased to Tk6.44b during this period with private commercial banks. BB set loan recovery target for state-owned commercial banks form top 20 defaulters in 2010. Out of the total Tk3.88b target Sonali Bank was set at Tk1.18b, Janata Bank Tk0.85b, Agrani Bank Tk0.99b and Rupali Tk0.86b. But recovery from the top 20 defaulters in the first nine months of 2010 from the four banks was only Tk13.5m, Tk168.2m, Tk260m and Tk27.4m respectively.

### Private sector credit rising

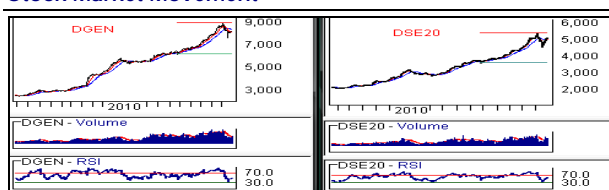
Private sector credit growth witnessed a rising trend during September this year, indicating that the sluggish economic activities are improving. According to the Bangladesh Bank statistics, credit flow to the private sector recorded a growth of 26.65% to Tk604.37b in September 2010 on a year-on-year basis, compared to 13.65% or Tk272.49b in the same period of the previous calendar year. The credit flow to the private sector has been on the decline since October 2008 owing to slower level of investments in the backdrop of global economic recession, national elections and political transition as well as anti-graft measures by the last interim care-taker government. However, there are strong suspicions that the increased credit growth may have resulted from diversions to the burgeoning stock market.

### Remittance & employment down

Remittances from expatriate Bangladeshis fell by 3% in the first five months of the current fiscal year while overseas employment of Bangladeshis also suffered a jolt in recent times in traditional major employment generating destinations. According to Bangladesh Bank (BB), during the Jul-Nov period of FY2010-11 remittance inflow was down to \$4.52b from \$4.66b in the same period of previous fiscal year. The Bureau of Manpower, Employment & Training (BMET) reports, a total of 291,904 Bangladeshis found jobs abroad during Jan-Sep of 2010, declining by 18.5% against the corresponding period of 2009. A total of 358,171, 688,574 and 591,607 Bangladeshi found jobs abroad during Jan-Sep periods of 2009, 2008 and 2007 respectively. In September 2010, Saudi Arabia employed only 319 workers, Oman 4,088, Bahrain 1,822, Lebanon 1,547, Qatar 936, Jordan 154 and Malaysia 117. Singapore however maintained steady recruitment of Bangladeshis with 3,358 in September last. Remittances from overseas Bangladeshis crossed the \$10b mark, a record in the country's history, growing by 19.51% and reaching \$10.72b in 2009. In 2008, the remitted amount was \$8.97b. Saudi Arabia, UAE, USA, Qatar, Oman, Bahrain, Kuwait, Libya, Hong Kong, Japan, Malaysia, Singapore and South Korea are the top sources of remittance. It appears that for various reasons, the Middle-Eastern countries and Malaysia have been ignoring Bangladeshi workers since 2008.

This week's data runs from 23 December to 30 December 2010

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %	PE
S&P 500	1257.64	1256.77	0.07%	15.80
FTSE 100	5899.94	6008.92	-1.81%	15.50
Nikkei 225	10228.92	10362.49	-1.29%	15.20
SENSEX	20509.09	20155.65	1.75%	23.70
KSE 100	12022.46	11858.17	1.39%	11.40

### DSE Indicators

	This Week	Last Week	+/- %
DSE General Index	8290.41	8108.11	2.25
Total Turnover, Tk	75,690,991,730	75,963,665,001	-0.36
Market Capital, Tk	3,034,322,987,405	2,997,905,032,977	1.21
No of Issue Gain	153	53	
No of Issue Loss	97	193	
No of Unchanged Issues	1	2	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Rahim Textile	2540.00	3095.75	21.88	4,470,000
Grameen1: Scheme2	27.30	32.10	17.58	246,800,000
Eastern Housing	1230.50	1416.00	15.08	467,887,000
PHP First M F	10.10	11.60	14.85	196,114,000
United Airways	647.75	737.00	13.78	1,650,152,000
Southeast Bank	528.75	600.25	13.52	2,753,282,000
CMC Kamal	210.80	238.90	13.33	571,655,000
One Bank	1020.25	1153.75	13.09	2,401,022,000
First Janata Bank M F	11.50	13.00	13.04	236,855,000
IFIL Islamic M F-1	10.10	11.40	12.87	96,867,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Eastern Insurance	2482.25	1471.50	-40.72	68,720,000
H.R.Textile	1144.50	842.25	-26.41	49,529,000
Dulamia Cotton	438.00	364.25	-16.84	19,048,000
Al-Haj Textile	65.30	57.60	-11.79	9,723,000
Saiham Textile	176.70	158.70	-10.19	199,668,000
Pharma Aids	5092.50	4580.00	-10.06	16,886,000
Titas Gas	1088.50	999.00	-8.22	2,732,772,000
Fine Foods	104.80	97.20	-7.25	69,161,000
Powergrid	985.00	915.75	-7.03	463,388,000
Grameenphone	263.80	245.80	-6.82	1,574,691,000

### Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
		Bank	15.50	857.17	804.08	6.60	35485.65
Cement	28.96	237.22	233.56	1.57	873.33	1004.03	-13.02
Ceramic	93.92	1,428.76	1,425.95	0.20	1212.84	1681.29	-27.86
Engineering	71.58	2,080.06	2,077.12	0.14	2958.36	4184.33	-29.30
Food & Al.	48.77	909.48	866.49	4.96	1418.32	1048.63	35.26
Fuel & Pow.	28.06	3,142.76	3,321.99	-5.40	4929.53	8100.75	-39.15
Insurance	51.28	2,058.16	2,022.99	1.74	4480.72	5367.68	-16.52
IT	52.68	336.56	343.94	-2.14	179.38	176.73	1.50
Jute	49.48	658.31	631.72	4.21	26.60	34.94	-23.88
Misc.	19.09	2,153.96	2,169.21	-0.70	1796.95	2427.37	-25.97
Mutual Fund	23.81	656.99	607.94	8.07	3741.93	280.36	30.36
NBFI	41.95	2,805.57	2,730.29	2.76	6519.16	7465.13	-12.67
Paper	127.69	735.44	721.04	2.00	4.61	5.62	-18.05
Pharma	53.83	747.32	756.21	-1.18	1954.95	2661.02	-26.53
Service	41.56	2,251.14	2,242.78	0.37	658.02	494.41	33.09
Tannery	21.62	616.88	634.51	-2.78	203.65	338.97	-39.92
Telecom	20.35	2,458.00	2,638.00	-6.82	1574.69	4659.48	-66.20
Textile	52.55	924.20	919.62	0.50	5915.86	5567.08	6.26
Travel & Leis.	62.35	328.25	288.50	13.78	1650.15	831.02	98.57

## Technical Talk

On the last week of the year DSE was more calm and composed. The hullabaloo of earlier two weeks had some abrasion on the prelude that beaded by the end of the week. Money market stability, as the call money rate eased down to around 20%, attributed some optimism. SEC finally loosened up the margin loan restrictions on mutual funds. Naturally on the closing day the investors of the investment sector enjoyed generous profit (8%). Travel, mutual fund, bank and food were among the major gaining sectors; ascended by 13.78%, 8.07%, 6.60% and 4.96% respectively. Grameenphone endured price correction throughout the week, closed 6.82% down.

DSE General Index reached at 8290.41 rose by 182.30 points or 2.25% from the previous week. Total turnover reached at Tk75690.99m with 0.36% decrease from the last week's Tk75963.67m. On the other hand, market capital rose by 1.21% and stood at Tk3034.32b (\$43.41b) at the weekend against Tk2997.91b. DSE-20 has moved upward by 243.54 points (4.91%) and closed at 5204.98 points against 4961.44 points. Last week weighted average Market PE was 28.77 which was 1.05% higher than previous week's 28.47.

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

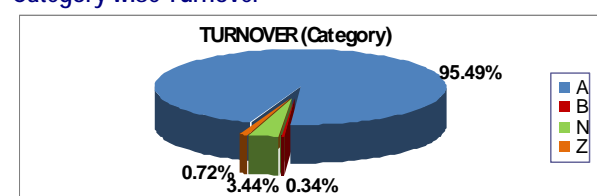
### Top Turnover Companies

Company	Volume	Value (Tk)	% of Total
National Bank	21,138,700	4,049,038,000	5.35
Prime Bank	4,152,850	3,854,585,000	5.09
Southeast Bank	4,769,900	2,753,282,000	3.64
Titas Gas	2,632,900	2,732,772,000	3.61
One Bank	2,155,650	2,401,022,000	3.17
Islami Bank	2,606,180	2,057,014,000	2.72
AB Bank	1,277,920	1,980,082,000	2.62
United Airways	2,344,500	1,650,152,000	2.18
BEXIMCO	5,161,900	1,608,961,000	2.13
United Commercial Bank	7,029,750	1,601,575,000	2.12

### Top 10 Market Capital

Company	Market Capital (Tk)	% of Total
Grameenphone	331,904	65.969
ICB	105,488	59.342
Titas Gas	85,561	54.572
NBL	84,536	53.363
Square Pharma	69,092	51.547

### Category wise Turnover



### Exchange Rate

Currency	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	69.90	70.90	69.90	70.90	0.00	0.00
EUR	92.09	94.39	91.31	93.56	0.85	0.89
GBP	107.87	109.98	107.88	110.01	-0.01	-0.03
AUD	70.00	71.75	69.29	71.02	1.02	1.03
JPY	0.84	0.87	0.83	0.85	1.20	2.35
CAD	69.09	70.82	68.36	70.08	1.07	1.06
SAR	18.55	19.00	18.55	19.00	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)
MBL 1st MF	December 12-19, 2010	100.00	500.00	400.00
MJL Bangladesh	January 02-06, 2011	-	6096.00	-
M.I. Cement Factory	January 09-13 2011	-	3348.00	-