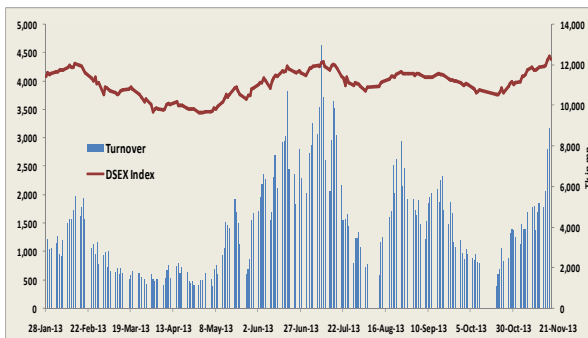


**Stocks recap**

Overcoming the lingering episode of downswings Dhaka Stock Exchange (DSE) returned to green and signaling another trail of rebound. Anticipation of a bull-run triggered buying spree as institutional and foreign investors become active based on the rumor that Bangladesh Bank might relax some provisioning related rules for banks. On the other hand, investors probably expected positive developments on the political front. However, apprehensions are there that the situation may become adverse in the coming week. DSEX, the key index touched its highest level of 4439.59 points on November 20, 2013 since the January 28, 2013 launch. Turnover at the same time hit a four-month high of Tk8.89b on November 20, 2013 from Tk12.95b recorded on July 09, 2013. Foreign investors also found the fundamentally strong scrips lucrative enough to put in fresh funds. However, after the month long bullish run the index was on a downtrend and finished at 4395.93 points on November 21, 2013, down by 43.66 point from previous trading session.

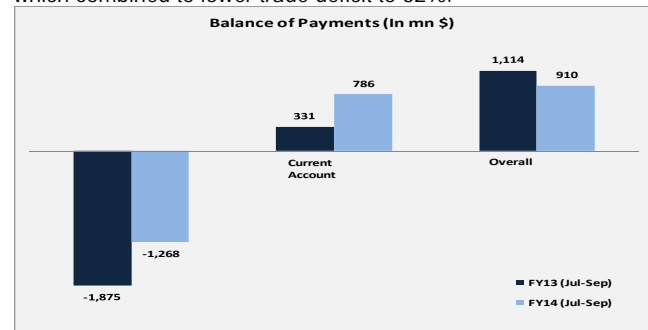


**Tax irregularities in private placement**

The National Board of Revenue (NBR) has recently identified irregularities in payment of tax on private placement issue of shares. Global Heavy Chemical Limited listed with both the bourses showed deflated issue prices on its' books to evade tax at source. Global Heavy Company raised Tk3b by issuing 50 million shares at Tk60 each through private placement. But in its prospectus endorsed by the Bangladesh Securities and Exchange Commission (BSEC) it was shown that a total of Tk1.50b was collected from the privileged placement-holders by issuing 50 million shares of Tk10 with premium of Tk20. Later on NBR issued a letter clarifying the existing income tax rules to all relevant stakeholders including BSEC, Stock Exchanges and brokerage houses. Issue price of shares would be considered as the base price for tax payment by the shareholders no matter at what price the holders bought the shares. The tax would be collected at the rate of 5% on the difference between transfer value and cost of acquisition of the securities or mutual fund units by sponsor share holders, directors or placement share holders. If the paid up issue price is more than the approved issue price, it will not be considered in collecting tax at source. In absence of any specific guideline, many companies issued private placement shares at exorbitant premiums. Some of them were listed with offer prices (including premium) much lower than the private placement allocations. Consequently, the privileged placement holders who bought high priced shares counted losses.

**BoP dropped in Q1**

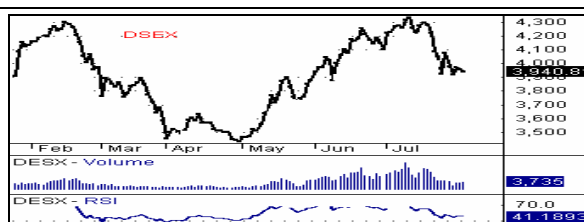
In the first quarter of the current fiscal year, Balance of Payment (BoP) has dropped by 18.34% to \$910m on year-on-year basis, according to data released by Bangladesh Bank. Although exports increased, the uneasy situation has been created mainly due to a fall in foreign aid receipts and declining rate in growth of remittance from expatriate earnings. Disbursement of foreign aid dropped around 23% owing to weak project implementation performance of the ministries and divisions. In the Q1 period foreign aid disbursement stood at \$422m in contrast with \$545m a year back. Remittance inflow was \$3.27b falling from \$3.56b in the same period of the last fiscal year. Though the surplus in overall balance fell in the Q1 period, the current account surplus almost doubled during the period in comparison to previous year on the back of high export growth. In the Q1 of FY2013-14 export earnings reached \$7.62b against \$6.29b and import payment stood at \$8.80b from \$8.05b in the same period of the FY2012-13, which combined to lower trade deficit to 32%.



