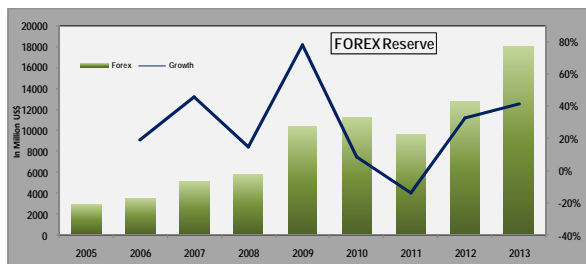


BSEC upgraded to category 'A'

Bangladesh Securities & Exchange Commission (BSEC) has been upgraded as an 'A' category regulatory agency from existing 'B' category after 18 years of its membership with the International Organization of Securities Commissions (IOSCO). With this recognition BSEC will receive more international exposure and from now on will be able to take part in IOSCO policymaking process and enjoy voting power in the IOSCO forum. The Madrid based IOSCO presently has 182 members among which 82 belongs to A-category. With the upgrading BSEC will also get the opportunity to compete for different high official positions and take part in different committees for the IOSCO. The IOSCO is the acknowledged international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector.

Forex reserve at historic high

Bangladesh's foreign exchange (forex) reserve reached a historic high by breaking all previous records when it reached \$18.05b on December 19, 2013. Increase in export earnings despite a series of domestic odds and lower import payment in the last few months, buoyancy in inward remittance and stable exchange rate against the dollar mainly aided in building the reserve. Moreover, release of fourth installment of the International Monetary Fund (IMF) loan under its Extended Credit Facility (ECF) also contributed to improve the forex reserve. IMF has approved the three-year ECF arrangement for a total amount of \$982.5m on April 11, 2012. The reserve balance crossed the \$15b milestone on May 07, 2013 and then crossed \$16b-mark for the first time on August 13, 2013. The reserve balance then crossed the \$17b mark on October 22 after which it increased to \$17.60b on November 07. However, after a routine payment of \$890m to the Asian Clearing Union (ACU) against imports of various items during the September-October period of the current calendar year forex reserve came down to \$16.63b on November 10, 2013.



According to international rule of thumb standards, a country needs to have forex reserve enough to meet import bills for three months while with the current reserve payment for more than six months can be made. BB purchased US dollar worth \$2.28b between July 01 and December 19 of FY2013-14 to keep the inter-bank foreign exchange market stable, which played a role in breaking all previous records. However, the impact of piling up robust forex reserve may not be very positive for the economy in the long run as it holds huge opportunity cost. Nosedive in imports, especially of capital machinery and industrial raw materials at the back drop of slow economic activity and political unrest, has already hit private investments. The forex reserve may increase more in the future if imports do not pick-up in accordance with the required demand from the industrial sector.

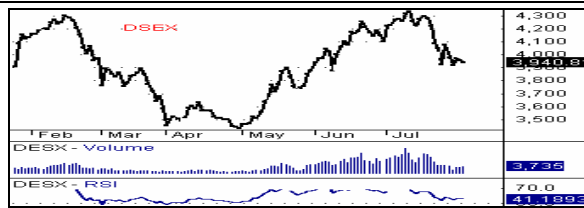
Tenure of 8 ICB mutual funds extended again

The Bangladesh Securities & Exchange Commission (BSEC) has backtracked from its earlier stance and extended the tenure of eight mutual funds managed by the state-owned Investment Corporation of Bangladesh (ICB) by another year up to December 31, 2014 which were poised to be redeemed within this year in line with an earlier directive. The stock market regulator took the decision following an application from the ICB seeking extension of time for the mutual funds considering the present market situation, media reports claimed. Earlier in November this year, BSEC has approved the conversion guideline of closed-end mutual funds into open-end ones requiring consent of three-fourth of the unit holders with a provision of treating the existing unit holders as initial subscribers of the Fund. At that time, the market regulator rejected an application seeking approval on merger of a matured fund with existing ones. Meanwhile, two matured closed-end mutual funds- ICB AMCL First Mutual Fund and 1st BSRS Mutual Fund has been de-listed with trading of units of the funds discontinued at the bourses. Earlier in July this year an amendment to the Mutual Fund Rules-2001 allowed the close-end mutual funds to convert into an open-end mutual fund.

