

Bangladesh Economy & Market Update

Economy Updates-

- Export growth for July to February 2012-13 was 9.38%.
- Current account surplus rises to \$850 mn.
- Foreign currency reserve has hit \$13.84 bn.
- Inflation in February has gone up to 7.87%.

Maksudul Haque Chowdhury
maksudul.haque@lbsbd.com

Md. Mahfuzur Rahman
mrahman@lbsbd.com

Nazib Haider Chowdhury
nazib.haider@lbsbd.com

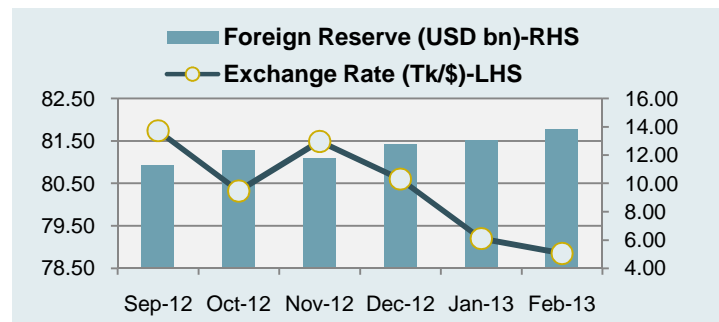
BDT kept gaining strength throughout February banking on increasing foreign exchange inflow in the economy. Foreign currency reserve has hit record 13.84 billion USD as on 28th February.

Export growth for the period of July to February 2012-13 was 9.38%. Export activities are seeming to gain momentum. Import level is still low due to lower import of food grain and capital machinery. Import growth (f.o.b) for July to December 2012-13 was -6.69%.

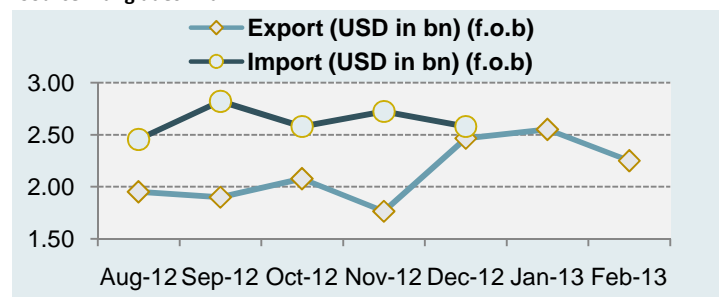
Money market was stable throughout the month. Call money rate was around 7-10% during the month.

Inflation has gone up a bit to 7.87% in February from 7.38% in January. Rise in inflation was due hike in food inflation. Food inflation in February has gone up to 8.34% from 7.21% in January.

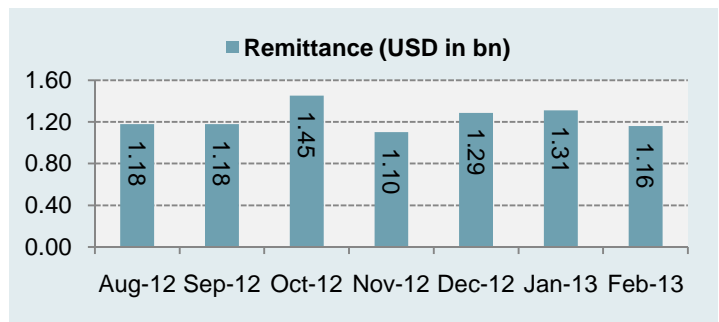
Government borrowing from banking system is still low. Borrowing from banking system was 52445 million BDT in the period July to December 2012-13 which was 175779 million BDT in the same period of previous year.



