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Industry and Equity Analysis Team

**Credit Risk Management
IDLC Finance Limited**

committed to you

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ECONOMY AND BUSINESS

Budget spending on slow lane

Budget spending in the first six months of the current fiscal year was 6.1% lower than in the same period of last fiscal year, according to a government report. In the July-December period of fiscal 2009-10, the expenditure was BDT 346.07 bn out of the total budget of BDT 1,138.19 bn. The expenditure was BDT 368.68 bn in the same period a year ago. The expenditure of the Annual Development Programme (ADP) increased by 42.2% to BDT 88.07 bn in the first six months of fiscal 2009-10 over the same period a year ago. The budget deficit in the July-December period was only BDT 9.46 bn, way down from BDT 61.29 bn in the same period a year earlier.

Government cuts borrowing target from banks by almost half

The government has slashed its borrowing target from the banking system by almost half for this fiscal following a significant increase in debt on account of selling national savings directorate (NSD) certificates. The finance ministry has revised the government's bank borrowing target for fiscal 2009-10 (FY10) down to BDT 86.61 bn from the original BDT 167.55 bn, according to the budget implementation progress report placed by Finance Minister Abul Maal Abdul Muhith in parliament on March 16, 2010. The government's net bank borrowing dropped by 21.91% to BDT 61.46 bn during July-December period of this fiscal against the target of BDT 78.71 bn, according to Bangladesh Bank (BB) statistics. On the other hand, net borrowing of the government through NSD certificates recorded a significant rise by more than 300% to BDT 50.34 bn in the first half of this fiscal. The figure was BDT 12.19 bn in the same period of the previous fiscal.

Investments in EPZs

- **Yester Accessories Company (BD) Limited**, a Hong Kong-Bangladesh joint venture Company, will expand their garments accessories manufacturing industry in Adamjee EPZ. The company's investment of USD 9.5 mn proposed earlier will be increased to USD 12.5 mn, according to an agreement signed between the Bangladesh Export Processing Zones Authority and the company in BEPZ Complex in Dhaka on March 01, 2010. Due to this increased investment, there will be employment opportunities for 1,080 people including 40 foreign nationals in this company.
- **SG Oil Refineries Limited**, an Indian company, will invest in Edible Oil Manufacturing Industry in the Mongla EPZ. This 100% foreign-owned company will invest USD 2.5 mn in setting up their unit and will produce edible oil items. The company will also create employment opportunity for 170 Bangladeshi workers.
- **Bangladesh Export Processing Zone Authority (BEPZA)** signed an agreement with **T&S Buttons Bangladesh Limited** to lease plots in the Adamjee EPZ at a ceremony in Dhaka recently. BEPZA chairman Jamil Ahamed Khan and Brandot International USA President Martin Trust, who is representing joint venture company T&S Buttons Bangladesh Limited, signed the agreement. The new joint venture company will manufacture metal buttons, rivets, and other accessory items.
- **Messrs Universal Hats and Bags Manufactures Limited**, a Chinese company, will invest USD 8 mn in the hats and bags manufacturing industry in the Chittagong EPZ. The foreign-owned company will create employment opportunity for 3,000 Bangladeshi workers.

Recession jolts economy, growth rate falls: ADB

The Asian Development Bank (ADB) has projected a lower growth rate at 5.5% for the Bangladesh economy for the current fiscal year (FY) from 5.9% in FY2009 as the first-half period's growth in some major sectors like industry and services has been buffeted by the global recession. "The global economic recession belatedly affected Bangladesh economy in the first half (July-December) of FY2009-2010. Investment was sluggish, and exports - one of the key drivers of growth - performed poorly," the Manila-based multilateral lender said in its Bangladesh Quarterly Economic Update (QEU) on March 08, 2010. The industrial sector growth in FY2010 is set to slow to 5.6% from 5.9% in FY2009. Slowdown in trade flows and weaker industrial performance had affected the services sector during the first half of FY2010. As a result, services sector growth is projected at 5.9% in FY2010, down from 6.3% in FY2009. "To attain higher medium-term growth, the government needs to identify new drivers of growth. It also needs to improve the country's investment climate to encourage domestic and foreign investments," according to the QEU.

Global clouds linger over FDI, Domestic investment on the rebound

Domestic investment has rebounded in the first six months of the current fiscal year although the inflow of foreign direct investment (FDI) is still low because of the impacts of global financial meltdown. Bangladesh could attract net FDI worth USD 197 mn in the July-December period this year, marking a 67% fall compared to the USD 603 mn in the July-December period of fiscal 2008-09, according to Bangladesh Bank (BB) data. Different economic indicators showed that domestic investment is rebounding. BB statistics show that disbursement of industrial term loan increased by 41% to BDT 126.15 bn in the July-December period of the current fiscal year while it marked 7.5% negative growth during the same period in fiscal 2008-09. In the July-January period of the current fiscal year, credit to private sector increased by 13.06%, which was 8.65% in the same period last year. Import of capital machinery also indicates the higher domestic investment during the July-January period. The number of letter of credit opened during this period for importing capital machinery went up by 38.58%, which declined 24.06% in the same period last year. The higher inter-bank call money rate also shows that the investment demand is increasing. The average call money rate was 3.45% on March 16, 2010 up from around 1% in June 2009.

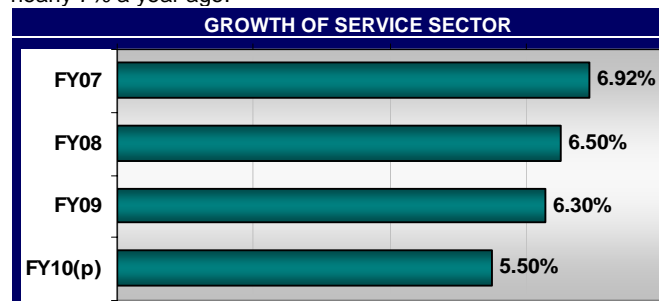
Dhaka ranks third in global freelance outsourcing work

Dhaka has become one of the top destinations for freelance online work, outshining Indian cities such as Bangalore, as the Bangladeshi capital fast emerging as a major centre for data entry work that employs tens of thousands of people. According to a new report by oDesk Corp, a United States-based leading marketplace for companies and online workers, Dhaka is now ranked third among global cities where online jobs are outsourced from the West. A combination of cheap labour and good English skill has made Dhaka a "surprised winner" in freelance outsourcing jobs such as graphic design, data entry and check-up, translation and web development. Bangalore ranks fifth on oDesk's list of top cities for online work, according to the report. The top four cities with more freelance work are: Chandigarh and Mohali of India, Dhaka of Bangladesh and Quezon City of the Philippines. Among the countries, India still tops the list in outsourcing job destination, followed by the Philippines and the US, the report said.

Service sector heading for a slide: BB

The growth of the service sector that accounts for half of GDP is expected to dip this year, Bangladesh Bank (BB) predicts in a

report. In its quarterly report for October-December 2009, Bangladesh Bank estimated that service-sector growth is likely to drop by nearly one percentage point to 5.5% in the current fiscal year, from 6.3% last fiscal year. The central bank identified lower growth in transport and telecommunications, the two important sub-sectors of the service industry. The growth of the service sector depends on the expansion of the two major sectors of the economy: agriculture and industry. Although agriculture grew significantly last year, the industrial sector dipped to 5.9% from nearly 7% a year ago.



Women making progress in entrepreneurship

Women entrepreneurs' access to bank loans has increased manifold, thanks to the government's decision to set aside 10% of SME funds for them. Bangladesh Bank (BB) statistics show the number of women beneficiaries under a refinance scheme was fewer than 100 in January 2009, but the figure reached 211 in May, 326 in August and 498 in December of the same year. Two years ago, it was only one. Loans disbursed among the women beneficiaries were BDT 138 mn in May, BDT 220 mn in August and BDT 354 mn in December 2009. According to BB data, mid-term (three years) refinance loans for women rose by 224%, short term 118% and long-term 100% in one year.

Mobile acquisition slows in February 2010

Monthly mobile subscription slows in February 2010 from the last month's acquisition. Mobile phone networks in Bangladesh added 0.32 mn customers in February 2010 compared to 1.40 mn customers in January 2010. The total mobile subscriber base rose to 54.15 mn in February 2010 from 53.83 mn in January 2010, according to Bangladesh Telecommunication Regulatory Commission (BTRC) statistics.

