Bangladesh Economy & Market Update

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March 2013

Economy Updates-

- *Export growth for July to March 2012-13 was 10.16%.*
- *Current account surplus rises to $821 mn.*
- *Foreign currency reserve has hit $13.97 bn.*
- *Inflation in March has gone a bit down to 7.74%.*

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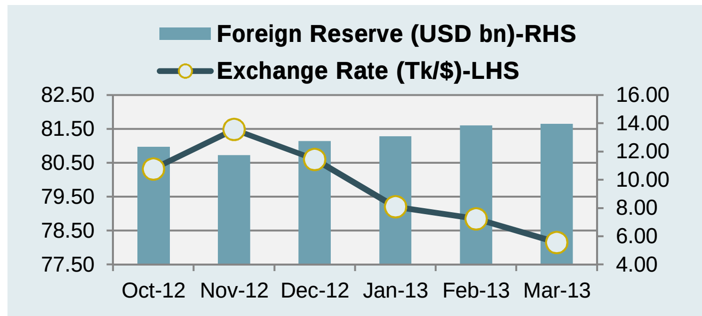
BDT kept gaining strength throughout March banking on increasing foreign exchange inflow in the economy. Foreign currency reserve has hit 13.97 billion USD as on 31st March.

Export growth for the period of July to March 2012-13 was 10.16%. 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 January 2012-13 was -3.34%.

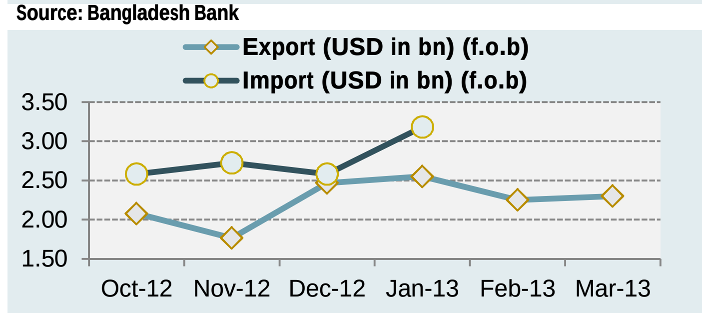
Money market was stable throughout the month. Call money rate was around 6.25% to 8% during March. This was around 7-10% during the February.

Inflation has gone down mildly to 7.74% in March from 7.87% in February. Fall in inflation was due to drop in non-food inflation. Non-food inflation in March has gone down to 6.79% from 7.12% in February.

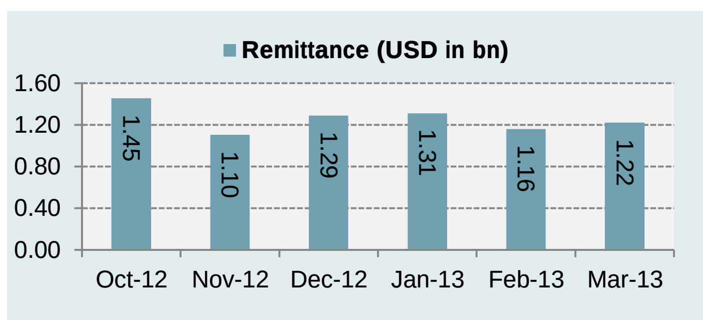
Government borrowing from banking system is still low. Borrowing from banking system was 64076 million BDT in the period July to January 2012-13 which was 158523 million BDT in the same period of previous year.