3 non-operation companies relegated to Z category

Invoking the Settlement of Stock Exchange Transactions Regulations, 1998 (Section 4), Dhaka Stock Exchange (DSE) have for the first time demoted three companies to "Z" category as those companies have not been in production for more than six months. The three include CVO Petrochemical and Refinery Limited, Rahima Food Corporation and Modern Dyeing & Screen Printing Limited. Among the three the first two were perched in 'A' category while the latter was placed in "B" category. As per the rule, a listed company shall be moved to 'Z' category if it fails to hold an annual general meeting, pay dividends to its shareholders, is unable to continue production for six months or the accumulated losses exceed paid up capital of the company. Unusual price hike of the companies despite halted production along with weak fundamental base has led DSE authorities to trigger the rule. Despite the delayed action market experts have welcomed the step. Even though not being in continuous operation for the last six months share prices of these companies have increased ten folds in recent times. CVO Petrochemical & Refinery Limited has not been in continuous operation for almost 3 years but share price of the company has always been on increasing trend. Trading of the companies was earlier suspended in both bourses due to the abnormal price hikes. The market regulatory watch-dog also penalized the companies at times for different irregularities after investigation both by the BSEC and the bourses on suspected market price manipulations and irregular dealings. On the other hand business activities of Modern Dyeing & Screen Printing Limited have been dependent on factory rent for quite a few years. The company has rented their factory premises without changing its business type and company objectives. Based only on the earnings from rent the company has been distributing dividend to its shareholders. The factory of Rahima Food Corporation was found to be totally shut by the BSEC officials following an inspection on October 09, 2013. According to the observations in the audit report the production capacity utilization of the company was deemed to be below standard.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %	PE
S&P 500	↑ 1841.40	1818.32	1.27	18.8
FTSE 100	↑ 6750.87	6606.58	2.18	14.3
Nikkei 225	↑ 16178.94	15870.42	1.94	16.5
SENSEX	↑ 21193.58	21079.72	0.54	15.2
KSE 100	↓ 25258.05	25579.33	-1.26	12.2

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↓ 4200.96	4244.64	-1.03
Total Turnover, Tk	↓ 19,084,725,944	20,491,064,910	-6.86
Market Capital, Tk	↓ 2,028,327,329,013	2,043,453,569,898	-0.74
No of Issue Gain	87	87	
No of Issue Loss	190	190	
No of Unchanged Issues	19	19	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Bay Leasing	30.90	38.60	24.92	300,790,000
Bank Asia	18.90	23.10	22.22	148,632,000
Union Capital	29.20	32.40	10.96	8,527,000
National Housing Fin.	30.40	33.20	9.21	86,638,000
Prime Islami Life Ins.	96.20	104.10	8.21	42,410,000
GSP Finance	28.80	31.10	7.99	101,319,000
United Leasing	29.50	31.80	7.80	95,438,000
Islamic Finance	16.80	18.10	7.74	68,699,000
Green Delta Ins.	89.30	96.10	7.61	107,147,000
Kohinoor Chemicals	358.40	383.50	7.00	3,925,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Samata Leather	24.20	18.00	-25.62	3,922,000
CVO Petrochemical	818.80	615.80	-24.79	100,532,000
BD Autocars	34.60	29.10	-15.90	5,369,000
Paramount Textile	61.50	52.30	-14.96	359,991,000
Rahima Food	74.60	63.50	-14.88	54,016,000
Padama Oil	301.90	258.60	-14.34	189,404,000
Delta Spinners	43.90	37.90	-13.67	194,377,000
Legacy Footwear	47.00	40.60	-13.62	28,664,000
Hakkani Pulp	39.10	33.90	-13.30	3,437,000
Central Pharma	50.60	44.00	-13.04	183,354,000

