



26-April-07

DSE Market Cap as of April 26<sup>th</sup>: US\$ 5.59 b

Index as of April 26<sup>th</sup>:

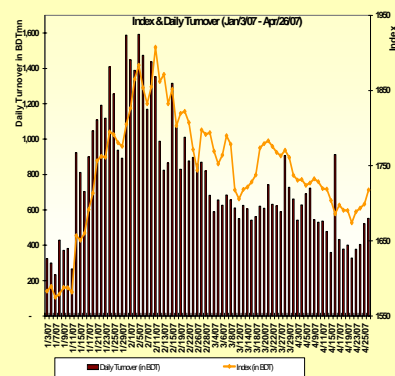
DSE Gen: 1717.6 (+1.6% this week; +8.5% YTD)

DSI: 1468.18 (+1.5% this week; +13.1% YTD)

DSE-20: 1365.28 (+2.1% this week; -1.7% YTD)

Average Daily Turnover for the week: US\$ 6.23m (-12.1% this week)

Index & Daily Turnover (Jan 3<sup>rd</sup> 07-April 26<sup>th</sup> 07):



Analysts:

Mohammad Hanif  
hanif@eplbangladesh.com  
+88 01715 244932

Zafrin Rahman  
zafrin@eplbangladesh.com  
+88 01711 848642

Manira Khan  
manira@eplbangladesh.com  
+88 01710959776

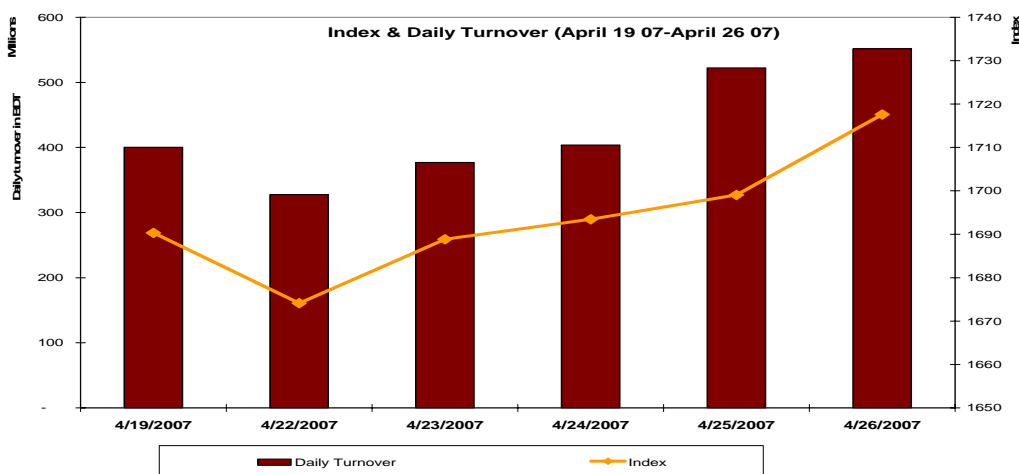
## Weekly Review: Week of April 22<sup>nd</sup> 2007

### Capital Market Overview

On the first trading day, market fell by almost 1% when institutions took profits. The value of stocks traded was also the lowest recorded since January 11<sup>th</sup>. After Sunday's decline, prices along with turnover figures began to pick up on the second day and stocks continued rallying during the rest of the week. Multinational stocks showed some gains (especially Bata Shoes) after last week's dividend recommendations and continued surging up this week after earnings which showed marked increases compared to last year's profits were declared. (Bata Shoe's FY06 profit increased by 34% BATBC's profit growth was 55%, BOC's growth was over 30%). Investors are always confident about the strong financials of multinationals and buy pressure continued throughout the week. By the end of the week, rally in non-banking financial institutions and bank stocks helped to move index up even further.

Although overall average turnover for the week was the lowest in over 3 months, turnover gradually increased for 4 consecutive days from its lowest point on Sunday. Refund warrants worth Tk 540 million were dispatched to the investors who had subscribed to the Golden Son IPO, so a large portion of this amount is being injected into the secondary market helping to improve the fund flow in the market. The turnover situation should further improve when a large portion of Premier Bank's IPO refund warrants are injected into the market at the beginning of next week.

As usual, the value of stocks traded in the power sector as well as banking sector turnover were both very high.



### Dividend payments announced this week:

	Cash Dividend	Stock Dividend	Last year's Dividend	Date of AGM	Record Date
Green Delta Insurance	30%		40%B	28-Jun-07	30-May-07
People's Leasing and Finance		36%	45%B	23-Jun-07	30-May-07
Ibn Sina	21%		21%	22-Jun-07	
JBCL	5%			20-Sep-07	
Confidence cement	15%		5%	17-Jun-07	
Reliance Insurance	15%		10%, 25%B	7-Jun-07	24-May-07
MonnoStaflar	25%		30%	21-Jun-07	
Renata	50%	20%	50%, 20%B	16-Jun-07	24-May-07
Global Insurance	5%		10%	26-Jul-07	4-Jul-07

### Market Statistics

#### Top 6 Gainers by closing prices of A and B category shares

Names	Category	% change	Deviation % High & Low	Total Turnover Tk	Turnover US\$	Volume
1. ICB	A	32.92	32.34	19293100	275,616	48100
2 Dhaka Fisheries	B	21.89	41.67	1931900	27,599	28000
3 Bangas	A	10.02	10.93	584100	8,344	2370
4 Confidence Cement	B	9.01	17.49	8127900	116,113	35760
5 Bata Shoe	A	7.93	9.29	14144700	202,067	96400
6 Monno Ceramics	A	6.82	7.49	527000	7,529	2675
BOC Bangladesh	A	6.75	11.01	9965000	142,357	80900