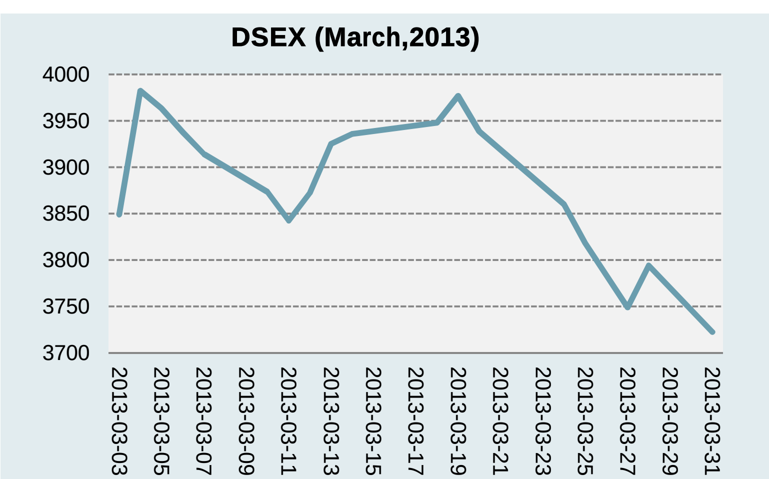
Source: Bangladesh Bank



Source: Bangladesh Bank



Source: Bangladesh Bank



Source: Dhaka Stock Exchange

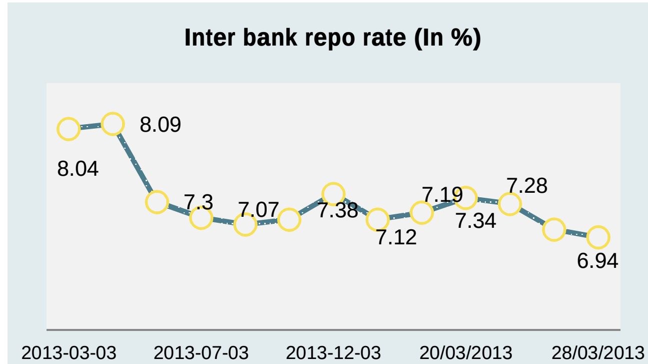
Downtrend of February continued in March. All the indices posted deeply negative return in March. DSEX fell by 9.65%, DGEN by 8.30% and DS30 by 6.41%. March blood bath is mainly caused by political clashes and ongoing strikes called by opposition parties.

Inflation in March fell slightly to 7.74% from 7.87% in February. This fall was due to fall in non-food inflation. Food inflation in March was 8.30% compared to 8.34% in February. On the other hand nonfood inflation decreased in March to 6.79% from 7.12% in February. 12 month average inflation now stands at 8.02%.

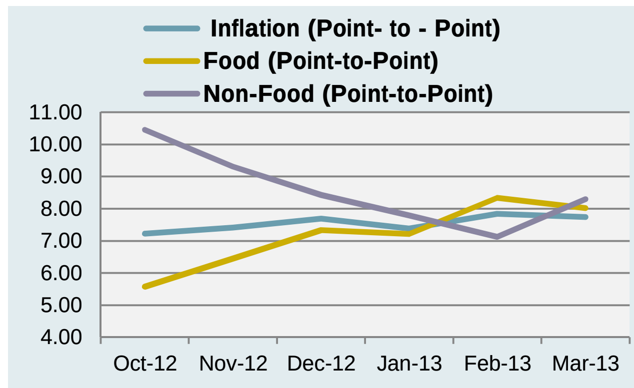
Remittance inflow growth for July to March 2012-13 was 16.62% compared to the same period of previous year. This growth was 10.69% in July to March 2011-12. On a month to month basis remittance growth was 10.36% in March 2013 over March 2012.

Export growth for July to March 2012-13 was 10.16%. On a month to month basis growth was 16.02% in March 2013 over March 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 showing a better growth trend growing at healthy 13.81%.

Import activity is low due to low import of capital machinery and food grain. Import growth (fob) for July to January 2012-13 was -3.34%. Due to low import and high remittance inflow and moderate export growth, current account balance is improving gradually. Current account balance for July to January was 821 million USD which was -1300 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	31/3/2013	13971.14	31/3/2012	9579.4	45.84%
Workers' Remittance	Million USD	July-March. 12-13	11115.9	July-March11-12	9531.86	16.62%
Export	Million USD	July to March 2012-13	19703.94	July to March 2011-12	17886.06	10.16%
Import	Million USD	July to January 2012-13	19243	July to Jan 2011-12	19908	-3.34%
Current Account Balance	Million USD	July to Janaury 2012-13	821	July to Jan 2011-12	-1300	163.15%
BDT-USD Exchange Rate	BDT per USD	31/03/2013	78.15	31/032012	78.86	-0.09%

Source: Bangladesh Bank

Export Items (USD mn)	July to March 2012-13	July to March 2011-12	Growth for July to March (%)	Growth for July to February (%)
Frozen Food	7878.63	7108.59	13.81	-17.09
Cement, Salt, Stone Etc	4.85	10.07	-51.84	-56.25
Plastic Products	62.39	67.15	-7.09	-4.12
Leather	272.34	236.83	14.99	11.46
Jute & Jute goods	765.42	710.57	7.72	9.64
Knitwear	7586.77	6996.26	8.44	6.91
Woven Garments	8090.18	7108.59	13.81	13.37
Footwear	311.49	260.85	19.41	17.16
Ships and boats structures	5.61	24.32	-76.93	-95.3

