

IPO Summary of 2013

As the secondary market continued to slumber, high opening day return by Initial Public Offering (IPOs) stoked investor demand for new issues in 2013. During the year 16 companies and mutual funds were listed with the bourses yielding an average return of 206% in their trading debuts luring investors and companies into the primary market. With the inclusion of the new securities, the total number of listed securities on the Dhaka Stock Exchanges currently stands at 529. The opportunity to bag massive returns has enticed investors to jump on the bandwagon in pursuit of a quick buck in a short span of time. The clamoring for IPOs was quite evident during the year as on an average the IPO subscription of the newly listed companies were oversubscribed by more than fifteen times. With seemingly low risk and massive opportunity for high return the investors' were particularly caught up in the IPOs issued at face value as seven scrips offered at face value capped an average return of 266%. Sunlife Insurance provided the highest return among the lot with 721% on the opening day trade followed by Global Heavy Chemicals and Familytex which dished 397% and 385% return respectively. On the contrary IPO performance of listed mutual funds were yet again quite disappointing as two mutual funds-ICB AMCL Sonali Bank Limited 1st Mutual Fund and Exim Bank 1st Mutual Fund posted 1% and 10% return respectively on the close of opening day trade. In 2012, 14 companies and mutual funds were listed with the bourses.

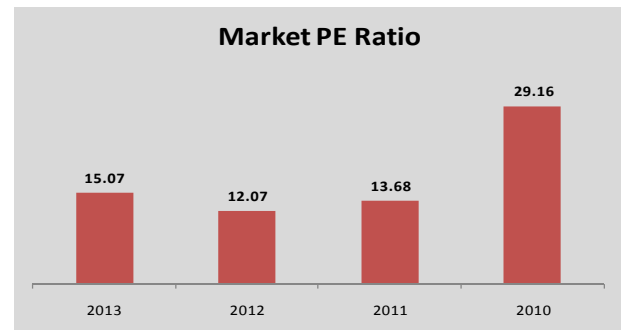
Name of the Scrip	Offer Value	Close Price (Day 1)	Return (Day 1)
Sunlife Insurance	10	82.1	721%
Summit Purbanchol Power	40	57.5	44%
Argon Denims	35	82	134%
Premier Cement	22	103.5	370%
Golden Harvest Agro Ind.	25	76.4	206%
Global Heavy Chemicals	20	99.4	397%
Orion Pharma	60	75.2	25%
Bengal Windsor	25	55	120%
ICB Sonali Bank 1st M F	10	10.1	1%
Familytex	10	48.5	385%
EXIM Bank 1st M F	10	11	10%
Central Pharmaceuticals	10	38.4	284%
Fareast Finance	10	19	90%
BD Building	10	47.2	372%
Paramount Textile	28	45.6	63%
Appollo Ispat	22	38.1	73%

Trade deficit narrows

Overall trade deficit narrowed by 35.71% to sum up at \$2.24b in the first five months of the current fiscal year from \$3.49b in the corresponding period of the last fiscal year. The reasons for the narrow trade deficit were a mix of rise in exports and a drop in imports of industrial raw materials, capital machinery and intermediate goods. Export earnings reached \$11.81b in the first five months of the FY2013-14 against \$9.98b during the same period of the FY2012-13. On the other hand, import payment stood at \$14.06b in the first five months of the FY2013-14 while it was \$13.47b in the same period of the FY2012-13. Imports increased during July-November of the FY2013-14 due mainly to a rise in imports of food products. The decreasing trade deficit helped achieve a healthy current account balance during the period as it reached to \$701m from \$721m in the corresponding period of the previous fiscal year.

