



March 2014

ILCL-ILSL MONTHLY

Economy and Market Review



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In today's competitive world, each of you is looking for growth opportunities. While some of you are considering expansion of your existing business, others are looking for expansion in a new field. Some may feel that working capital management is the priority while others need to focus on financial efficiency. Many have suffered from high interest burden in the past while others are looking for scope to minimize tax burden to safeguard a substantial profit. Few need hands-on assistance to explore business opportunities with major industry players while others require a strategic plan to make an acquisition successful.

Yes, we are talking about financial restructuring and investment alternatives. And a lot of questions come and wait in mind. Which type of financing is the best solution? Is it going to fit the long term strategy of the organization? Is it sustainable? Are you ready for this?

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Realizing Your Investment Dream

We are offering investment management solutions to both individuals and corporate entities. Our investment management team believes in continuous improvement in discovering profit making opportunities at appropriate levels of risk tolerance and liquidity need supported by detailed research and analysis.

Our team follows the economic trend, industry trend as well as individual companies and this enables it to identify profitable investment opportunities for the clients well in advance of other market participants.

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Editorial

Our vision is to establish ourselves as one of the leading Investment Banking solution providers in Bangladesh with high ethical standards and best practices. We started our first monthly publication "ILCL Monthly Economy and Market Review" with September, 2013 edition and seek every opportunity to make it more informative and beneficial for our readers that cover honorable business community, corporate clients and high net worth retail clients.

From January, 2014 edition we are publishing it jointly with our sister concern, International Leasing Securities Limited, with the title of "ILCL-ILSL Monthly Economy and Market Review". This edition covers **Bangladesh Cement Sector** with a snapshot over few stocks defined under the sector in prime bourse.

We believe this publication will be enriched with contribution from ILSL research team and look forward to any advice or suggestions from our readers or any other corner to make it distinguished and complete. Please do not hesitate to contact us to convey your opinion. We are also committed to the readers for any assistance or explanation over any doubt or confusion arises from our publications.

Thanking You-



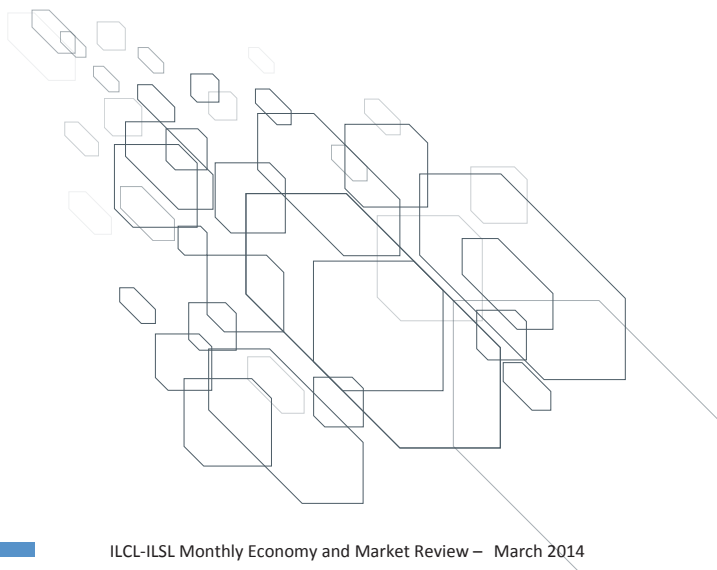
Nehal Ahmed FCA
Managing Director
IL Capital Limited