Source: Bangladesh Bank

Bangladesh Economy & Market Update

March 2013

Market Updates-

- *Political unrest took toll on investors' sentiment*
- *Institutional and foreign participation declined significantly*
- *Market trailing P/E stood at 10.98x*
- *Average daily turnover decreased by 51.3% in March*

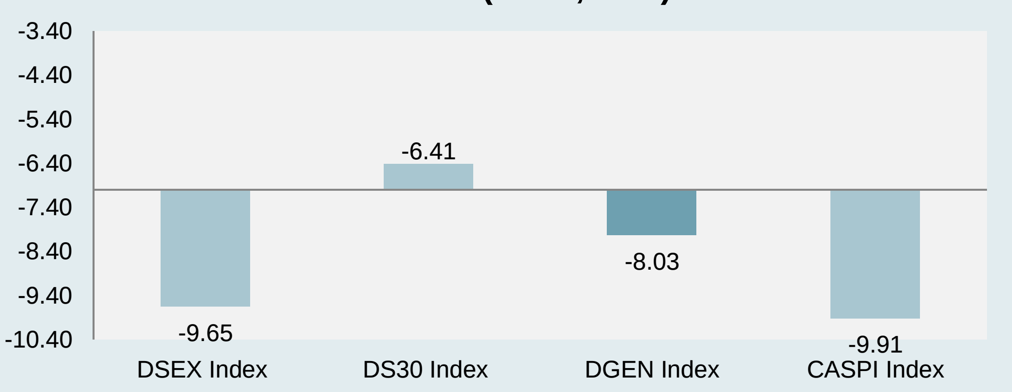
Bearish trend continued in March. Enduring political unrest heavily burdened investors' shaky sentiment. Market was extremely depressed from very beginning of the month and even experienced around 200 points fall in a single day of market tracking index. However, later on, market tried to recover but failed due to nonstop political strike throughout the month. Eventually, institutional and foreign fund flow declined significantly on putrefying economic prospect and anticipating earnings fall of listed companies.

In the first week of the month, market benchmark DSEX went down by 3.52% breaking the major support level of 4000. Moreover, three new company (Premier Cement Mills Limited, Global Heavy Chemicals Limited and Golden Harvest Agro Industries Ltd.) listings also absorbed liquidity from other sectors. However, shortly after the correction market recovered sharply on the news of government's approval of banking company act which has settled some unresolved issues regarding bank's exposure to capital market. Moreover, market tried to consolidate in the mid-march due regulators' earnest approach toward the market betterment. Later on market couldn't sustain the upward trend due to investor's shaky sentiment towards the political uncertainty.

All the indices posted negative return in February. At the end of the month, DGEN went down by 324.8 points or -8% to 4047, DSEX by 383.3 points or -9.6% to 3590; and DS30 by 91.7 points or -6.4% to 1340 respectively. Conversely, Month average daily turnover declined by 51.3% and volume decreased by 53.31% respectively during this Month.

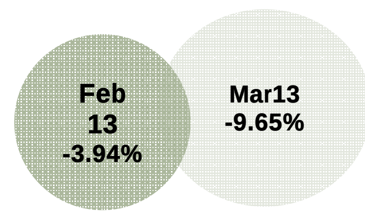
All the sectors were in the losing territory in this month. Among the major sectors, the top losing sectors were NBFI -16%, Textile -13.3%, Engineering -12.9%, Insurance -10.6%, Bank (-6.8%) respectively.

Index Return (March, 2013)

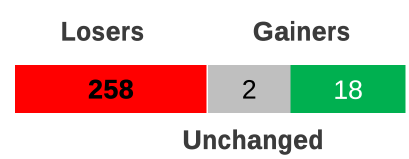


Source: Dhaka Stock Exchange

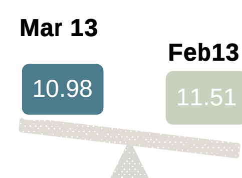
Market Return based on DSEX



Advanced & Declined



Trailing Market P/E



Monthly Sector Return

Sector	Return
Telecommunication	-0.6%
Food & Allied	-2.4%
Pharmaceuticals	-3.5%
Tannery	-4.3%
Fuel & Power	-6.6%
Mutual Fund	-6.7%
Bank	-6.8%
Travel & Leisure	-7.4%
Ceramic	-9.4%
Miscellaneous	-9.7%
Cement	-9.7%
Insurance	-10.6%
Paper & Printing	-11.1%
Engineering	-12.9%
Textile	-13.3%
NBFI	-16.0%
Jute	-16.5%
IT Sector	-17.3%
Service & Real Estate	-25.2%