Service Provider	New Subscriber Addition in February 2010 [In Million]	Total Subscribers at the end of February 2010 [In Million]
GrameenPhone	0.27	23.75
Banglalink	0.06	14.13
Robi (AKTEL)	0.00	10.31
Warid Telecom	(0.01)	3.00
PBTL (CityCell)	0.00	1.94
Teletalk	0.00	1.02
Total	0.32	54.15

Power tariffs revised upward

Electricity has become costlier as Bangladesh Energy Regulatory Commission (BERC) has announced a hike in power tariffs by 6-7% on an average with effect from March 01, 2010. The Commission announced a unified tariff structure for the subscribers in areas under the state-owned Power Development Board (PDB), Dhaka Power Distribution Company Ltd (DPDC), Dhaka Electric Supply Company Ltd (DESCO) and West Zone Power Distribution Company Ltd (WZPDC). The domestic users, using electricity up to 100 units (kilowatt/hour) will have to pay BDT 2.60 per unit, instead of the previous BDT 2.50 per unit, subscribers using electricity between 101 and 400 units will have

to pay BDT 3.30 per unit, instead of BDT 3.15 per unit, and those using more than 400 units will pay BDT 5.65 against the previous BDT 5.25 per unit. The flat rate for the small industries has been fixed at BDT 4.35 per unit, up from the previous BDT 4.02, while the peak-hour electricity rate is BDT 5.86 per unit against the previous BDT 5.82 per unit and the off-peak rate is BDT 3.50 against the previous BDT 3.20 per unit. Commercial consumers will have to pay a flat rate of BDT 5.58 per unit against the previous rate of BDT 5.30 while the off-peak rate is BDT 4.05 per unit against the previous BDT 3.80 per unit and the peak-hour rate is BDT 8.45 per unit against the previous BDT 8.20 per unit. The flat rate for consumers of the 11 kilovolt (kV) category has been fixed at BDT 4.17 per unit against the previous BDT 3.80, while the off-peak-hour rate for them is BDT 3.43 per unit against the previous BDT 3.14 and the peak-hour rate is BDT 7.12 against the previous BDT 6.73. For the consumers of the 33 kV electricity category, the flat rate has been fixed at BDT 3.92 per unit instead of the previous BDT 3.58, while the off-peak rate is BDT 3.33 against the previous BDT 3.03 and the peak-hour rate is BDT 6.82 against the previous BDT 6.45. The flat rate for the 132 kV category consumers is BDT 3.10 per unit against the previous BDT 2.82. Power distribution entities and big industries buying electricity from the PDB or any other electricity generating company belong to this category.

SELECTED ECONOMIC INDICATORS

Item	Period/ As of	Value/bn	Period/ As of	Value/bn	+/(-%)
Broad Money (M2)	Jan'10	3,281	Jan'09	2,723	20.48%
Bank deposits	Dec'09	2,868	Dec'08	2,344	22.33%
Bank credit	Dec'09	2,531	Dec'08	2,140	18.26%
Total Domestic Credit	Jan'10	3,092	Jan'09	2,729	13.31%
Revenue Collection	Jan'10	47	Jan'09	44	6.96%
Export	Jul-Jan' 2009-10	8.703	Jul-Jan' 2008-09	9.131	-4.69%
Opening of LC	Jul-Jan' 2009-10	15.490	Jul-Jan' 2008-09	12.760	21.40%
Foreign Exchange Reserve	Mar'10	10.227	Mar'09	5.818	75.77%
Workers' Remittances	Feb'10	0.828	Feb'09	0.784	5.54%
Annual rate of Inflation	Dec'09	5.42%	Dec'08	8.90%	

Source: Selected Indicators: Weekly Update: March 24, 2010; Bangladesh Bank.

EXPORT STATISTICS

Figures in USD mn

Item	Jul-Jan 2009-10	Jul-Jan 2008-09	Change +/-
Knitwear	3,543.01	3,803.57	-6.85%
Woven RMG	3,152.92	3,389.99	-6.99%
Frozen Food	254.84	309.81	-17.74%
Home Textile	165.65	188.24	-12.00%
Leather	114.91	115.95	-0.90%
Chemical Products	116.20	189.33	-38.63%
Foot Wear	113.05	115.83	-2.40%
Engineering Products	139.67	95.67	45.99%
Agricultural Products	77.66	78.81	-1.46%
Raw Jute	111.22	80.33	38.45%
Others	913.83	763.52	19.69%
Total	8,702.96	9,131.05	-4.69%

Source: Export performance for the month of July-January 2009-2010; Export Promotion Bureau, Bangladesh

IMPORT LC STATISTICS

Figures in USD mn

Items	July-Jan 2009-10			July-Jan 2008-09		
	FLCO	SOLC	OSTLC	FLCO	SOLC	OSTLC
Capital Machinery	1,002	834	982	723	890	909
Textile Fabrics (B/B & Others)	1,818	1,616	1,489	1,784	1,825	1,375
Rice and Wheat	730	474	362	545	530	268
Chemicals & Chem. Products	1,552	1,171	861	1,634	1,627	652
Petroleum & Petro Products	1,353	1,157	915	1,283	1,287	1,028
Edible Oil & Oil Seeds	600	663	247	517	589	205
Raw Cotton	887	664	670	725	718	439
Scrap Vessels	437	424	32	543	565	8
Pulses	262	182	150	73	70	71
Cotton Yarn	308	239	344	257	324	233
Paper and Paper Board	163	171	81	178	174	77
Synthetic Fibre & Yarn	177	155	142	173	194	121
Sugar and Salt	526	355	276	144	223	93
Others	5,674	4,454	4,156	4,182	4,099	2,826
Total	15,490	12,557	10,708	12,760	13,115	8,308

FLCO = Fresh LC Opening, SOLC = Settlement of LC, OSTLC=Outstanding LC
Source: Major Economic Indicators: Monthly Update; March 2010; Bangladesh Bank.

REGULATORY NEWS

New guidelines approved relaxing IPO size

The government on March 01, 2010 approved new regulations for initial public offering allowing companies to offload lesser amount of their paid-up capital for raising fund from the capital market. The finance minister Abul Maal Abdul Muhith approved the regulations under which any interested company with a paid up capital between BDT 400 mn and BDT 750 mn would have to offload 40% of its capital through IPO. But the company will not be allowed to sell their stakes through any pre-IPO private placement. According to the new regulations, any company interested in offloading shares should have a minimum paid up capital of BDT 400 mn. Any company with a paid up capital between BDT 750 mn and BDT 1.5 bn will have to offload shares worth at least BDT 300 mn or 25% of its capital. Companies under this category will also not be allowed to sell their shares through any pre-IPO private placement. Companies with a capital of over BDT 1.5 bn will have to offload shares worth at least BDT 400 mn or 15% of their paid up capital, according to the new regulations. The face value of market lot of any securities will be BDT 1,000 or its multiple.

The parliament passes 2 bills to regulate insurance sector

The parliament on March 03, 2010 passed two bills for regulating the insurance sector. The finance minister, AMA Muhith, piloted the 'Insurance Development and Regulatory Authority Bill 2010' and the 'Insurance Bill 2010' in the House. A provision of the Insurance Regulatory Authority Bill includes formation of an independent regulatory authority to monitor the insurance industry to help it achieve global standards. According to the law, the government will appoint a Chairman and four members for three years. The authority will register and regulate the professional insurance and reinsurance institutions and their intermediaries. It will arbitrate disputes, had there been any, among the insurers, intermediary and their clients. The authority will be a statutory body that will replace the Directorate of Insurance under the finance ministry. According to the provisions of the insurance law, a general insurer requires to raise its paid-up capital to BDT 400

mn from BDT 150 mn, while a life insurance company will have to raise its capital to BDT 300 mn from BDT 90 mn. An insurance company will not be allowed to operate both traditional and Islamic insurance business simultaneously. Besides, the companies, particularly the general insurers, should have brokerage houses. The law will replace the Insurance Act 1938.

BB asks banks and FIs to complete KYC procedures by March 31, 2010

Bangladesh Bank (BB) has asked the banks and financial institutions (non-bank) to complete the KYC procedures by March 31, 2010 for the bank accounts opened before April 30, 2002 which have been opened and maintained without complete information of the account holders. BB recently issued a circular in this regard seeking the information from the banks and FIs about the account details. BB may suspend the bank accounts if the respective banks fail to come up with required information about the account holders within the given timeframe. However, the customers of those accounts will be able to resume operation of the suspended accounts upon application if they provide 'detailed, satisfactory information'.