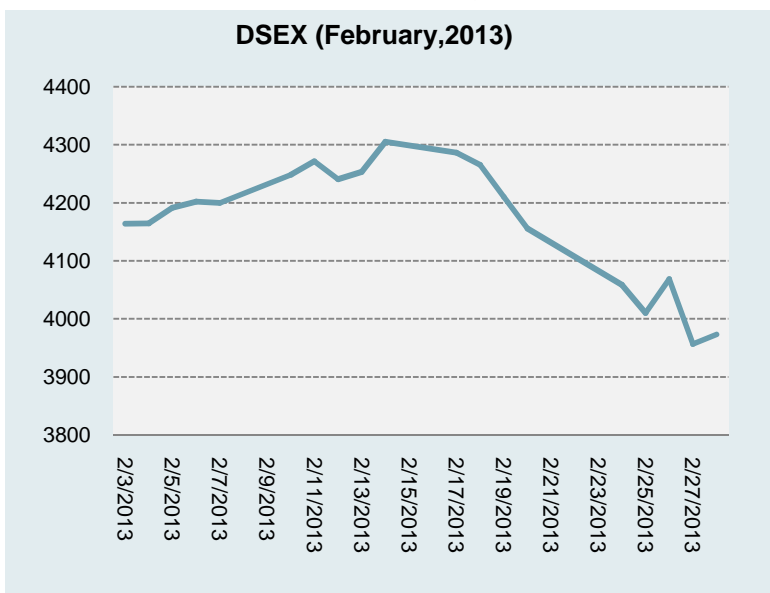
Source: Bangladesh Bank



Source: Bangladesh Bank



Source: Bangladesh Bank



Source: Dhaka Stock Exchange

All the indices posted negative return in February. The month started with positive mode at the beginning of the month. Due to reduction of all the repo rates by 50 basis points and increase in private sector credit growth target, market was upbeat at the beginning. But from the mid February market again started shedding points due to political uncertainty.

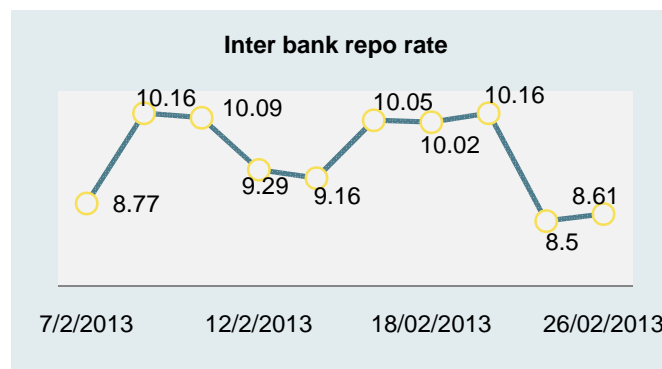
Bangladesh Economy & Market Update

Inflation in February rose slightly to 7.87% from 7.38% in January. This rise was due to increases in food inflation. Food inflation in February was 8.34% compared to 7.21% in January. On the other hand non food inflation decreased slightly in February to 7.12% from 7.79% in January. However inflation figure in February 2012 was 10.43%. 12 month average inflation now stands at 8.22%. This rise of inflation is a bit discouragement as it may reduce monetary easing in short run.

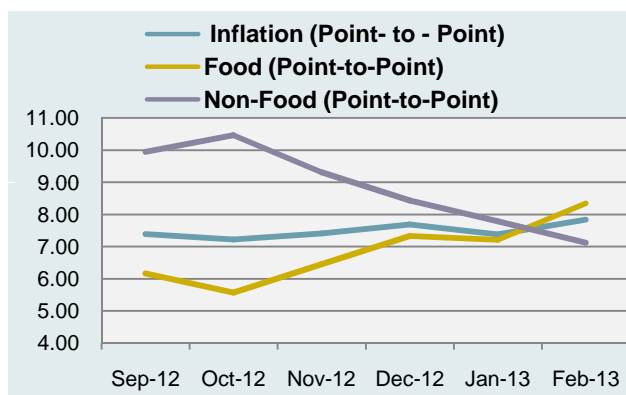
Remittance inflow growth for July to February 2012-13 was 17.35% compared to the same period of previous year. This growth was 12.18% in July to February 2011-12. On a month to month basis remittance growth was 2% in February 2013 over February 2012.

Export growth for July to February 2012-13 was 9.38%. On a month to month basis growth was 13.23% in February 2013 over February 2012. Export activity is generally vibrant from October to March period as textile sector export demand is upbeat in this period. In the textile sector, apparently woven sector is clearly showing a better growth trend growing at healthy 13.37%. Export of ships, boats and floating structure has shown steep fall.

Import activity is low due to low import of capital machinery and food grain. Import growth (fob) for July to December 2012-13 was -6.69%. Due to low import and high remittance inflow and moderate export growth, current account balance is improving gradually. Current account balance for July to December was 850 million USD which was -1646 million USD in the same period of previous year.