Market PE hits three-year high

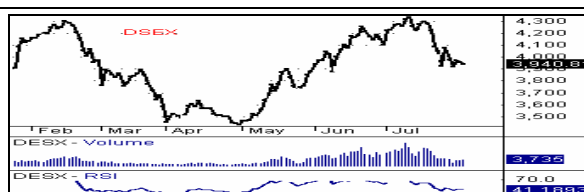
After a downward trend for two consecutive years the market PE (price-earnings) ratio hit a three year high and stood at 15.07 at the end of 2013, indicating that the capital market has become comparatively costly and risky for investment. The scenario to some extent was similar to the previous years as 2013 too was unlucky to earn investors' confidence. Individual investor's confidence was poor and institutional investors also opted to stay on the sidelines. Amid prolonged political turmoil earnings of different companies declined while at the same time their share prices roses which lead to the rise in the market PE ratio. The PE ratio means a valuation ratio of a company's current share price compared to its earnings per share. It is an indicator for considering the extent of risks an investment might entail.



Interest spread stands at 4.97%

Interest spread in the banking sector stayed below 5% in November 2013 as a majority of the banks are now holding substantial idle deposits which compelled them to cut their rate of interest on the deposit products. Private sector credit growth declined to 11.13% in November 2013 compared with that of 17.41% in the same month of the previous year amid persisting stagnancy prevailing in the industrial sector. Against the backdrop, surplus liquidity in the banking system increased to Tk900.74b as of November 28, 2013 from Tk796.64b as on October 17, 2013. Besides, banks have also cut the rate of interest on lending due to lower credit demand from the private sector. Overall interest spread in the banking system was 4.97% in November, slightly up from 4.95% in the previous month. The weighted average rate on lending remained unchanged at 13.42% in November while the interest rates on deposits came down to 8.45% from 8.47% in the previous month. In September this year, the average lending rate was 13.51% and average deposit rate was 8.50%. Among the private commercial banks Brac Bank had highest spread of 9.33% and among the foreign commercial banks Standard Chartered had the highest spread of 10.21%. State owned and specialized banks have lower spreads ranging between 2% to 5%. The BB report, however, shows that the interest spread in 23 banks was more than five percentage points in November. The average spread of the four government-owned commercial banks is 3.22%, private commercial banks 5.23%, foreign commercial banks 8.44% and specialized banks 2.79%. Earlier on January 22, 2012, BB asked the banks to fix the limit of interest spread below 5%, except for high-risk consumer credit and against small and medium enterprise (SME) loans.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %	PE
S&P 500	1842.37	1831.37	0.60	18.9
FTSE 100	6739.94	6746.25	-0.09	14.3
Nikkei 225	15912.06	15908.88	0.02	16.7
SENSEX	20758.49	20774.51	-0.08	15.0
KSE 100	26488.32	26179.98	1.18	12.7

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4407.83	4314.09	2.17
Total Turnover, Tk	18,290,486,926	14,289,542,912	28.00
Market Capital, Tk	2,125,982,254,796	2,082,753,393,925	2.08
No of Issue Gain	218	190	
No of Issue Loss	56	74	
No of Unchanged Issues	23	32	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
National Tubes	73.50	88.50	20.41	69,060,000
Sinobangla Ind.	29.00	32.00	10.34	38,683,000
MBL 1st M F	6.30	6.90	9.52	12,199,000
Delta Spinners	40.10	43.80	9.23	226,718,000
Apex Footwear	457.60	499.50	9.16	317,668,000
Navana CNG	64.50	70.40	9.15	83,932,000
Apex Tannery	128.60	140.20	9.02	103,724,000
Olympic Industries	147.20	160.30	8.90	244,708,000
Rangpur Foundry	97.20	105.70	8.74	45,998,000
Miracle Ind.	18.40	20.00	8.70	26,789,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Kohinoor Chemicals	388.00	351.00	-9.54	1,433,000
4th ICB M F	206.40	191.10	-7.41	259,000
Gemini Sea Food	149.00	140.60	-5.64	868,000
Standard Ceramic	39.90	37.70	-5.51	399,000
Bank Asia	21.50	20.60	-4.19	17,462,000
IPDC	20.40	19.60	-3.92	10,183,000
EBL NRB M F	8.40	8.10	-3.57	6,160,000
3rd ICB M F	200.20	193.70	-3.25	97,000
Fareast Finance	16.70	16.20	-2.99	40,389,000
Dutch-Bangla Bank	105.70	102.60	-2.93	11,831,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	338.274	338.51	-0.07	1344.83	1596.02	-15.74
Cement	391.079	382.34	2.29	718.67	449.81	59.77
Ceramic	593.822	565.81	4.95	192.93	112.29	71.81
Engineering	2123.999	2013.39	5.49	3259.40	3212.18	1.47
Food & Al.	3814.104	3752.21	1.65	707.41	557.92	26.79
Fuel & Pow.	3107.013	2998.05	3.63	2550.66	1351.02	88.80
Insurance	971.071	954.33	1.75	718.36	1197.30	-40.00
IT	389.661	386.05	0.94	128.11	172.91	-25.91
Jute	471.608	458.61	2.83	6.66	7.08	-5.95
Misc.	708.862	673.71	5.22	584.23	310.11	88.40
Mutual Fund	455.209	453.53	0.37	325.38	393.36	-17.28
NBFI	1169.245	1148.64	1.79	1837.64	2594.80	-29.18
Paper	719.912	734.65	-2.01	1.90	3.08	-38.31
Pharma	1345.023	1295.17	3.85	1677.28	1121.96	49.50
Service	1046.756	1004.25	4.23	125.83	72.52	73.51
Tannery	982.356	938.62	4.66	456.56	198.01	130.57
Telecom	2604.712	2581.21	0.91	540.75	543.09	-0.43
Textile	2021.245	1984.59	1.85	2467.62	3458.61	-28.65
Travel & Leis.	474.738	452.48	4.92	502.79	283.67	77.24