BB cautions commercial banks about dubious transactions

Bangladesh Bank (BB) has recently warned all commercial banks not to open accounts of foreign political persons in view of possible dubious transactions of money. The commercial banks, and also financial institutions (non-bank), have been asked to maintain caution while dealing with accounts of foreign nationals having any kind of political connections. BB also asked the local commercial banks not to maintain correspondence with the foreign banks which do not follow international anti-money laundering standards. The Anti-Money Laundering Department of the central bank recently issued a circular in this regard asking managing directors of all the banks to properly follow the provisions of the anti-money laundering act. According to the circular, the commercial banks should ensure that new risk management system is followed while handling the accounts of what is called 'politically exposed persons'. As a part of the measures, the commercial bank will have to know the source of the money and number of the transaction of money with the person and organizations. The commercial bank will also monitor the account transactions of the foreign political exposed person under foreign exchange transaction guideline.

BB asks banks and FIs to be watchful while picking staff

Bangladesh Bank (BB) has asked banks and financial institutions (non-bank) to follow a 'screening mechanism' when appointing new employees to avert money laundering and terror finance risks. BB has already issued a circular in this connection asking the Chief Executives and Managing Directors of all scheduled banks and FIs (non-bank) to follow the instruction while recruiting their employees. The banks and FIs will have to maintain a policy manual, which will be prepared on the basis of the existing rules and regulations relating to money laundering and terror financing.

BB moves on Basel II requirements

Bangladesh Bank (BB) has directed all scheduled banks to implement capital adequacy ratio (CAR) and minimum capital requirement (MCR) in three phases that started from the first of January this year. The directive came in line with Basel II requirements. Bangladesh entered the Basel II regime, the latest version of risk-based capital standards set for banks worldwide, on January 01, 2010. The scheduled banks will maintain CAR not less than 8% between January 01 and June 30, 2010, according to a Bangladesh Bank circular issued on March 10, 2010. The CAR will have to increase at least to 9% between July 2010 and June 2011 and 10% in July 2011 to onwards. The MCR must be

8% of a bank's risk weighted asset by June 30, 2010, 9% by June 2011 and 10% from July 2011 to onwards. The circular also said the amount of MCR may be fixed by BB from time to time.

BB eases rules for banks to increase capital base

Bangladesh Bank (BB) has relaxed guidelines on subordinated debt allowing more banks to issue such debt instrument to meet capital requirement under Basel-II accord. Under the amended guidelines, the banks will be allowed to issue the debt instrument, which has composite CAMELS rating at two, issuer rating at least three instead of two and instrument rating at least three instead of two. The central bank issued a circular in this connection on March 21, 2010 and asked Chief Executives of all scheduled banks to follow the instructions for issuing the debt instrument.

Banks asked to open farmer accounts without cheque book

Bangladesh Bank (BB) has asked all state-owned commercial and specialized banks to open accounts for farmers even without issuing cheque books. The central bank's policy department, following reports of cheque book shortage, on March 28, 2010 issued a circular asking the banks to allow the farmers to use vouchers for drawing of government subsidy. Earlier, BB asked the commercial banks to open bank accounts with only BDT 10 deposit for 8.2 mn farmers across the country. The central bank in a letter on March 15, 2010 asked all state-owned commercial and specialised banks to open bank accounts of the farmers without photograph, if they fail to provide it.

BB asks banks to consolidate investment in subsidiaries

Bangladesh Bank (BB) has asked the commercial banks to consolidate investment in subsidiaries in line with the Basel-II requirements. "Banks having subsidiary company(ies) are advised to consolidate the subsidiary(ies) in line with the prevailing national accounting standards for the purpose of assessing capital adequacy," Bangladesh Bank (BB) said in a circular on March 29, 2010. If consolidation is not done, investments in subsidiaries will be deducted at 50% from Tier 1 and 50% from Tier 2 capital, generally known as supplementary capital, according to the circular. The assets representing the investments in subsidiary companies, whose capital had been deducted from that of the parent, would not be included in total assets for computing capital adequacy ratio (CAR). As per consolidated accounting capital market exposures like claims against investor account for merchant banking will be assigned 125% risk weight for the purpose of computing CAR, and these sort of claims will not be considered for credit risk mitigation (CRM), the central bank said.

SEC settles on uniform face value of shares

The Securities and Exchange Commission (SEC) on March 01, 2010 settled on a finance ministry decision on the uniform face value of shares that was taken in November last year. With the latest move, new companies having BDT 100 face value in shares will be allowed to go public. The face value of shares of the existing listed companies will remain unchanged as prescribed by the Finance Ministry.

SEC re-fixes margin loan ratio

Securities and Exchange Commission (SEC) has re-fixed the maximum rate of margin loan for merchant banker (portfolio manager) at 1:1.5. Based on this, merchant banker (portfolio manager) can provide loan to their clients up to that ratio from March 18, 2010 until further order. In case of considering market price of portfolio/securities, the instruction no. 7 of SEC (Merchant Banker & Portfolio Managers) Regulations, 1996 must be ensured. SEC has directed the Dhaka Stock Exchange Ltd and its members to the effect that, the members of the stock exchange will not extend credit facilities to their approved clients beyond 1.5

times of client's margin/client's deposit (credit facilities will be on 1:1.5 basis) under the Margin Rules, 1999 from March 18, 2010.

SEC tightens rules to check insider trading

Securities and Exchange Commission (SEC) on March 23, 2010 tightened some rules and regulations to check insider trading. The commission in separate circulars restricted share trading of the people related to a listed company and margin loan facility to the management staff and relatives of merchant banks and brokerage firms. SEC also set the criteria for calculating the market price of securities to determine the margin requirement. One of the new directives says that any sponsor, director, officer or employee, auditor or person associated with audit, adviser or legal adviser of any company listed with stock exchanges, or beneficial owner shall not be allowed to buy, sell or transfer or receive shares in any form of that company, two months prior to the date of completion of annual accounts. It also directed that stockbrokers should not provide margin loan facilities to any member of the board of directors of its own company, officer and staff employed in the company management, their parent, spouse, son, daughter, sister, brother, son-in-law, daughter-in-law and other relatives. This directive will be effective from April 01, 2010. In another directive, the SEC said the stockbrokers should calculate the market price of portfolios/securities to determine the margin requirement considering the closing price of the securities and net asset value. All corporate benefit, such as dividend, bonus and rights entitled according to book closure/record date will be added with portfolio value. The commission further said if the above method could not be applied in course of valuation of government securities and open-end mutual fund securities, in that case the stockbrokers would follow objective consideration process to determine their market price.

Govt imposes 5-hour ban on air conditioner use

The government has banned use of air conditioners during peak hours from 6pm to 11pm daily to cope with the mounting electricity supply shortfall. Bangladesh Energy Regulatory Commission (BERC) in an order on March 30, 2010, which came into force with immediate effect, also asked all concerned not to keep temperature of air conditioners below 25 degree Celsius during off-peak hours. All residential buildings, government and non-government organizations, offices, business houses, markets and shops will have to follow the rules under section 22 (Ka) and section 22 (Da) of the BERC Act 2003. Hospitals, hotels and restaurants will remain outside the purview of the restriction.

INTERNATIONAL

Europe's economic recovery stalls: EU

Europe's economic recovery has stalled, new data showed on March 04, 2010, with heavyweight Germany grinding to a standstill in the fourth quarter of 2009 despite gains for France and Poland. Economic growth in the 16 nations that share the euro single currency was a meagre 0.1% over the previous quarter compared to 0.4% growth in the third quarter, data agency Eurostat said in a second estimate. Gross domestic product fell by an upwardly-revised 4.1% across the eurozone over the whole year. Germany flat lined after posting 0.7% growth in the previous quarter, but France tripled its rate to 0.6%, according to adjusted figures, while Poland — the full, 27-nation European Union's fastest-growing economy in 2009 — saw its rate double to 1.2%. Across the EU, growth also rose by 0.1% in the fourth quarter compared to the previous three months, and decreased by 2.3% over the year.