Source: Bangladesh Bank



Source: Bangladesh Bank

Particulars	Unit	Period/As of	Values	Period/As of	Values	Growth
Foreign Exchange Reserve	Million USD	28/2/2013	13848.33	28/2/2012	10066.8	37.56%
Workers' Remittance	Million USD	July-Feb. 12-13	9884.4	July-Feb11-12	8422.72	17.35%
Export	Million USD	July to Feb 2012-13	17400.52	July to Feb 2011-12	15908.51	9.38%
Import	Million USD	July to Dec 2012-13	16062	July to Dec 2011-12	17214	-6.69%
Current Account Balance	Million USD	July to Dec 2012-13	850	July to Dec 2011-12	-1646	151.64%
BDT-USD Exchange Rate	BDT per USD	2/1/2013	78.86	2/1/2012	81.78	-3.57%

Source: Bangladesh Bank

Export Items (USD mn)	July to February 2012-13	July to February 2011-12	Growth for July to February (%)	Growth for July to January (%)
Frozen Food	368.9	444.95	-17.09	-19.56
Cement, Salt, Stone Etc	4.2	9.76	-56.25	-62.15
Plastic Products	55.38	57.76	-4.12	-2.99
Leather	230.65	206.94	11.46	8.8
Jute & Jute goods	674.4	615.1	9.64	11.17
Knitwear	6732.09	6297.1	6.91	6.39
Woven Garments	7098.41	6261.07	13.37	13.57
Footwear	285.66	243.82	17.16	14.36
Ships, boats & floating	1.15	24.46	-95.3	-95.36

Source: Bangladesh Bank

Bangladesh Economy & Market Update

Market Updates-

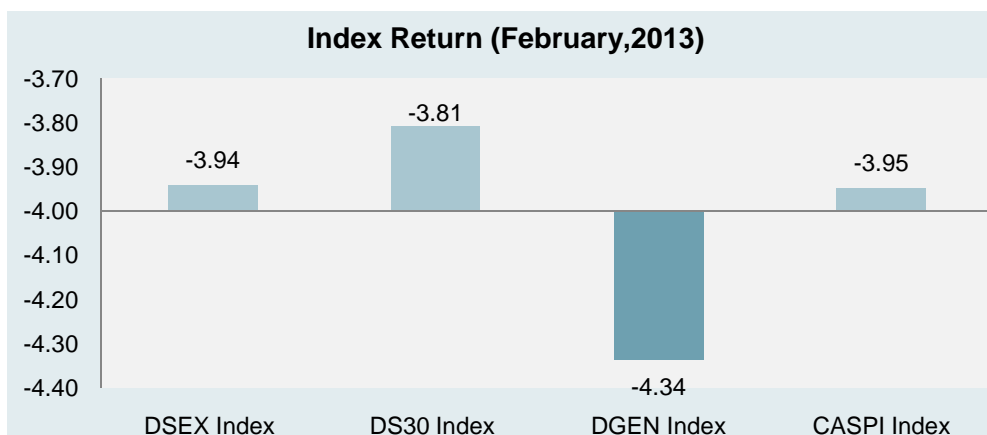
- Political unrest and omnibus account closing issue dejected the investors' bullish sentiment
- Incremental foreign fund flow was apparent throughout the month
- Market trailing P/E stood at 11.51x
- Average daily turnover increased by 124% in February

DSE closed lower in February. The month started with positive mode due to BB's soft stance in MPS (Monetary Policy Statement) declared for Jan-June, 2013. Moreover, ameliorating economic figures also boosted up investors confidence. More foreign fund flow and soothing money market also pushed the market higher at the beginning of the month. However, from the mid February, market got back to the losing track again due to political unrest and ambiguity on omnibus accounts closing issue.

At opening bell of the month, the market was in positive tone as the fresh fund flowing to the market and the upward trend continued for second week confronting year end declaration of most of the companies. Eventually, market turnover crossed the BDT 5 billion mark. However, the market could sustain the buoyancy further due to uncertainty extended on omnibus account closing issue, which erased the previous four weeks return within three to four trading days. Moreover, the falling has been triggered by the severity of political conflict and IMF's stance regarding bank's capital market exposure.

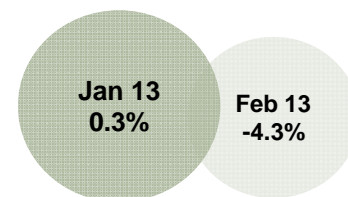
All the indices posted negative return in February. At the end of the month, DGEN went down by 183.5 points or -4.3% to 4047, DSEX by 89 points or -3.9% to 3973; and DS30 by 56.7 points or -3.8% to 1432 respectively. Conversely, Month average daily turnover increased by 124% and volume increased by 81.1% respectively during this Month.