#### Top 6 Losers by closing prices of all Companies

Names	Category	% change	Deviation % High & Low	Total Turnover Tk	Turnover US\$	Daily Avg. Turnover Tk
1 Therapeutics	Z	-20.75	24.5	178900	2,556	35780
2 Central Insurance	A	-16.88	23.08	149200	2,131	29840
3 Pharma Aids	A	-9.39	0	3400	49	680
4 Global Insurance	A	-9.32	11.88	1217500	17,393	243500
5 Aziz Pipes	Z	-7.91	11.29	583200	8,331	116640
6 2 <sup>nd</sup> ICB MF	A	-7.41	18.92	44600	637	9320

#### 6 Most Active companies (in terms of value traded) for this week

Names	Category	Turnover Tk	Turnover US\$	% of Total TRN	% Change
1 Power Grid	N	316458500	4,520,836	14.5	3.39
2 BRAC Bank	N	221676900	3,166,813	10.16	7
3 DESCO	A	164589200	2,351,274	7.54	2.23
4 Shahjalal Islami Bank	N	108931100	1,556,159	4.99	0.23
5 Summit Power	A	69534200	993,346	3.19	-1.55
6 EXIM Bank	A	63905500	912,936	2.93	3.06

## Important Business, Economic and Company News

### **Government to offload shares after budget (FE, DS Monday)**

During a meeting with a Chittagong Stock Exchange (CSE) delegation, the Finance Advisor stated that the government would be taking serious measures to offload government shares in different companies as soon as the placement of the upcoming national budget for FY08 was complete. The advisor also assured the delegation of considering its recommendations on other issues related to the budget such as widening the tax gap between listed and non-listed companies by at least 15%, keeping the tax on dividend income at 10% unchanged, introducing derivatives products in the capital market, developing the bond market, etc. In the budget, to be released on June 30<sup>th</sup>, priority will be given to macro-economic stability, curbing misuse of public funds and stringent collection of taxes to increase revenue.

CSE suggests widening tax gap between listed and non listed companies, introducing derivative products and developing bond market

### **Exports up by over 21% (FE, DS Monday)**

Export earning which stood at US\$ 8.02b during the July-February period increased by 21.13% compared to the corresponding period of the previous fiscal year and was about 1% over the period's target. The growth in export earnings was mainly driven by increase in the volume exported while price of exported goods remained almost unchanged. The cause of volume increase was mainly due to the technical support provided for export diversification and cash incentives offered to exporters. Some industries which maintained high export growth and were well within or above the period's export targets were: woven garments, home textiles, footwear, ceramics, frozen food, agro-processed food, leather goods.

During the first 8 months of FY07, export earnings grew by 21.13%, 1% over the period's target

### **National Energy Policy ready for government approval (FE Monday)**

The Energy and Mineral Resources Division has finalized a draft National Energy Policy (NEP) to replace the existing one adopted back in 1996. To be updated by June, the new NEP will stress on diversification and rational use of energy resources to ensure sustainable economic growth. The updated NEP will also encourage both public and private sector participation in the development and management of the energy sector. Despite having multiple sources of energy such as coal, bio-gas, wind-energy, hydro-power, etc., natural gas accounts for 70% of the country's commercial energy supply. Due to this over-dependence, the country's present proven gas reserve of 8.39 TCF is depleting fast (6.8 TCF extracted in the last 50 years). To sustain economic growth of around 7% in the next 18 years, the country will need a further 24 TCF of gas. Bangladesh has a reserve of high quality coal equivalent to 70 TCF of gas but due to inadequate policy measures, the government has not been utilizing this energy source. The new NEP should facilitate proper utilization of the country's coal reserves mainly for the purpose of generating electricity.

Gas accounts for 70% of country's commercial energy supply; 45% of gas reserve already depleted

IFC will provide facilities worth US\$ 5m to SE Bank

### **Southeast Bank and IFC sign trade finance agreement**

Southeast (SE) Bank signed a trade finance agreement with the International Finance Corporation (IFC) and has thus joined IFC's Global Trade Finance Programme (GTFP). The GTFP of IFC supports trade in emerging markets worldwide and promotes the flow of goods and services expediting export and import between developing countries. IFC will provide SE Bank with facilities worth US\$ 5m within the programme such as partial or full guarantee against underlying trade instruments and covers the payment risk of participating issuing banks. The programme will allow SE bank to increase volume and value of trade transactions with enhanced tenors and access to competitive pricing terms.

Top 5 countries for telecom investment: Bangladesh, China, India, Indonesia, and Russia

### **Bangladesh- a lucrative market for telecom investments (FE Sunday)**

A report conducted by a group of researchers from the Russian School of Economics, London Business School and Altimo found that the top 5 countries for telecoms investment are Bangladesh, China, India, Indonesia, and Russia. The report also says that southern and south-eastern Asian markets will provide suppliers with the most lucrative opportunities over the course of the next five to seven years thanks to a felicitous combination of "high projected per capita GDP growth and significant current capital expenditure".

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**Equity Partners Limited**  
**Equity Partners Securities Limited**

*Stockbrokers (Retail, Institutional and International Brokerage at the Dhaka and Chittagong Stock Exchanges)*

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