Hong Kong ranked Asia's most innovative economy

Hong Kong is Asia's most innovative economy, according to a joint study by international business school INSEAD and the Confederation of Indian Industry released on March 04, 2010. The Chinese territory beat regional rival Singapore, which was in second place in the Asian rankings. Worldwide, Hong Kong ranked third in the Global Innovation Index while Singapore placed seventh, the study showed. Among the criteria used by the survey, economies were ranked by patents filed, publication of scientific journals, research and development spending and how innovation supported social welfare, competitiveness and growth. Hong Kong, Singapore and New Zealand were the only Asia Pacific economies to make it to the top 10 in the global rankings. Iceland topped the global innovation list despite its deep economic woes followed by Sweden, while Switzerland placed fourth after Hong Kong. Rounding up the global top 10 list was Denmark in fifth spot, followed by Finland, Singapore, Netherlands, New Zealand and Norway. The US, which took the top spot last year, slid down to 11th place amid growing challenges from other countries which are putting increasing emphasis on education, science and technology, the study said.

MARKET ROUNDUP

WEEKLY CURRENCY ROUNDUP (28 March-01 April, 2010)

Global Markets, Standard Chartered Bank

Money Market

Money market rates traded around 3.00%. The market was liquid.

Foreign Exchange Market

Local: The local interbank market was trading actively on March 31, 2010. USD/BDT rates were slightly higher on March 31, 2010. The market was liquid.

International: The dollar fell against the euro and retreated from a three-month high against the yen on March 31, 2010 after data showed the United States shed private sector jobs this month, stoking concern about the economy. ADP Employer Services said the economy lost 23,000 private-sector jobs in March, confounding economists polled by Reuters who had expected a 40,000 job gain.

EXCHANGE AND FORWARD RATES: (As on March 31, 2010)

Major Currency Exchange Rates			Exchange Rate of Some Currencies		
Currency	BC Sell BDT	TT Buy BDT	Currency	Currency Per USD	BDT per Currency
USD	69.62	68.62	INR	45.15	1.53
EUR	94.62	90.50	PKR	84.20	0.82
GBP	106.30	101.99	LKR	114.05	0.61
AUD	65.06	61.37	THB	32.38	2.13
JPY	0.77	0.72	MYR	3.27	21.11
CHF	66.46	63.47	USD forward rate against BDT		
SEK	9.83	9.18			
CAD	69.65	66.56			
HKD	8.99	8.82			
SGD	50.91	48.78		Buy	Sell
AED	19.06	18.58	1 Month	68.67	69.78
SAR	18.66	18.20	2 Months	68.73	70.34
DKK	13.03	12.17	3 Months	68.83	70.67
KWD	237.55	233.86	6 Months	69.24	71.78

Source: Standard Chartered Bank

TREASURY BILL/BOND AUCTION INFORMATION

Auction Date	Tenure & Name of the Securities	Sale Value (in BDT mn)	Weighted Average Yield (%)
01-Feb-2010	91 days T. Bill	99.413	2.36
29-Mar-2010	182 days T. Bill	3,930.679	3.55
22-Mar-2010	364 days T. Bill	2,867.476	4.64
18-Mar-2010	5 years T. Bond	800.366	7.85
03-Mar-2010	10 years T. Bond	1,310.894	8.77
10-Mar-2010	15 years T. Bond	220.000	8.75
24-Mar-2010	20 years T. Bond	170.000	9.15

Source: Bangladesh Bank Website

INTERNATIONAL COMMODITY PRICES

Commodity	Unit	Price on March 26, 2010 (USD/unit)	Price on February 26, 2010 (USD/unit)	Change +/-
Platinum	Ounce	1,596	1,533	4.11%
Gold	Ounce	1,096	1,108	-1.11%
Palladium	Ounce	456	430	6.05%
Silver	Ounce	16.85	16.12	4.53%
Nickel	Tonne	23,599	20,687	14.08%
Tin	Tonne	17,725	16,740	5.88%
Lead	Tonne	2,120	2,095	1.19%
Aluminium	Tonne	2,220	2,095	5.97%
Zinc	Tonne	2,230	2,162	3.15%
Copper	Tonne	7,514	7,100	5.83%
Crude Oil	Barrel	79.82	79.64	0.23%
Sugar	Pound	0.1715	0.2360	-27.33%
Maize	Bushel	3.57	3.88	-7.99%

Source: The Financial Express

IDLC NEWS

IDLC holds its 171st board meeting to declare dividend

IDLC Finance Limited held its 171st board meeting on March 16, 2010, chaired by Anwarul Huq, Chairman of the Board of Directors. In the meeting, IDLC declared 100% stock dividend and 10% cash dividend for the year ended on December 31, 2009. The Board of Directors of IDLC Finance Limited also approved the audited Financial Statements for the year 2009. According to the audited Financial Statements for 2009, the performance highlights are as follows:

Particulars	2009		2008	
	Consolidated	IDLC without Consolidation	Consolidated	IDLC without Consolidation
Net Profit (BDT mn)	821.88	518.53	406.37	254.98
Earnings per share (BDT)	273.96	172.84	135.46	84.99
Net Asset Value per share (BDT)	797.70	633.57	537.10	473.23
Net Operating cash Flow per share (BDT)	388.46	244.44	(665.09)	(725.68)

Farooq Sobhan joins IDLC Board as Independent Director

The Board of Directors of IDLC Finance Limited recently appointed Farooq Sobhan -- President and CEO of Bangladesh Enterprise Institute (BEI) and former Executive Chairman, Board of Investment (BOI); Special Envoy to the Prime Minister during

1997-1999 and Foreign Secretary during 1995-1997 -- as the Independent Director of the Company.



The elected Directors of the Company in the 171st Board Meeting held on March 16, 2010 accepted the proposal of appointment of Farooq Sobhan, President & CEO of the Bangladesh Enterprise Institute (BEI) as the Independent Director of the Company.

NEWS IN BRIEF

ECONOMY

- **The country's overseas employment** in February experienced the worst ever performance in last five years. In line with drying-up employment opportunities in all major job generating countries, only 27,039 Bangladeshi secured jobs abroad in February 2010, a 38% fall from the figure 43,856 of February 2009. It was even 20% less than the figure 33,847 of the previous month (January 2010).

BUSINESS-GENERAL

- **Bangladesh Bank (BB) released, for the first time, a small and medium enterprise (SME) credit policy and programmes** on March 25, 2010 with a disbursement target of around BDT 240 bn for the ongoing calendar year. Of the total target, state-owned commercial banks will disburse BDT 38.97 bn, specialised banks BDT 6 bn, private commercial banks BDT 174.78 bn, foreign banks BDT 7.07 bn and financial institutions (non-bank) BDT 13.13 bn.
- **The banks and financial institutions achieved 48.63% of their annual agriculture credit disbursement target**, which has been fixed at BDT 115.12 bn, in the first half of this fiscal compared to 45.08% in the corresponding period of the last fiscal. Eight state-owned banks and financial institutions along with local and foreign private commercial banks disbursed BDT 55.979 bn as agriculture loans during July-December period of the fiscal 2009-10 against BDT 42.283 bn in the same period of the previous fiscal, according to Bangladesh Bank statistics.
- According to the Post and Telecommunications Minister Raziuddin Ahmed Razu, the state-run Bangladesh Telecommunication Company Ltd (BTCL) **added 0.11 mn subscribers in the last one year till January 2010**. The number of BTCL subscribers in January 2009 was 0.85 mn, but it stood at 0.96 mn in January 2010 in seven divisions and zones under BTCL against 1.34 mn connection capacity.
- **Travel tax collections by the National Board of Revenue (NBR) have slipped into negative growth** as the country's labor migration to Middle Eastern countries declined. NBR has collected BDT 2.12 bn in travel tax in the July-January period of fiscal 2009-2010, which is 10.74% lower than that in the

same period a year ago. NBR has set a target of BDT 4.69 bn in travel tax for the current fiscal year.

- **Bangladesh ranked 118th in the global Network Readiness Index in 2009-10** up from 130th a year ago, showing an upward trend in the information and communication technology sector. In South Asia, India ranked 43rd, Sri Lanka 72nd, Pakistan 87th and Nepal 124th in the 'Global Information Technology Report 2009-2010' released by The World Economic Forum (WEF) on March 25, 2010.
- **Bangladesh Bank (BB)** has set up a 20.3 kw solar power solution for its own electricity usage in the wake of the severe power crisis. BB Governor Dr. Atiur Rahman inaugurated the solar power system in a ceremony at the central bank head-office on March 30, 2010. BB installed the solar power system as part of its Corporate Social Responsibility (CSR) and urged commercial banks to install such systems at their head offices and branches, which will be considered as a CSR activity.