Most of the sectors were in the losing territory in this month. Among the major sectors, the top losing sectors were telecom -11.8%, Bank -6.8%, Engineering -5.9%, Cement -4.5%, Insurance (-3.8%) respectively. Conversely, service & real estate and fuel & power sector were the two gaining sectors during this month.

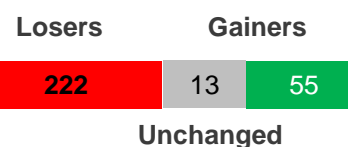


Source: Dhaka Stock Exchange

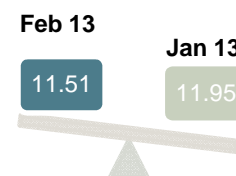
Market Return



Advanced & Declined



Trailing Market P/E



Monthly Sector Return

Sector	Return
Service & Real Est.	23.6%
Fuel & Power	2.2%
Food & Allied	-0.4%
Pharmaceuticals	-1.0%
Paper & Printing	-1.0%
NBFI	-1.2%
Miscellaneous	-1.6%
Tannery	-1.8%
IT Sector	-2.3%
Textile	-2.9%
Insurance	-3.8%
Cement	-4.5%
Ceramic	-5.2%
Jute	-5.8%
Engineering	-5.9%
Mutual Fund	-6.7%
Bank	-6.8%
Travel & Leisure	-7.4%
Telecommunication	-11.8%

Bangladesh Economy & Market Update

Sector Overview

Sector	Listed Company	Audited P/E*	Forward P/E**	Price / NAV	Turnover (BDT mn)	Sector Cap (BDT In Mn)
Bank	30	7.84	10.64	1.3	6,683.18	459003.50
Cement	6	38.05	33.85	3.4	1,647.48	73629.02
Ceramic	5	18.60	24.34	1.5	750.67	21293.38
Engineering	23	16.46	16.22	1.9	3,294.76	71473.64
NBFI	22	16.78	23.21	2.0	5,201.23	151508.31
Food & Allied	16	20.39	17.18	7.1	1,066.21	68485.55
Fuel & Power	13	11.08	11.01	2.1	12,551.90	243654.22
Insurance	45	17.08	15.87	1.8	4,508.15	98388.93
IT Sector	6	19.63	21.20	1.5	1,161.21	4943.83
Jute	3	16.44	24.31	0.4	17.51	405.37
Miscellaneous	9	5.15	10.47	0.9	2,640.05	46669.15
Mutual Fund	41	-	-	1.1	1,951.20	34158.90
Paper & Printing	1	0.00	-	1.6	0.85	359.10
Pharmaceuticals	20	17.69	16.35	2.2	4,311.11	153626.23
Service & Real Estate	4	20.61	23.75	1.0	575.93	11076.53
Tannery	5	10.96	10.88	2.7	146.00	11215.29
Telecommunication	2	11.02	10.63	5.1	2,551.60	215158.79
Textile	26	13.71	15.01	1.1	13,717.20	90249.85
Travel & Leisure	3	25.77	14.21	1.2	8,014.60	44432.21

* Adjusted Trailing PE

** Annualized PE

Stock Market Movement

Indices	As on Jan 2013	As on Feb 2013	Change (%)
DSEGEN	4230.69	4,047.2	-4.3%
DSEX	4136.31	3,973.3	-3.9%
DS30	1488.56	1,431.9	-3.8%

Market Activities	As on Jan 2013	As on Feb 2013	Change (%)
Daily Average Turnover (BD)	1,693.8	3,795.6	124.1%
Daily Average Turnover (US)	21.4	47.9	124.2%
Total No of Trade (mn)	1.26	2.07	64.8%
Total Trade Volume (mn)	1,191.2	1,782.1	49.61%
Average Volume (mn)	51.8	93.8	81.1%

Bangladesh Economy & Market Update

Top Monthly Performers

Top Gainers	
TICKER	GAIN (%)
SPPCL	57.04
SAPORTL	49.84
ORIONINFU	30.45
SALVOCHEM	18.88
NHFIL	18.71
KPCL	14.75
PRIMEFIN	14.12
5THICB	10.90
IPDC	10.70
NORTHERN	10.56

Top Losers	
TICKER	LOSS (%)
MAKSONSPIN	-14.29
RENWICKJA	-14.18
MIDASFIN	-13.30
SALAMCRST	-13.07
PHARMAID	-12.97
ANWARGALV	-12.90
AIMS1STMF	-12.78
GP	-12.54
GRAMEENS2	-12.50
BDAUTOCA	-12.32

