

Investment helped stocks tick upward last week

STAR BUSINESS REPORT

A continued presence of institutional investors kept the capital market ticking upwards last week.

On week-on-week basis, the benchmark index of the Dhaka Stock Exchange, DSE General Index, rose 607 points, or 2.39 percent, to 2,599.08 points on Thursday, the last trading day of the week.

The All Share Price Index also gained 49.72 points, or 2.35 percent, to 2,161.8 points.

Analysts said the market entered into black the previous week on a government decision to install liquidity in the market through the help of the institutions.

The state-owned Investment Corporation of Bangladesh (ICB) continued to buy shares pushing prices up. Other institutional investors such as Sonali Bank, Janata Bank, Agrani Bank and Sadharan Bima also bought shares through the ICB, according to an analysis of Equity Partners Limited, an investment bank.

"These measures have helped increase investor confidence in the market, which had fallen to extreme lows in recent time," the analysis said.

However, it has been seen that the retail investors are taking short-term profits and are still quite wary of the wholesituation.

"While the institutional investors continued their buying spree, the retailers were seen to be more inter-

ested in profit taking," it said.

When most investors are getting optimistic about the market, it is quite evident that the market is kept alive by the buying pressure from the institutions. The situation needs to be closely analysed so as to know whether the market can sustain its upward movement without the government support through the ICB and nationalised commercial banks, the EPL analysis added.

Both the total and daily average turnover increased by 28.17 percent. The total turnover on the premier bourse was Tk 1,493.30 crore last week against Tk 1,165.08 crore the previous week. The daily average turnover was Tk 298.66 crore last week, which was Tk 233.01 crore the previous week.

A total of 11,36,99,180 shares were traded on the DSE last week against 9,13,60,421 shares the previous week, which was 24.45 percent up.

Of the traded issues, 206 advanced, 69 declined and one remained unchanged.

The total market capitalisation rose by 1.79 percent to Tk 1,00,495.93 crore last week from Tk 98,731.36 crore the previous week.

The state-run Titas Gas topped the turnover leaders on the DSE last week with 11,82,15,000 traded shares worth Tk 57.41 crore, which was 3.84 percent of the total turnover.

The week's other turnover leaders were Beximco Pharma, Beximco, Shineeup Ceramics, Summit Power, Aftab Automobiles, Eastern Housing, Gramen Mutual Fund One: Scheme

Two, Golden Sun and BSRM Steels.

Banking sector, which consists of about 35 percent of the total market capitalisation, lost its trading volume to less than 10 percent of the total turnover. Overall performance of the private commercial banks last year was more than impressive as their disclosed operating profit figure showed more than 25 percent growth; still this sector failed to get attention of the retail investors.

To meet the regulatory requirement, all the banks have to increase their capital base which was done previously by mostly issuing stock dividend and for a couple of cases by rights issue. This drive to strengthen their capital base eventually increased the liquidity of the banks share. Being a highly liquid share, absence of institutional investors and significant foreign portfolio investment repelled their obvious price appreciation. With the limited institutional investment, banking sector has shown some good resilience.

Most turbulent sector of the week was the engineering sector. Sixteen percent of the total turnover was invested in the engineering sector, although most of these investments were speculative investment.

Fuel and power sector was holding the prime focus of most of the investors as the newly formed government has taken strong initiative to increase production. They set a target of adding 740 MW of new electricity to the national grid within July this year.



Ishtiaque Ahmed Chowdhury, deputy managing director of Trust Bank Limited (TBL), speaks at a daylong training programme on marketing and processing of SME loans for the bank's new recruits at TBL's Uttara branch in Dhaka on Thursday.



Dr M Monzur Hossain, pioneer of strawberry cultivation in Bangladesh, inaugurates a strawberry marketing programme at Agora's Gulshan branch in Dhaka on Tuesday. Niaz Rahim, managing director of Rahimafroz Superstores Ltd, which operates Agora, is also seen.



Sanjay Prakash, chief executive officer of HSBC Bangladesh, poses with others at the Young Entrepreneur Awards 2009, organised by the bank in Dhaka recently.

Weekly Currency Roundup

February 15-February 19, 2009

Local FX Market This week, the market was active and US dollar was stable against the Bangladesh Taka. The market was mostly liquid this week.

Money Market Overnight money market was table this week with ample liquidity. The call money rate was steady and settled near 8.00-8.75 percent range.

Commodities Crude oil traded below \$35 a barrel in New York after an industry-funded report showed that US stockpiles climbed amid falling fuel demand. The American Petroleum Institute said yesterday that inventories rose 1.6 million barrels last week to 345.8 million barrels. An Energy Department report out today also is expected to show stockpiles gained US fuel usage fell 3.1 percent to an average 19.5 million barrels in January, the lowest for the month in seven years, API said.

International Markets This week the dollar gained ground against the euro, sterling and the yen, hitting a six-week high against the yen and a three-month peak versus the euro. The yen is coming under pressure due to worried about the Japanese economy -- which suffered its deepest contraction in more than three decades in the latest quarter -- and political uncertainty as voter support for Prime Minister Taroo Aso sinks. The Bank of Japan left its key policy rate unchanged at 0.10 percent, as expected, but extended the deadline for its buying of commercial paper to help corporate funding as it battles the credit crunch, with the economy in its deepest slump in more than three decades. With little room to cut overnight rates after bringing them down to near zero late last year, the BOJ is focusing on ways to improve funding conditions for financial institutions and companies in an economy hit hard by the global slump. Late on Thursday, the euro recovered from a three-month low of \$1.2513 touched the previous day. But worries about euro zone banks kept investors wary of the euro, capping its gains, traders said.

Standard Chartered Bank

Weekly Market Highlights February 15 - 19, 2009

Table with 3 columns: Index, Value, Change. Includes DSE All Share Index, DSE General Index, CSE All Share Index, etc.

Weekly Turnover Leaders

Table with 4 columns: Company, Turnover (Vol), Closing Price, % Chg. Lists Titas Gas, Beximco Pharma, etc.

Weekly Capital Gainers/Losers

Table with 4 columns: Company, Price Chn. (%), Close Price, Turnover. Lists BMCOD Ltd, Rahman Chemical, etc.

Weekly News Highlights from Trade Servers

Dividend: DHAKABANK (10% INR), CITYGENIS (10%). Audited accounts: BSC, NPT, TBL, etc. DSE NEWS: DSE Training Academy has been organizing Investors Awareness Program for the benefit of the market participants.

CONSUM CDBI Market Category: Face Value/Market Lot (EPS/BV) Latest Dividend - Year End

Large table listing various market categories and their values, including BANK, INVESTMENT, FOOD & ALLIED, etc.

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Weekly TRADED ISSUES February 15-19, '09

Table listing traded issues with columns for Company, Price Chn. (%), Close Price, Turnover.

CONSUM CDBI Market Category: Face Value/Market Lot (EPS/BV) Latest Dividend - Year End

Large table listing various market categories and their values, including BANK, INVESTMENT, FOOD & ALLIED, etc.

Source: Capital Market. Figures are prepared on the basis of the close price of the traded issues. EPS= Earnings Per Share. BV= Book Value per Share. % indicates CDBI. Last Category is mentioned because company name is approximate just to compare those figures among the companies under life insurance industry. These figures could not compare with other industry's figures.