BUSINESS - FIRM SPECIFIC

- **Prime Bank Limited** recently finalized its 22nd syndication loan deal as the lead arranger by raising BDT 850 mn for the establishment of an international standard luxury hotel at Cox's Bazar named "Sea Pearl Beach Resort & Spa Ltd." The lavish beach resort would be the first ever of its kind in Bangladesh, promoting international time sharing concept and is affiliated with Interval International, an operating segment of Interval Leisure Group, Inc. Executive Director (Asia Pacific) of Interval International Joseph Hickman and Managing Director of Sea Pearl Beach Resort & Spa Ltd Md Aminul Haque, Chief Executives of the participating banks along with the sponsors of the project were present at the signing ceremony in Dhaka.
- **HSBC Bangladesh received 'AAA' rating for the third consecutive year** from Credit Rating Agency of Bangladesh Ltd (CRAB). CRAB awarded the rating based on the performance of the bank in 2009. CRAB Managing Director Hamidul Huq handed over the rating award and report to Sanjay Prakash, Chief Executive Officer, HSBC Bangladesh at HSBC Main Office in Dhaka recently.
- **Asian Tiger Capital Partners Asset Management Limited** has been awarded an Asset Management License by the Securities and Exchange Commission (SEC). The company started operations with a paid up capital of BDT 50 mn.
- **Aktel, one of the country's top mobile phone brands, took its new name—"Robi"**—meaning the sun, with effect from the dawn of Sunday (March 28, 2010) when it also unveiled a new logo for the company at a colourful ceremony at the Suhrawardi Uddyan in Dhaka. Aktel will henceforth be known as Robi, underlining the rich, vibrant culture and heritage of Bangladesh. The mobile phone operator has also taken the logo of the Axiata Group Berhad, the parent company.
- **bracNet-DEFTA-KDDI**, a joint venture between two Bangladeshi and Japanese companies, was launched at a ceremony held at Hotel Sheraton in Dhaka on March 02, 2010. KDDI Corporation, the second largest telecommunication company in Japan, acquired 50% stake in BRAC BDMail Network Limited (bracNet), a leading internet service provider in Bangladesh. Under the joint venture, DEFTA Partner, a US-based funding agency, is providing necessary support to develop network in Bangladesh.

TRAINING / SEMINARS / WORKSHOPS

- **International Chamber of Commerce-Bangladesh (ICCB)** recently organized a day-long workshop on International Trade
- **Fraud: Prevention, Control & Remedies** at Bangabandhu International Conference Centre (BICC). ICCB President Mahbubur Rahman inaugurated the workshop. P. Mkundan, Director & Chief of ICC -International Crime Services, visiting expert from UK conducted the workshop. A total of 93 participants from banks, pharmaceutical companies, Govt. export promotion organizations and Export oriented industries attended the workshop.
- **Citibank NA Bangladesh** organized a two-day seminar on 'balance sheet management' at Nazimgarh in Sylhet recently. The bank's South Asia Head of Risk Treasury and Trading Soumyo Dutta presented the keynote paper at the seminar. The seminar was aimed to discuss various modern tools and techniques in managing balance sheet. The local market perspective was also covered. Senior executives from Bangladesh Bank (BB) and commercial banks attended the seminar. Citibank Bangladesh Country Treasurer and Markets Head Sajed ul Islam conducted the seminar.
- **Standard Chartered Bank** organized a seminar on 'managing commodity price risk in the changing global economy' at Westin Hotel in Dhaka recently. The Deputy Governor of Bangladesh Bank, Ziaul Hasan Siddiqui, inaugurated the seminar. Standard Chartered Bank foreign exchange strategist Priyanka Chakravarty made a key note presentation about the fundamental shift of economic power from the West to the East and its impact on Bangladesh, and senior analyst Abah Ofon provided an in-depth analysis on the commodity markets. Standard Chartered Bank Bangladesh Chief Executive Officer Jim McCabe, East India and Bangladesh financial markets sales head Biswajeet Sengupta and global markets head Alamgir Morshed, among others, were present in the seminar.
- **A series of workshops on 'Credit Reports' conducted by Dun and Bradstreet (D&B)**, an American company, in Dhaka and Chittagong concluded recently. These workshops were attended by more than 1,000 bankers from the government, private commercial and foreign banks in the country. Conducting these workshops, Saikat Poddar, Regional Director, Dun and Bradstreet South Asia Middle East Ltd, from Dubai, said, "Rapidly changing business environment today demands the banks to be alert and dynamic to adapt quickly."

REWARDS AND RECOGNITIONS

- **Standard Chartered Bank** has been named winner in the corporate responsibility category of the FT ArcelorMittal Boldness in Business Awards. The judges commended the Bank's commitment to community investment and impact in the areas of health and education, which have remained steady throughout the financial downturn. Among the examples of Standard Chartered's programmes were Living with HIV, Seeing is Believing and Goal.
- **PRAN Agro Limited** achieved the Best Export Trophy (Gold) for the FY 2007-2008. Prime Minister Sheikh Hasina handed over the trophy to PRAN Group Chief Executive Amjad Khan Chowdhury at Osmani Memorial Auditorium in Dhaka on March 11, 2010.
- **HRC Group** has recently achieved the National Export Trophy (Gold) for the fiscal year 2005-2006 & 2007-2008. Executive Directors of HRC Group Md Idris and Md Shawket Jaman received the National Export Trophy (Gold) for 2005-2006 & 2007-2008 respectively from Prime Minister Sheikh Hasina in the National Export Trophy awarding ceremony held at Osmani Memorial Auditorium in Dhaka on March 11, 2010.
- **Shinepukur Ceramics Ltd** has got the national export trophy (gold) for the highest export of ceramic items for the year 2005-

2006. Shinepukur Ceramics Ltd and Beximco Group chairman ASF Rahman received the award from the Prime Minister, Sheikh Hasina, at a ceremony held at the Osmani Memorial Hall in Dhaka on March 11, 2010.

CSR ACTIVITIES IN THE MONTH

- The FBCCI Foundation** on March 10, 2010 distributed sewing machines, irrigation pumps, computers and vans to 487 unemployed men and women in a bid to make the jobless poor self-employed. "The foundation has taken the move under its 'One Businessman-One Family' project as part of the apex trade body's corporate social responsibility (CSR)," said Annisul Huq, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at a programme in Dhaka. The foundation has managed fund from different banks, trade bodies, directors of the FBCCI and business houses to run the CSR project.
- British American Tobacco (BAT) Bangladesh** has recently launched a safe drinking water plant at Bheramara in Kushtia. The company's new CSR initiative -- Probaho -- aims at providing safe drinking water in arsenic-prone areas.
- HSBC Bangladesh** recently donated 38 sewing machines to disadvantaged women at a ceremony at its Banani branch in Dhaka recently. Chief Executive Officer of the bank Sanjay Prakash handed over the sewing machines to the underprivileged women. The donation was made possible through the contribution of HSBC employees.
- The Trust Bank** has given lifetime allowances to the families of 34 martyred and war-wounded freedom fighters of Sherpur, as part of the bank's corporate social responsibility (CSR). The monthly allowance has been set at BDT 1,200 for each family, while they have also been given a lump sum of BDT 7,500. The bank handed over cheques to the families at a ceremony on Surjadya High School premises in Sherpur Sadar upazila on March 22, 2010.

INTERNATIONAL

- World trade is expected to grow 9.5% in 2010**, after suffering its biggest collapse since World War II in 2009, the head of the World Trade Organization (WTO) Pascal Lamy said on March 26, 2010. WTO economists are forecasting this world trade growth of 9.5% for 2010 with developing countries' trade growing 11% and industrialised countries' trade growing by 7.5%.
- Indian inflation** rose to near double figures as roaring economic growth sent prices higher, data showed on March 15, 2010. Annual inflation as measured by the wholesale price index, or WPI, rose to a 16-month high of 9.89% in February from 8.56% in January 2010.
- The British escaped from a record-length recession in better-than-expected shape during the fourth quarter of 2009.** Gross domestic product (GDP) -- the value of all the goods and services produced in the economy -- grew by 0.4% in the three months to the end of December, the Office for National Statistics (ONS) data showed on March 30, 2010. On an annual basis, British GDP shrank 3.1% in the fourth quarter, compared with the October-December period in 2008. That was marginally less than the previous reading of a 3.3% contraction.
- The US economy** grew at a slower pace than expected in the final quarter of 2009. The world's largest economy grew by 5.6% in the October-December period of 2009, the Commerce Department said, revising downward an earlier estimate of 5.9% growth in GDP, a key economic benchmark.