Top Companies by Liquidity	
TICKER	Liquidity
1STPRIMFMF	0.86
UNITEDAIR	0.49
DELTASPINN	0.45
GENNEXT	0.42
ORIONINFU	0.36
TALLUSPIN	0.33
GBBPOWER	0.33
RDFOOD	0.32
SAIHAMCOT	0.30
CMCKAMAL	0.30

Top Companies by Market Cap	
TICKER	(BDT mn)
GP	198629.13
TITASGAS	66673.55
SQURPHARMA	65106.98
ICB	55381.64
BATBC	54270.00
ISLAMIBANK	50664.04
LAFSURCEML	38441.46
PRIMEBANK	30319.00
PUBALIBANK	29513.48
NBL	28817.95

Turnover Leaders	
TICKER	Turnover (BDT mn)
UNITEDAIR	5215.83
RNSPIN	2543.04
BEXIMCO	2146.24
GENNEXT	1962.54
BSCCL	1431.00
KPCL	1310.39
SAIHAMCOT	1162.99
GP	1120.60
TITASGAS	1072.93
SUMITPOWER	1056.94

LBSL's research reports are also available on

Bloomberg LANB <GO>

lankabangla.duinvest.com

Disclaimer

This document ("the Report") is published by LankaBangla Securities Ltd ("LBSL") for information only of its clients. All information and analysis in this Report have been compiled from and analyzed on the basis of LBSL's own research of publicly available documentation and information. LBSL has prepared the Report solely for informational purposes and consistent with Rules and regulations of SEC. The information provided in the Report is not intended to, and does not encompass all the factors to be considered in a best execution analysis and related order routing determinations. LBSL does not represent, warrant, or guarantee that the Report is accurate. LBSL disclaims liability for any direct, indirect, punitive, special, consequential, or incidental damages related to the Reports or the use of the Report. The information and analysis provided in the Report may be impacted by market data system outages or errors, both internal and external, and affected by frequent movement of market and events. Certain assumptions have been made in preparing the Report, and changes to the assumptions may have a material impact on results. The Report does not endorse or recommend any particular security or market participant. LBSL, its analysts and officers confirm that they have not received and will not receive any direct or indirect compensation in exchange for expressing any specific recommendation, opinion or views in its Report. The information and data provided herein is the exclusive property of LBSL and cannot be redistributed in any form or manner without the prior written consent of LBSL. This disclaimer applies to the Report in their entirety, irrespective of whether the Report is used or viewed in whole or in part.

LBSL Research Team

Md. Ashaduzaman Riadh

Research in-Charge

ashaduzaman@lbsbd.com/lbangla@bloomberg.net

Analyst	Industry	Designation	E-mail
Md. Tareq Ibrahim	Bank/NBFI/Telecom	Research Analyst	tareqibrahim@lbsbd.com
Mahfuzur Rahman	Bank/Pharmaceuticals/Mutual Fund	Research Analyst	mrahman@lbsbd.com
Rajib Kumar Das	Power/Insurance	Research Analyst	rkdas@lbsbd.com
Maksudul Haque Chowdhury	Power/Ins/Cer/Eng/Food & Allied	Research Analyst	maksudul.haque@lbsbd.com
Istiaq Ahmed	Research Analyst	Research Analyst	istiaq@lbsbd.com
Ms. Tanzina Ahmed Chowdhury	Research Analyst	Research Analyst	tanzina@lbsbd.com
Nazmul Ehsan Omiya	Cement/Tannery/Textile	Trainee Analyst	nazmul.ehsan@lbsbd.com
Nazib Haider Chowdhury	Trainee Analyst	Trainee Analyst	nazib.haider@lbsbd.com
Farahnaz Zarrin	Trainee Analyst	Trainee Analyst	farahnaz@lbsbd.com
Rubayat Mahmud Rojoni	Trainee Analyst	Trainee Analyst	rubayat.mahmud@lbsbd.com

Institutional & Foreign Trade Execution Department

Rehan Muhammad

Assistant Manager

rehan@lbsbd.com/rmuhammad1@bloomberg.net

LankaBangla Securities Limited

Research & Analysis Department

Corporate Office

A.A. Bhaban (Level-5)

23 Motijheel C/A

research@lbsbd.com

Dhaka-1000, Bangladesh

Phone: +880-2-9513794 (Ext-118)

Fax: +880-2-9563902

Website: www.lbsbd.com