Sectoral Index & Turnover

Sector	P/E	Sectoral Index			Turnover (Tk.M)		
		This Week	Last Week	Change %	This Week	Last Week	Change %
		Bank	10.15	371.10	373.38	-0.61	1322.58
Cement	17.23	291.26	296.99	-1.93	305.52	715.75	-57.32
Ceramic	20.01	546.95	553.56	-1.19	91.97	190.12	-51.62
Engineering	18.04	1394.56	1390.96	0.26	3030.48	2638.12	14.87
Food & Al.	20.56	1777.22	1837.30	-3.27	667.24	1620.56	-58.83
Fuel & Pow.	10.15	2638.24	2709.13	-2.62	1129.60	1148.11	-1.61
Insurance	21.01	1009.34	1304.60	-22.63	1001.63	1542.04	-35.05
IT	12.15	215.89	229.18	-5.80	204.72	526.32	-61.10
Jute	19.23	356.85	371.42	-3.92	6.31	13.27	-52.47
Misc.	15.11	680.91	697.62	-2.40	300.72	460.52	-34.70
Mutual Fund	10.05	504.49	513.94	-1.84	451.75	934.43	-51.66
NBFI	12.20	1082.00	1082.96	-0.09	1446.54	1283.39	12.71
Paper	25.02	375.47	433.07	-13.30	2.90	5.47	-47.06
Pharma	15.21	831.24	852.30	-2.47	897.14	1721.22	-47.88
Service	16.12	802.42	866.42	-7.39	87.98	125.89	-30.12
Tannery	11.11	610.33	615.45	-0.83	134.88	164.84	-18.18
Telecom	10.15	2151.40	2183.52	-1.47	260.32	360.05	-27.70
Textile	17.01	1340.87	1322.20	1.41	3555.37	5415.60	-34.35
Travel & Leis.	15.19	670.95	712.14	-5.78	269.49	336.52	-19.92

Technical Talk

The stock market remained almost flat as the investors stayed on the sidelines amid political violence across the country. The turnover did not move up in tandem with the Index, revealing weakness in trend. Last week Appollo Ispat Complex Limited made its debut with Tk34 open price; it traded within Tk32-40 band on that day and closed at Tk38.10.

DSE Broad Index (DSEX) reached at 4200.96 points decreased by 43.68 points or 1.03% from the previous week. Total turnover reached at Tk19084.73m with 6.86% decrease from the last week's Tk20491.06m. On the other hand, market capitalization decreased by 0.74% and stood at Tk2028.33b (\$26.20b) at the weekend against Tk2043.45b. DSE-30 has moved downward by 19.12 points (1.30%) and closed at 1447.95 points against 1467.07. Last week's weighted average Market PE was 14.77 which was 1.52% lower than previous week's 15.

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

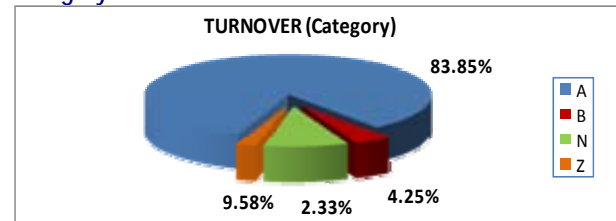
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Appollo Ispat Complex	27,255,000	1,027,428,000	5.38
R.N. Spinning Mills	26,133,250	1,014,730,000	5.32
Generation Next Fashions	22,438,500	865,731,000	4.54
Golden Son	12,634,000	776,533,000	4.07
Tallu Spinning	12,054,400	489,819,000	2.57

Top 10 Market Capital

Company	Market Capital (Tk)
Grameenphone	269,790
BATBC	96,000
Square Pharma	91,580
Titas Gas	72,609
ICB	59,938

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1212.90	1203.70	0.76
Silver (USD/t oz.)	20.01	19.42	3.04
Brent Crude Oil (USD/bbl)	112.18	111.77	0.37

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	105.37	107.83	105.95	108.42	-0.55	-0.54
GBP	126.24	128.53	127.01	129.31	-0.61	-0.60
AUD	68.60	70.21	70.10	71.76	-2.14	-2.16
JPY	0.73	0.75	0.74	0.77	-1.35	-2.60
CAD	72.40	74.11	72.41	74.23	-0.01	-0.16
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)
AFC Agro Biotech	December 08-12, 2013		120	
Emerald Oil Industries	January 06-12, 2014		200.00	