UPCOMING EVENTS

Event	Period	Location
Single Country Trade Fair	April 2010	Mumbai, Delhi, Bangalore and Hyderabad of India
Hong Kong International Home Textiles Fair	20-23 April 2010	Hong Kong
Hong Kong International Printing and Packaging Fair	27-30 April 2010	Hong Kong
Single Country Trade Fair	24-25 May 2010	Sweden
Bangladesh Clothing Show 2010	28-29 May 2010	London
Amar Panya Amar Desh 2010 Fair	10-12 June 2010	Dhaka, Bangladesh
Single Country Trade Fair	25-27 June 2010	Italy
Hong Kong Fashion Week for Spring/Summer	05-08 July 2010	Hong Kong
Texworld USA	13-15 July 2010	New York, United States
Hong Kong International Tea Fair	12-14 August 2010	Hong Kong
Food Expo	12-16 August 2010	Hong Kong
Eco Expo Asia	03-06 November 2010	Hong Kong

KEY DIPLOMATIC / INTERNATIONAL ORGANIZATIONS APPOINTMENTS

Organization	Position	Name
Junior Chamber International (JCI)	National President	Md Shahid Uddin Akbar
Canada-Bangladesh Chamber of Commerce and Industry (CanCham)	President (Re-elected)	Masud Rahman
Bharti Airtel	MD & CEO for Bangladesh Operations	Chris Tobit
Citycell	CEO	Mehboob Chowdhury

MANAGEMENT CHANGE - BANKS & FIS

Organization	Position	Name
Premier Bank	MD	Niaz Habib
Rupali Bank Ltd	MD	M Farid Uddin

MANAGEMENT CHANGE - OTHER ORGANIZATIONS

Organization	Position	Name
Dhaka Stock Exchange	President	Md Shakil Rizvi
Bangladesh Taxes Bar Association	President	ATM Rafiqul Islam
Islamic Banks Consultative Forum (IBCF)	Chairman (Re-elected)	Abu Nasser Muhammad Abdus Zaher
Small & Medium Enterprise (SME) Foundation	MD	Syed Rezwanul Kabir

Note: The information in this and the preceding pages has been compiled from press reports and miscellaneous publicly available sources unless otherwise specified. The authenticity and correctness of the information has not been verified.

CAPITAL MARKET REVIEW

DSE * TOP 15 APPRECIATING ISSUES IN THE MONTH

DSE CODE	SECTOR	MONTHLY APPRECIATION	MONTHLY Av. P/E RATIO	LAST TRADING DAY P/E RATIO	LAST TRADING DAY PRICE	STD. DEV. OF PRICES/ Av. PRICE	Av. MARKET CAPITALIZATION BDT mn	CASH DIV. IN BDT	STOCK DIV.
OCL	SERVICES & REAL ESTATE	99.0%	5.2	4.9	271.5	7.0%	6,845.13	1.0	10%
NCCBANK	BANK	18.8%	14.5	14.5	559.0	9.4%	12,825.09	-	47%
BXSYNTH	PHARM. & CHEM.	16.2%	108.8	122.0	415.5	6.5%	2,055.41	-	15%
KEYADETERG	PHARM. & CHEM.	15.3%	27.5	27.9	87.3	6.3%	1,535.68	1.0	-
DELTALIFE	INSURANCE	13.9%	na	na	17,750.8	5.2%	4,933.56	-	-
MONNOCERA	CERAMIC	13.6%	686.9	726.1	554.0	5.0%	707.46	10.0	-
KOHINOOR	PHARM. & CHEM.	12.3%	32.8	not traded	not traded	8.0%	1,040.58	40.0	-
EASTRN LUB	FUEL & POWER	12.2%	128.2	139.2	683.4	3.9%	625.42	2.5	-
IMAMBUTTON	PHARM. & CHEM.	12.0%	80.4	86.5	273.3	8.8%	177.72	5.0	-
4THICB	MUTUAL FUNDS	11.4%	31.9	33.7	1,811.0	6.6%	171.44	80.0	-
NORTHERN	JUTE	11.4%	(3.3)	not traded	not traded	7.2%	59.13	-	-
MEGHNACEM	CEMENT	11.2%	117.1	127.2	1,307.3	5.5%	2,708.82	15.0	-
STANCERAM	CERAMIC	11.1%	(31.2)	(33.7)	381.3	7.4%	216.82	5.0	5%
PRAGATILIF	INSURANCE	11.0%	na	na	2,733.5	5.3%	1,913.72	10.0	-
IDLC	FINANCIAL INSTITUTIONS	9.7%	14.9	8.7	2,383.0	17.9%	12,255.86	10.0	100%

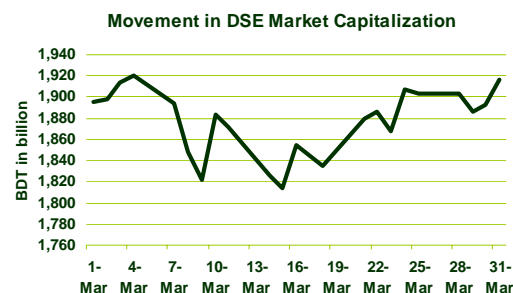
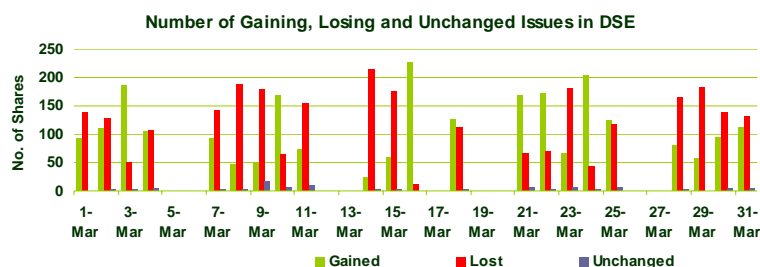
*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

DSE * TOP 15 DECLINING ISSUES IN THE MONTH

DSE CODE	SECTOR	MONTHLY DECLINE	MONTHLY Av. P/E RATIO	LAST TRADING DAY P/E RATIO	LAST TRADING DAY PRICE	STD. DEV. OF PRICES/ Av. PRICE	Av. MARKET CAPITALIZATION BDT mn	CASH DIV. IN BDT	STOCK DIV.
AIMS1STMF	MUTUAL FUNDS	-31.2%	48.8	not traded	not traded	4.1%	2,698.08	-	-
ICBISLAMIC	MUTUAL FUNDS	-16.0%	15.9	14.5	325.3	9.2%	358.65	25.0	-
GRAMEEN1	MUTUAL FUNDS	-15.1%	28.7	25.9	91.2	6.5%	1,719.40	-	-
DBH1STMF	MUTUAL FUNDS	-14.5%	na	na	20.0	6.6%	2,673.27	-	-
RAHIMTEXT	TEXTILE	-14.4%	27.2	25.8	1,300.0	8.4%	249.45	17.5	-
PURABIGEN	INSURANCE	-13.7%	192.2	178.3	1,404.5	5.0%	999.37	-	10%
JAMUNAOIL	FUEL & POWER	-13.5%	43.1	not traded	not traded	7.4%	18,065.36	4.0	-
BANGAS	FOOD & ALLIED	-12.4%	110.0	103.4	2,320.0	4.4%	222.17	15.0	-
PRIME1ICBA	MUTUAL FUNDS	-12.2%	na	na	17.6	5.7%	1,957.73	-	-
BOC	FUEL & POWER	-11.7%	23.0	21.9	517.5	5.1%	8,261.31	7.7	-
SIBL	BANK	-11.6%	52.6	48.8	271.8	5.1%	7,896.24	-	11%
TRUSTB1MF	MUTUAL FUNDS	-11.5%	na	na	17.9	5.3%	3,951.82	-	-
ICBEPMF1S1	MUTUAL FUNDS	-10.4%	na	na	20.3	6.0%	1,679.66	-	-
ICBAMCL1ST	MUTUAL FUNDS	-10.2%	17.6	16.5	514.8	7.1%	550.38	35.0	-
EBL1STMF	MUTUAL FUNDS	-10.2%	na	na	20.7	4.0%	2,225.45	-	-

