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MARKET COMMENTARY

DHAKA STOCK EXCHANGE

WK: 19 Dec to 23 Dec 2010

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Overview of Capital Markets

- All three indices of the Dhaka Stock Exchange (DSE) were down this week by over -4%

- The All Share Price Index (DSI) decreased by -4.36% to close to 6,807. The DGEN also decreased by the same -4.36% margin to close to 8,206. The top 20 blue-chip stocks represented by the DS20 faired slightly worse with a -4.65% decline to close at 4,885.

- By market cap, the companies on the exchange saw a modest rise by a 0.53% as compared to the -3.65% wiping out of their values last week.

- The advance-decline activity for the week rose modestly from last week though. Only 53 issues advanced compared to 40 last week and 193 declining as compared to 204 last week.

- Thus overall for the week we see a mixed picture of low performance yet a slight rise in market cap and yet improvement in the advance-decline ratio - the market is still rather volatile

- If we look at the 5-day market cap graph in figure 6, we observe how activity peaked mid-week and then tapered off reducing some of the gains made.

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Overview of Capital Markets

Figure 1: Share Index Performance

Index	Final Index	Change(Points)	Change(%)
ALL SHARES PRICE INDEX (DSI)	6,807.15	-309.96	-4.36%
DSE - 20 INDEX (DS20)	4,885.13	-238.23	-4.65%
DSE GENERAL INDEX (DGEN)	8,206.17	-374.03	-4.36%

Source: DSE

Figure 2: Advance-Decline by close of week

Issues	This week	Last week	Change(%)
Advance	53	40	-32.50%
Decline	193	204	5.39%
Unchanged	2	2	
Advance-Decline Ratio	0.274611399	0.196078431	

Figure 3: Momentum analysis DSE and Chittagong Exchanges

		Percentage of Indexes above moving average (MA)			
Market Momentum	Last Week Avg Index	5-Day MA	20-Day MA	150-Day MA	200 Day MA
DGEN INDEX	8012.4217	1.19%	-3.87%	15.45%	21.81%
DSE INDEX	6649.4819	1.19%	-3.80%	15.34%	22.02%
CASPI	22973.1007	1.12%	-2.50%	14.47%	20.64%
CSCX	14846.9855	1.13%	-2.51%	14.49%	20.34%

Source: Bdstock

Figure 4: Weekly Market Cap for DSE

Market Cap	Current week	Last week
Week Open	3,449,582,725,696	3,579,406,460,880.25
Week Close	3,467,909,522,152	3,449,582,725,696.20
Source: DSE	0.53%	-3.63%

Figure 5: Market Cap - last 30 days

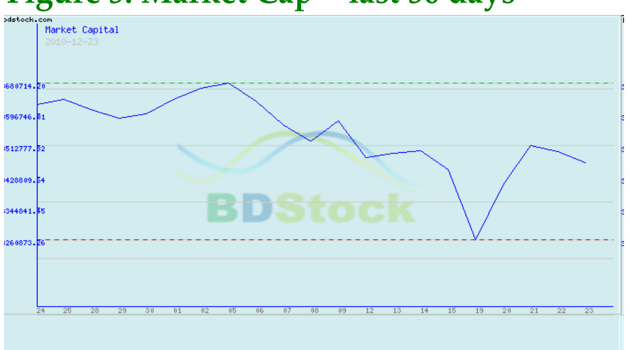

Figure 6: Market Cap - last 5 days

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WINNERS

▪By geometric mean return basis for the week (GMR), the top performer for the week was Grameen Phone with a 3.86% return. The lowest return in the top 10 was taken by Talu Spinning of the Textiles sector at 2.95%.

▪Three of the top 10 winners here have been taken by the Textiles sector – identical to the Mutual Fund sector.

▪By weekly price change, Monno Jute Stafflers increased by a whopping 31.47% following closely by Chittagong Vegetable with 30.31%. The main reasons can be attributed to fundamental news For instance, as per un-audited quarterly accounts for the 3rd quarter ended on 30th September 2010, MONNOSTAF reported net profit after tax of Tk. 0.20 million with EPS of Tk. 4.95 as against Tk. 0.32 million and Tk. 7.93 respectively for the same period of the previous year.

Figure 7: Winners by Geometric Mean Return (GMR)

FIRM NAME	SECTOR	Return (geometric)
GP(Grameenphone Ltd.)	Telecoms	3.86%
LIBRAINFU(Libra Infusions Limited)	Pharm & Chem	3.83%
1STPRIMFMF(Prime Finance First Mutual Fund)	Mutual Fund	3.68%
EBL(Eastern Bank)	Bank	3.54%
PRIMEBANK(Prime Bank)	Bank	3.38%
PF1STMF(Phoenix Finance 1st Mutual Fund)	Mutual Fund	3.15%
SAFKOSPINN(Safko Spinnings)	Textiles	3.09%
APEXSPINN(Apex Spinning.)	Textiles	2.96%
GREENDELMF(Green Delta Mutual Fund)	Mutual Fund	2.95%
TALLUSPIN(Tallu Spinning)	Textiles	2.95%

Figure 8: Winners by Weekly Price Change (WPC)

FIRM NAME	SECTOR	Wkly Price Change
MONNOSTAF(Monno Jute Stafflers)	Engineering	31.47%
CTGVEG(Chittagong Vegetable)	Food & Allied	30.31%
SAVAREFR(Savar Refractories)	Miscellaneous	23.98%
GP(Grameenphone Ltd.)	Telecoms	17.87%
DELTALIFE(Delta Life Insurance)	Insurance	15.77%
1STPRIMFMF(Prime Finance First Mutual Fund)	Mutual Fund	14.89%
GEMINISEA(Gemini Sea Food)	Food & Allied	14.51%
NBL(NBL)	Bank	11.71%
BDWELDING(Bd. Welding Electrodes)	Fuel & Power	9.07%
PF1STMF(Phoenix Finance 1st Mutual Fund)	Mutual Fund	9.03%

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LOSERS

- The worst performing loser appears to be Saiham Textiles with a -4.28% geometric mean return decline. The best of the worst 10 performers was Purabi General Insurance with a -1.34% return.