Sector Overview

Sector	Listed Company	Audited P/E*	Forward P/E**	Price / NAV	Turnover (BDT mn)	Sector Cap (BDT In Mn)
Bank	30	7.69	9.60	1.0	4,270.19	416836.52
Cement	6	19.49	29.50	3.8	2,204.07	66506.30
Ceramic	5	17.48	22.87	1.4	205.38	19301.05
Engineering	23	14.29	14.39	1.6	1,410.66	62262.56
NBFI	22	15.05	19.80	1.7	1,392.24	127280.48
Food & Allied	16	15.60	15.89	5.1	2,036.26	66821.13
Fuel & Power	13	10.86	10.45	2.0	4,724.17	227670.67
Insurance	45	14.88	13.77	1.5	1,195.03	87952.59
IT Sector	6	16.50	17.82	1.3	328.21	4086.09
Jute	3	15.18	22.51	0.5	3.58	338.36
Miscellaneous	9	4.58	9.34	0.8	995.89	42155.05
Mutual Fund	41			0.9	808.59	31129.93
Paper & Printing	1	18.45	32.47	1.5	0.48	319.20
Pharmaceuticals	20	18.38	15.37	2.1	4,186.34	148250.20
Service & Real Estate	4	16.44	18.95	0.8	236.33	8280.06
Tannery	5	10.62	10.53	2.5	53.94	10735.60
Telecommunication	2	11.02	10.63	5.2	985.18	213858.89
Textile	26	12.47	12.50	0.9	3,992.19	78228.66
Travel & Leisure	3	18.62	11.26	0.9	3,075.15	32533.04

* Adjusted Trailing PE ** Annualized PE

Stock Market Movement

Indices	As on Feb 2013	As on Mar 2013	Change (%)
DSEGEN	4047.23	3,722.4	-8.0%
DSEX	3973.28	3,590.0	-9.6%
DS30	1431.90	1,340.2	-6.4%

Market Activities	As on Feb 2013	As on Mar 2013	Change (%)
Daily AvgTurnover (BDT mn	3,795.6	1,850.3	-51.3%
Daily Avg. Turnover (US$ m	47.9	23.5	-51.0%
Total No of Trade (mn)	2.1	1.2	-40.7%
Total Trade Volume (mn)	1,782.1	832.1	-53.31%
Average Volume (mn)	93.8	46.2	-50.7%

Top Monthly Performers

Top Gainers	
TICKER	**GAIN (%)**
PRIMELIFE	5.88
JAMUNAOIL	5.74
AL-HAJTEX	5.50
SINGERBD	5.45
OLYMPIC	4.59
ISLAMIBANK	3.95
LRGLOBMF1	3.41
MPETROLEUM	2.70
4THICB	2.05
SQURPHARMA	1.71

Top Losers	
TICKER	**LOSS (%)**
LANKABAFIN	-32.14
NHFIL	-31.13
ISLAMICFIN	-31.08
SUNLIFEINS	-29.89
UNIQUEHRL	-29.85
SALVOCHEM	-28.52
AAMRATECH	-26.61
CVOPRL	-26.34
BSC	-25.88
UTTARAFIN	-24.95

Top Companies by Liquidity	
TICKER	**Liquidity**
GHAIL	76.01%
1STPRIMFMF	26.82%
SUNLIFEINS	20.97%
SINOBANGLA	20.70%
SALVOCHEM	16.69%
PREMIERCEM	16.42%
UNITEDAIR	15.23%
DELTASPINN	12.58%
GENNEXT	11.69%
SPPCL	10.38%

Top Companies by Market Cap	
TICKER	**(BDT mn)**
GP	198359.07
TITASGAS	66673.55
SQURPHARMA	66219.28
BATBC	54192.00
ISLAMIBANK	52665.58
ICB	52048.83
LAFSURCEML	34841.21
PRIMEBANK	32218.61
PUBALIBANK	26159.68
NBL	24701.10

Turnover Leaders	
TICKER	**Turnover (BDT mn)**
SPPCL	2197.68
GHAIL	1665.08
UNITEDAIR	1320.74
PREMIERCEM	1309.20
ORIONPHARM	1086.73
BEXIMCO	814.15
RNSPIN	701.20
BSCCL	626.55
ENVOYTEX	480.54
PUBALIBANK	459.15

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