*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

DSE CAPITALIZATION AND GAINING, LOSING & UNCHANGED ISSUES

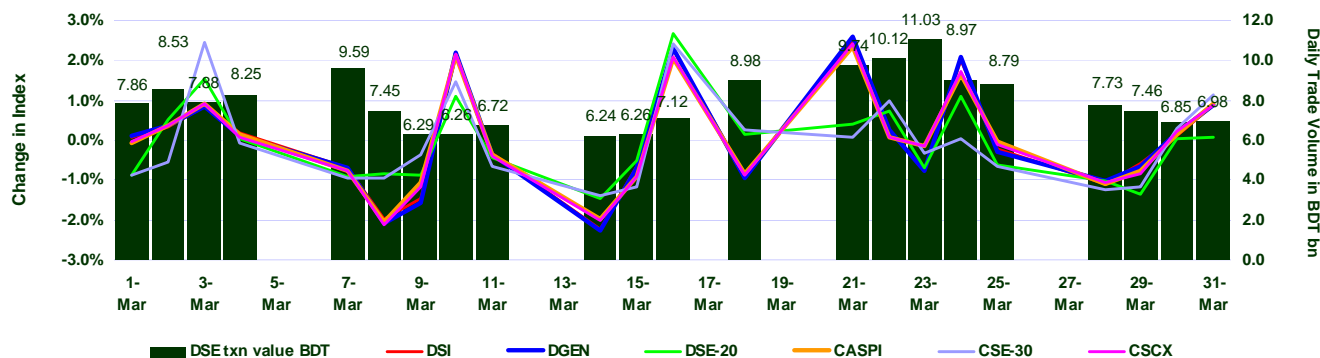


DSE* INDUSTRY-WISE STATISTICS

Sector/Industry	Capitalization BDT mn (Avg.)	% Sector Caps	Number	Simple Av. Price Change in Period	Simple Av. P/E Ratio	Weighted Av. P/E Ratio
Bank	390,264	21.47%	30	-0.81%	16.66	14.62
Cement	45,644	2.51%	4	4.27%	20.13	48.74
Ceramic	8,745	0.48%	3	9.83%	233.06	(115.31)
Corporate Bond	4,056	0.22%	2	3.95%	-	-
Engineering	63,949	3.52%	15	1.98%	39.83	51.40
Financial Institutions	176,034	9.68%	21	1.30%	36.14	27.40
Food & Allied	37,719	2.08%	9	-1.03%	67.71	34.92
Fuel & Power	204,034	11.23%	9	-0.77%	47.52	26.09
Insurance	78,751	4.33%	40	-1.66%	34.24	87.67
IT-Sector	4,298	0.24%	5	4.38%	76.22	68.68
Jute	283	0.02%	2	8.13%	18.42	60.51
Miscellaneous	63,346	3.49%	9	-0.07%	42.10	50.22
Mutual Funds	29,314	1.61%	23	-5.57%	21.22	37.48
Paper & Printing	4	0.00%	1	0.00%	-	-
Pharm. & Chem.	155,321	8.55%	18	4.95%	48.50	32.07
Services & Real Estate	32,164	1.77%	6	15.44%	35.14	33.32
Tannery	12,878	0.71%	3	-5.30%	15.90	15.89
Telecommunication	465,866	25.63%	1	2.93%	156.13	156.13
Textile	44,939	2.47%	15	3.11%	32.99	48.23
TOTAL	1,817,605	100.0%	216	0.60%		

*The above includes all DSE A, G, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. For further information, please write to creditriskmgmt@idlc.com

MOVEMENT OF DSE AND CSE INDICES



FORTHCOMING IPO APPROVED BY SEC

Name of the issue	Sponsors' Equity and Pre-IPO paid up capital (BDT mn)	IPO Amount (BDT mn)	Public Offer (in unit)	Date for subscription
ICB AMCL 3 rd NRB Mutual Fund	100.00	800.00	80,000,000	28 March- 01 April 2010
RAK Ceramics (Bangladesh) Limited	1,955.635	345.10	34,510,000	25-29 April 2010

Source: DSE Website

INTERNATIONAL MARKET MOVEMENTS

Markets	Index Mar 24 th	One Week	% Change on	
			Dec 31 st 2009	In local currency
United States (DJIA)	10,836.2	+1.0	+3.9	+3.9
United States (S&P 500)	1,167.7	+0.1	+4.7	+4.7
United States (NAScomp)	2,398.8	+0.4	+5.7	+5.7
Japan (Nikkei 225)	10,815.0	-0.3	+2.5	+3.9
China (SSEA)	3,205.2	+0.2	-6.8	-6.8
Britain (FTSE 100)	5,677.9	+0.6	+4.9	-3.1
Canada (S&P TSX)	11,963.0	-1.1	+1.8	+4.0
Germany (DAX)	6,039.0	+0.2	+1.4	-4.4
Hong Kong (Hang Seng)	21,008.6	-1.8	-3.9	-4.0
India (BSE)	17,451.0	-0.2	-0.2	+2.0
Pakistan (KSE)	10,146.3	+1.7	+8.1	+8.4
Singapore (STI)	2,886.4	-1.1	-0.4	-0.5

Source: The Economist

YEARLY PROFIT & DIVIDEND DECLARATIONS IN MARCH

DSE Code	Latest Financial Year		Dividend Declaration		
	Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right
AIMS1STMF	55.32	0.33	NOT YET DECLARED		
BATBC	2,068.57	34.48	300.00%	-	-
EASTLAND	88.90	46.74	-	30.00%	-
IDLC	821.88	273.96	10.00%	100.00%	-
JAMUNAOIL	419.20	9.32	40.00%	-	-

DSE Code	Latest Financial Year		Dividend Declaration		
	Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right
PRIMEFIN	683.13	105.97	10.00%	40.00%	-
STANDBANKL	764.25	28.90	-	20.00%	-
TRUSTBANK	610.91	33.06	-	20.00%	-
UNIONCAP	161.38	3.86	-	30.00%	-

DIVIDEND DECLARATIONS IN MARCH

DSE Code	Dividend Declaration		
	Cash	Stock	Right
1STBSRS	15.00%	-	-
ASIAPACINS	-	10.00%	-
CITYBANK	-	25.00%	-
CONFIDCEM	10.00%	20.00%	-
CONTININS	-	10.00%	-
GP	60.00%	-	-
ISLAMIBANK	10.00%	20.00%	-

DSE Code	Dividend Declaration		
	Cash	Stock	Right
ISLAMICFIN	-	25.00%	-
NCCBANK	-	47.00%	-
OCL	10.00%	10.00%	-
PHOENIXFIN	-	30.00%	-
PRIMEINSUR	-	20.00%	-
PREMIERLEA	-	15.00%	-
PUBALIBANK	5.00%	30.00%	-

DSE Code	Dividend Declaration		
	Cash	Stock	Right
SAPORTL	20.00%	10.00%	-
SHAHJABANK	-	25.00%	-
SIBL	-	11.00%	-
SINGERBD	30.00%	-	-
SUMITPOWER	-	25.00%	-

UN-AUDITED HALF YEARLY RESULTS DECLARED IN MARCH

DSE Code	Profit (BDT mn)	EPS (BDT)
AFTABAUTO	393.10	121.07

DSE Code	Profit (BDT mn)	EPS (BDT)
JAMUNAOIL	258.36	5.74

DSE Code	Profit (BDT mn)	EPS (BDT)
OCL	48.35	2.03

UN-AUDITED QUARTERLY RESULTS DECLARED IN MARCH

DSE Code	Profit (BDT mn)	EPS (BDT)	As on
QSMSILK	(2.83)	(1.42)	31-Dec-09

DSE Code	Profit (BDT mn)	EPS (BDT)	As on
SINOBANGLA	1.67	0.17	31-Jan-10

MUTUAL FUNDS VALUE DECLARED IN MARCH

DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)
1STBSRS	1,325.31	100
1STPRIMFMF	16.41	10
AIMS1STMF	5.17	1
DBH1STMF	10.36	10
EBL1STMF	13.97	10
GRAMEEN1	54.98	10
GRAMEENS2	19.60	10
ICB1STNRB	360.87	100

DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)
ICB2NDNRB	167.06	100
ICBAMCL1ST	504.96	100
ICBAMCL2ND	119.61	100
ICBEPMF1S1	10.19	10
ICBISLAMIC	294.20	100
PRIME1ICBA	10.06	10
TRUSTB1MF	11.71	10
First ICB	9,539.84	100

DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)
Second ICB	2,780.54	100
Third ICB	2,107.80	100
Fourth ICB	2,247.86	100
Fifth ICB	1,987.32	100
Sixth ICB	738.58	100
Seventh ICB	1,204.05	100
Eighth ICB	869.39	100

SELECTED DSE NEWS OF THE MONTH

DSE CODE	NEWS
APEXTANRY	The company has informed that Credit Rating Information and Services Ltd. (CRISL) has rated the company as "AA-" in the long term and "ST 2" in the short term based on audited financial statements of the company for the year ended June 30, 2009.
BEXIMCO	The Board of Directors of the Company has decided the following: 1. Further issue of Capital of BDT 91.87487 mn (consisting of 91,87,487 ordinary shares of BDT 10 each) be made pursuant to section 155(2) of the Companies Act, 1994 for acquisition of approximately 100% ordinary shares of Dhaka Shanghai Ceramics Limited (DSCL) amounting to BDT 367.49948 mn (consisting of 3,67,49,948 ordinary shares of BDT 10 each) by exchange of one Beximco Limited shares for four DSCL Shares, subject to approval in Extra Ordinary General Meeting (EGM) of the shareholders of the company and SEC's consent under rule 3 of the Securities and Exchange commission (Capital issue of companies) Rules, 2001. 2. To increase the Authorized Share Capital of the Company from BDT 1 bn to BDT 5 bn.

DSE CODE	NEWS
DSE NEWS	This is for information of all concerned that SEC vide its letter No. SEC/CMRRCD/2001-45/296 dated March 15, 2010 has approved the proposal for amendment in the Regulation 36(A)(4) of the Listing Regulations of DSE. The proposed amendment as approved by SEC is as follows: In regulation 36(A)(4); 1. The words 'book closing date' and 'book closure date' shall be replaced by the words, "book-closure date" and "record date" respectively. 2. In between the first and second proviso, a new proviso shall be inserted as follows: "Provided further that the required notice period (prior to the date of commencement of book-closure period in case of physical securities and record date in case of demated securities) shall be 7 market days, instead of 14 market days, for securities other than Z category securities. As regards Z category securities the existing notice period of 14 market days shall continue."
IBBLPBOND	The Board of Directors has recommended annual profit rate for the IBBLPBOND @ 12.35% for the year 2009.
SALAMCRST	A memorandum of understanding (MOU) has been executed by the Directors of S. Alam Group to acquire and take over 100% share capital along with Goodwill, tangible, intangible assets and management of the Times Securities Limited (DSE Membership No. 166) from its existing shareholders and directors subject to no objection and clearance from the regulatory authorities. It may however be clarified here that S. Alam Cold Rolled Steels Limited shall not be acquiring any share or interest in the capital of the aforesaid Times Securities Limited therefore its operation and profitability shall have no impact whatsoever to operation /profitability of S. Alam Cold Rolled Steels Limited or on the trade of shares of the company.
SEC NEWS	In Reference to the Commission's Directive No. SEC/CMRRCD/ 2001-43/05 dated December 17, 2009 and SEC/CMRRCD/ 2001-43/06 dated December 17, 2009 regarding marginable Mutual Fund Units, SEC has further directed the stock brokers of the Stock Exchanges and the Merchant Bankers, including the Portfolio Managers, registered under the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996 that the limit of 7.5% that was fixed earlier shall now be read as 15%. This shall be effective from March 08, 2010. (Ref: SEC Directive No. SEC/CMRRCD/ 2009-193/25 dated March 07, 2010 and SEC/CMRRCD/ 2009-193/26 dated March 07, 2010).
SEC NEWS	Securities and Exchange Commission vide its Notification No. SEC/CMRRCD/ 2010-201/23 dated March 01, 2010 has informed the following: To make the capital market more transparent, efficient, and dynamic, the following decisions have been taken regarding the proposed change of the face value and market lot of shares of listed companies in a meeting of the Ministry of Finance held on November 05, 2009 headed by the Honourable Finance Minister: 1. The face value of the shares of existing companies shall remain unchanged. In future, the minimum face value of all the listed companies should be standardized. Since the face value of most of the listed companies is BDT 100, fixing a standardized face value of BDT 100 would be better. 2. In future, the market lot of all the listed companies should be uniform. To implement the above-mentioned decision, all the listed companies are advised to refrain from taking any initiative to change the existing face value of shares of their companies.
SEC NEWS	The maximum rate of margin loan for Merchant Banker (Portfolio Manager) has been re-fixed @ 1:1.5 by SEC. Based on this, Merchant Banker (Portfolio Manager) can provide loan to their clients up to that ratio with effect from March 18, 2010 until further Order. In case of considering market price of portfolio/securities, the Instruction no. 7 of SEC (Merchant Banker & Portfolio Managers) Regulations, 1996 must be ensured. (Ref.: SEC Order No. SEC/CMRRCD/2001-43/30 dated March 15, 2010)
SEC NEWS	SEC vide its Notification No. SEC/CMRRCD/2001-26/32/Admin/... dated March 23, 2010 has replaced Regulation 4(2) of the Securities and Exchange Commission (Prohibition of Insider Trading) Regulations, 1995 in the following manner: "any Sponsor, Director, Officer or employee, auditor or person associated with audit, adviser or legal adviser of any company listed with stock exchanges, or beneficial owner as mentioned in section 12 of Securities and Exchange Ordinance, 1969 (XVII of 1969) shall not be allowed to buy, sell or transfer or receive shares in any form of that company, two months (as per Gregorian Calendar year) prior to the date of completion of annual accounts up to the period, the said accounts have been finally considered, adopted/accepted or approved by the Board of Directors of the company."
SEC NEWS	SEC vide its Directive No. SEC/CMRRCD/2001-43/31 dated March 23, 2010 has directed the Dhaka Stock Exchange Ltd. and their members to the effect that, the members of the stock exchange i.e. stock brokers shall calculate the market price of portfolio/securities for the purpose of margin requirement in respect of their approved clients in the following manner, namely; - (a) The stock brokers shall calculate the market price of portfolio/securities to determine the Margin Requirement in the following manner (i.e. method): "(Closing Price of the Securities + Net Asset Value (NAV))/2" (b) All corporate benefit, such as dividend, bonus, rights etc. entitled according to book closure/record date will be added with portfolio value (c) If the above method can not be applied in course of valuation of government securities and open-end mutual fund securities, in that case the stock brokers will follow objective consideration process to determine their market price. It is further directed that stock brokers shall not provide margin facilities to any member of the Board of Directors of its own company, officer and staff employed in the company management, their parent, spouse, son, daughter, sister, brother, son-in-law, daughter-in-law and other relatives as per directive issued by the Commission from time to time. This shall have effect from April 01, 2010.
SUMITPOWER	The Board of Directors of Summit Uttaranchol Power Company Limited and Summit Purbanchol Power Company Limited, both are 99% subsidiaries of Summit Power Ltd., have declared 20% and 15% stock dividend respectively for the financial year 2009.

FINANCIAL GLOSSARY

Ledger cash	A firms cash balance as reported in its financial statements. Also called book cash.
Legal bankruptcy	A legal proceeding for liquidating or reorganizing a business.
Legal capital	Value at which a company's shares are recorded in its books.

Source: Forbes.com

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Bill / Invoice Discounting
Work Order Finance
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Machinery Loan
Double Loan
Festival Loan
Women Entrepreneurship Loan

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Issue Management
Underwriting
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Placement of Equity, Debentures and Bonds
Custodial Services

SUBSIDIARIES

IDLC Securities Limited, a fully owned subsidiary of IDLC, offers full-fledged international standard brokerage service for retail and institutional clients. It has seats on both the Dhaka and Chittagong Stock Exchanges. It is also a Depository Participant (DP) of Central Depository Bangladesh Limited (CDBL).

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