- By weekly price change Saiham Textiles change has to be ignored as mentioned in previous commentaries – as such large apparent weekly price changes are due to face value changes.

- However, it is clear Padma Oil declined massively with a -33.1% weekly price change, followed by Eastern Housing with a -23% decline.

- 4 of the worst losers was taken up by Insurance sector.

Figure 9: Losers by Geometric Mean Return (GMR)

FIRM NAME	SECTOR	Return (geometric)
SAIHAMTEX(Saiham Textile)	Textiles	-4.28%
SONALIANSH(Sonali Aansh)	Jute	-3.55%
DULAMIACOT(Dulamia Cotton)	Textiles	-3.20%
PHARMAID(Pharma Aids)	Pharm & Chem	-1.79%
JUTESPINN(Jute Spinners)	Jute	-1.59%
HAKKANIPUL(Hakkani Pulp & Paper)	Paper & Print	-1.44%
STYLECRAFT(Stylecraft Limited)	Textiles	-1.44%
BEACHHATCH(Beach Hatchery Ltd.)	Food & Allied	-1.41%
GOLDENSON(Golden Son Ltd.)	Engineering	-1.40%
PURABIGEN(Purabi Gen. Insurance)	Insurance	-1.34%

Figure 10: Losers by Weekly Price Change (WPC)

FIRM NAME	SECTOR	Wkly Price Change
SAIHAMTEX(Saiham Textile)	Textiles	-91.97%
PADMAOIL(Padma Oil Co.)	Fuel & Power	-33.31%
EHL(Eastern Housing)	Services&Restate	-23.09%
ASIAPACINS(Asia Pacific General Insurance Co. Ltc	Insurance	-21.56%
AMBEEPHA(Ambee Pharma)	Pharm & Chem	-21.15%
STANDARINS(Standard Insurance Limited)	Insurance	-19.20%
SONARBAINS(Sonar Bangla Insurance Ltd.)	Insurance	-18.95%
IMAMBUTTON(Imam Button)	Pharm & Chem	-18.62%
MONNOJTX(Monno Jutex)	Engineering	-18.55%
REPUBLIC(Republic Insurance Company Limited)	Insurance	-18.47%

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SECTORAL ANALYSIS

▪By average weekly volume, the Mutual Fund sector tops with just over 39% of the volume in turnover of all trades. The Banking sector was second place with around a quarter of the volume of trades that took place last week. The surprise of this week was the low average volume represented by the Insurance sector with only 1.81% and the large Textiles sector volume of 12.84%

▪Market cap as a % of total is not surprising though. The banking sector represents the bulk with 15.85% as compared to 13.59% last week, with the Pharma & Chem sector representing 8.52% and the Engineering sector representing 8.45%.

▪The average returns of the sectors for the week were negative for the majority of sectors. Telecoms performed well with a 3.86% increase and Jute performed badly with a -3.48% negative performance.

Figure 11: Sector Performance

Sector	Avg Wkly Volume	Avg wkly Vol (as a % of total)	Market Cap	Market Cap (as a % of total)	Avg Geometric Return
Bank (30)	26,594,399	24.98%	5,160,392,173	15.85%	0.98%
Cement (5)	501,825	0.47%	1,413,294,765	4.34%	-0.70%
Ceramics (5)	2,525,091	2.37%	683,469,273	2.10%	-0.98%
Engineering (21)	3,217,557	3.02%	2,750,312,226	8.45%	-0.46%
Financial Inst. (21)	2,531,776	2.38%	1,069,948,724	3.29%	-0.39%
Food and Allied (13)	1,535,603	1.44%	1,443,846,283	4.43%	-0.46%
Fuel & Energy (11)	3,122,060	2.93%	1,410,484,093	4.33%	1.14%
Insurance (44)	1,929,024	1.81%	1,516,045,561	4.66%	-0.10%
IT Sector (5)	733,900	0.69%	1,786,853,174	5.49%	-0.60%
Jute (2)	2,817	0.00%	754,131,384	2.32%	-3.48%
Misc (9)	1,829,603	1.72%	1,407,057,035	4.32%	0.08%
Mutual Fund (31)	41,866,553	39.33%	1,927,088,973	5.92%	1.77%
Paper & Print (1)	35,100	0.03%	954,552,860	2.93%	-1.44%
Pharm & Chem (19)	2,240,607	2.10%	2,774,427,303	8.52%	0.11%
Services & R.Estate (4)	245,318	0.23%	1,453,993,138	4.47%	0.46%
Tannery Industry (4)	61,528	0.06%	849,533,465	2.61%	-0.01%
Telecoms (1)	3,549,360	3.33%	821,368,060	2.52%	3.86%
Textiles (22)	13,673,126	12.84%	2,429,036,855	7.46%	-0.03%
Travel & Leisure (1)	265,130	0.25%	1,954,450,603	6.00%	-0.16%
Total	106,460,377	100%	32,560,285,943	100%	

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ANY QUESTIONS?

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