**Illicit capital flight still large**

A research work undertaken by a London based independent organization Tax Justice Network (TJN) has revealed that Bangladesh lost US\$24.7b in illicit financial flow to foreign countries between 1976 and 2010. The shadow economy or 'black money' of Bangladesh lies somewhere between 48% to 84% of the Gross Domestic Product (GDP) and a big chunk of it is spent during the general elections. Several reasons have been cited for the existence and growth of shadow economy or 'black money', them being tax and social security burden, intensity of regulation and public sector services. TJN's findings has also revealed that only US\$1 is flowing into the poor countries as foreign aid as against an average outflow of US\$10 in illicit transactions to the developed countries. TJN also published the Financial Secrecy Index 2013 (FSI) in Bangladesh and ranked jurisdictions according to their secrecy and the scale of their activities using 15 indicators. In the FSI-2013, TJN examined how structural characteristics could be facilitating the cross-border transfer of illicit funds, discusses methodological issues underlying estimates of illicit flows, presents an analysis of the magnitude of such flows and makes policy recommendations for the curtailment of these illicit flows. The FSI-2013 covered 82 countries and has ranked Switzerland, Hong Kong, UK, Bahrain, Panama, Mauritius, Malaysia, Dubai, Bermuda and Lebanon as 10 top countries fetching illicit financial flow mostly from developing countries. It is likely that structural and governance issues are driving the bulk of illicit outflows, but this needs to be examined on a case-by-case basis, the study suggests.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %	PE
S&P 500	1804.76	1798.18	0.37	18.0
FTSE 100	6674.30	6693.44	-0.29	14.1
Nikkei 225	15381.72	15165.92	1.42	16.8
SENSEX	20217.39	20399.42	-0.89	14.6
KSE 100	23847.57	23287.06	2.41	12.2

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4395.94	4241.54	3.64
Total Turnover, Tk	34,839,583,956	23,716,345,261	46.90
Market Capital, Tk	2,115,239,152,243	2,029,791,850,754	4.21
No of Issue Gain	230	158	
No of Issue Loss	51	124	
No of Unchanged Issues	15	13	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
BD Building	41.10	63.60	54.74	506,182,000
Jute Spinners	64.40	93.70	45.50	7,468,000
Pragati life Ins.	123.50	158.20	28.10	86,906,000
Reckitt Benckiser	710.00	899.50	26.69	5,624,000
Monno Staffers	277.90	351.40	26.45	4,119,000
BD Autocars	24.80	30.80	24.19	14,104,000
Bengal Windsor	50.00	60.50	21.00	618,324,000
BEXIMCO	32.00	38.70	20.94	740,123,000
Miracle Ind.	14.30	17.20	20.28	33,311,000
Aamra technologies	30.30	36.30	19.80	225,629,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Delta Life Ins.	459.10	348.50	-24.09	51,933,000
Rahima Food	55.70	42.90	-22.98	53,497,000
Anlima Yarn	32.90	27.20	-17.33	36,807,000
Northern Jute	31.00	26.50	-14.52	61,000
EBL NRB MF	8.20	7.40	-9.76	1,058,000
Rahim Textile	260.30	245.20	-5.80	4,637,000
Standard Bank	16.30	15.50	-4.91	96,823,000
Shahjalal Bank	18.90	18.00	-4.76	97,283,000
Phoenix Finance	35.90	34.20	-4.74	99,746,000
BDCOM Online	28.00	26.70	-4.64	80,978,000

### Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
		Bank	11.22	382.20	379.56	0.70	4756.54
Cement	18.09	304.30	294.51	3.32	948.20	546.36	73.55
Ceramic	21.22	548.26	527.80	3.88	208.18	100.34	107.48
Engineering	19.40	1387.44	1271.96	9.08	3803.30	1361.61	179.32
Food & Al.	21.31	1896.55	1825.94	3.87	857.55	419.85	104.25
Fuel & Pow.	11.50	2835.31	2678.74	5.84	4685.54	2238.26	109.34
Insurance	22.12	1408.29	1493.44	-5.70	1593.62	1392.12	14.47
IT	15.35	194.94	178.61	9.14	431.95	211.56	104.17
Jute	19.05	361.20	335.66	7.61	24.66	8.37	194.61
Misc.	15.15	742.62	679.04	9.36	1207.81	721.38	67.43
Mutual Fund	10.12	520.35	522.03	-0.32	880.30	1039.35	-15.30
NBFI	14.51	1100.60	1063.88	3.45	1463.75	1598.49	-8.43
Paper	25.20	306.80	297.94	2.97	5.66	1.57	260.25
Pharma	15.05	858.53	801.17	7.16	3206.16	1606.78	99.54
Service	16.32	859.81	800.61	7.39	407.21	130.42	212.23
Tannery	11.12	613.03	595.72	2.91	319.78	145.89	119.19
Telecom	11.05	2300.17	2146.52	7.16	1647.68	631.06	161.10
Textile	17.85	1230.05	1088.50	13.00	7253.21	4600.23	57.67
Travel & Leis.	15.11	749.83	719.68	4.19	900.23	686.71	31.09

## Technical Talk

Dhaka Stock Exchange advanced last week. Out of its five trading sessions, market gained in four trading sessions while the last one saw profit booking correction. DSEX touched its highest level of 4439.59 points on November 20, 2013 since its inception on January 28, 2013. Turnover was also higher throughout the week. Three listed companies-Atlas Bangladesh, Envoy Textile and Rahima Food made corporate declarations last week. Last week Paramount Textile Limited made its debut with Tk48 open price; it traded within Tk44-50 band on that day and closed at Tk45.60.

DSE Broad Index (DSEX) reached at 4395.94 points increased by 154.40 points or 3.64% from the previous week. Total turnover reached at Tk34839.58m with 46.90% increase from the last week's Tk23716.35m. On the other hand, market capitalization increased by 4.21% and stood at Tk2115.23b (\$27.33b) at the weekend against Tk2029.79b. DSE-30 has moved upward by 97 points (6.70%) and closed at 1543.98 points against 1446.98. Last week's weighted average Market PE was 15.50 which was 4.55% higher than previous week's 14.82.

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

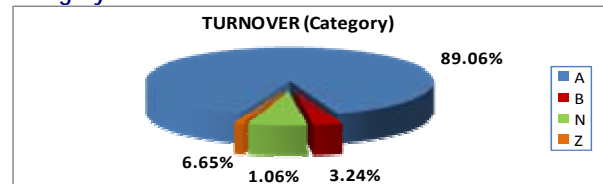
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Generation Next Fashions	46,928,500	1,576,780,000	4.53
Meghna Petroleum	4,060,700	1,162,990,000	3.34
Grameenphone	5,567,400	1,155,484,000	3.32
R. N. Spinning Mills	27,521,250	973,913,000	2.80
Square Pharma	4,498,380	850,014,000	2.44

### Top 10 Market Capital

Company	Market Capital (Tk)
Grameenphone	283,428
BATBC	102,594
Square Pharma	94,665
Titas Gas	75,774
ICB	65,528
Islami Bank	53,715
ULC	39,758
Lafarge Surma Cement	37,396
Padma Oil	30,247
Pubali Bank	26,579

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1244.00	1287.30	-3.36
Silver (USD/t oz.)	19.86	20.72	-4.15
Brent Crude Oil (USD/bbl)	111.05	108.54	2.31

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	77.40	78.40	77.40	78.40	0.00	0.00
EUR	104.03	106.46	103.17	105.67	0.83	0.75
GBP	124.33	126.60	123.35	125.59	0.79	0.80
AUD	72.14	73.84	71.88	73.57	0.36	0.37
JPY	0.77	0.79	0.77	0.79	0.00	0.00
CAD	73.77	75.52	73.46	75.16	0.42	0.48
SAR	20.53	21.01	20.53	21.01	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 Public Offerings

Company	Subscription Period	Sponsor (M.Tk)	IPO (M.Tk)	Private Placement (M.Tk)
Mozaffar Spinning	Hossain November 03-07, 2013		275	
AFC Agro Biotech	December 08-12, 2013		120	