Technical Talk

The uptrend of the last week was sustained through this week with an increased turnover as investors injected fresh funds into the market, hoping to an end of political crisis. Out of its four trading sessions, market went down in only one session while gained in three trading sessions. All the major sectors ended in green except banks. Engineering and Pharmaceuticals were the top performing sectors of the week.

DSE Broad Index (DSEX) reached at 4407.83 points increased by 93.74 points or 2.17% from the previous week. Total turnover reached at Tk18290.49m with 28% increase from the last week's Tk14289.54m. On the other hand, market capitalization increased by 2.08% and stood at (\$27.46b) at Tk2125.98b the weekend against Tk2082.75b. DSE-30 has moved upward by 50.53 points (3.36%) and closed at 1555.60 points against 1505.08. Last week's weighted average Market PE was 15.58 which was 2.04% higher than previous week's 15.27.

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

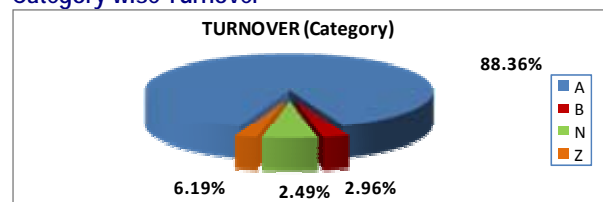
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Golden Son	12,040,500	810,881,000	4.43
LankaBangla Finance	10,496,000	775,924,000	4.24
Summit Purbanchol Power	9,817,300	680,046,000	3.72
Generation Next Fashions	12,506,000	462,898,000	2.53
Appollo Ispat Complex	12,402,600	455,788,000	2.49

Top 10 Market Capital

Company	Value (Tk)	% of total
Grameenphone	281,808	50.934
BATBC	99,114	43.656
Square Pharma	97,557	38.209
Titas Gas	75,972	28.979
ICB	62,279	27.920

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1246.70	1241.20	0.44
Silver (USD/t oz.)	20.07	20.18	-0.55
Brent Crude Oil (USD/bbl.)	107.25	107.38	-0.12

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	104.88	107.34	106.01	108.48	-1.07	-1.05
GBP	126.56	128.86	128.04	130.38	-1.16	-1.17
AUD	68.69	70.28	68.72	70.32	-0.04	-0.06
JPY	0.73	0.76	0.73	0.75	0.00	1.33
CAD	71.33	73.01	72.42	74.14	-1.51	-1.52
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)
Emerald Oil Industries	January 06-12, 2014		200.00	
Matin Spinning Mills	January 26-30, 2014			1261.70
Hwa Well Textiles (BD)	February 17-23, 2014		200.00	