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February, 2014

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ECONOMY UPDATE

- Provisional estimate of Bangladesh Bureau of statistics (BBS) indicates Bangladesh's GDP growth came down to 6.03% (1995/96 base) in the fiscal year (FY) 2012-13, the lowest in four years, due to low investment and political uncertainty. Though it was significantly lower than the government's target (7.2%), it was higher than the forecasts of development agencies (ADB 5.7%, WB 5.8% and IMF 6.0%). Even it was higher than the developing country average projected growth of 5% to 5.5%. *(However, provisional estimate of GDP growth for FY 2012-13 was 6.18% under the new base 2005/06).*
- In the FY 2012-13, the agriculture sector growth declined to 2.17% from 3.11% in FY 2011-12. Service sector growth declined to 5.73% from 5.96%. However, overall industry growth increased to 8.99% from 8.90%.
- Lately, Government has revised down the GDP growth target for the current FY 2013-14 to 6.3% from its initial target of 7.2%. Bangladesh Bank (the Central Bank of Bangladesh) also forecasts growth rate for the FY 2013-14 around 6.2%. International donor agencies forecast lower growth rate for FY 2013-14 (ADB 5.8%, World Bank 5.7%, and IMF 5.5%)
- Point to Point Inflation rate increased to 7.5% in March 2014 from 7.4% in February 2014. Food Inflation increased to 9.0% in March 2014 from 8.8% in February 2014. However, Non-food Inflation decreased to 5.3% in March 2014 from 5.4% in February 2014. (using the 2005/06 base).
- 12 month average inflation for the FY 2012-13 declined to 7.7% from 8.6% in FY 2011-12. This figure was higher than the target of 7.5% set for that year. Besides, Bangladesh Bank has set lower inflation target of 7.0% for the current FY 2013-14 (using the 1995/96 base).
- In FY 2012-2013, Broad money growth has been higher than the target set at monetary policy because of high growth of net foreign assets in the form of remittances and aid. However, in January 2014, Broad Money Supply Year on Year (YOY) growth decreased to 15.8% from 16.7% in FY 2012-13. Lately, Bangladesh Bank has set the broad money supply growth of 17.0% by June 2014 to bring average inflation down to 7.0% in the current FY 2013-14 (using the 1995/96 base).
- The private sector credit growth continues to fall in the recent months due to political uncertainty. It was at 10.6% YOY in December 2013 which was significantly lower than the monetary policy target of 15.5% set for Dec 2013. Lately Bangladesh Bank has set private sector credit growth rate of 16.5% for June 2014.
- The Government's net borrowing from the banking system increased by 15.5% to BDT 247.8 billion in FY 2012-13 from BDT 214.6 billion in FY 2011-12. The borrowing exceeded the initial target of BDT 230 billion though it was lower than revised target of BDT 285 billion.
- Government projected BDT 260 billion net borrowing from the Banking system for the current FY 2013-14. In the first half of the year, Government borrowed only BDT 46 billion.
- Overall liquidity condition improved as call money interest rate declined to 7.1% in February 2014 from 9.0% in February 2013. In addition, weighted average bank lending rate declined to 13.4% in January 2014 from 13.7% in January 2013. Also, weighted average bank deposit rate declined to 8.4% in January 2014 from 8.6% in January 2013.
- Bank interest spread was 4.99% in January 2014 whereas it was 5.51% in 2012.

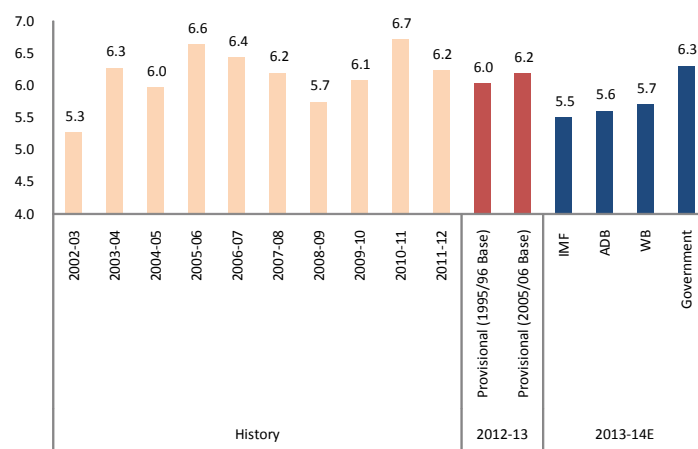
- Foreign Exchange Reserve increased to USD 19.3 billion in March 2014 from USD 14.0 billion in March 2013. Taka has been stable against US Dollar trading at BDT 77.8 in the last 9 months (July 2013 to March 2014).
- Remittance earning for the FY 2012-13 grew by 9.4% to USD 14.5 billion from USD 12.8 billion in 2011-12. Monthly remittance stands to USD 1.27 billion in March 2014, recorded a 3.6% YOY increase over March 2013, and also 8.8% increase over the previous month February 2014.
- Export target for the FY 2013-2014 has been set at USD 30.5 billion, 12.8% higher than last FY 2012-2013. In the FY 2012-2013, Bangladesh export increased to USD 27.0 billion from 24.3 billion in 2011-2012, reflecting 11.2% growth.
- Monthly exports increased to USD 2.39 billion in February 2014 from USD 2.25 billion in February 2013, reflecting 6.4% YOY growth. However, it was 13.2% lower than the previous month i.e. January 2013 (USD 2.75 billion).
- Monthly imports increased to USD 3.64 billion in January 2014 from USD 3.14 billion in January 2013, reflecting 16.1% YOY growth. It was also 9.2% higher than the previous month i.e., December 2013 (USD 3.34 billion).
- The country's Balance of Payments (BoP) saw a record surplus of USD 5.1bn in FY 2012 -13 Vs only USD 494.0mn surplus in FY 2011-12. The reasoning behind such soar in surplus can be explained due to the moderate increase in exports (11.2%) and comparatively marginal increase in imports (0.8%), which decreased the trade deficit by 24.8%.
 - The political uncertainty and lower oil prices could explain the decrease in imports. The import of capital machinery and industrial raw materials fell 15.9% and 2.5% respectively in FY 2012-13 over FY 2011-12. Besides, every year the country has to spend a big chunk of foreign currency on fuel imports that dropped by around 2%. Food imports fell as well, by 28.0% due to a good production at home.
 - Current account surplus increased to USD 2.52 billion in FY 2012-13 Vs USD 447 million current account deficits in FY 2011-12.
 - BoP surplus eroded by 4% to USD 2.62 billion in the 1st half of FY 2013-14 (July to December), on the back of sliding remittance. However, current account surplus increased by 124% to USD 2.65bn in the 1st half of FY 2013-14 (July to December) compared to same period of last FY 2012-13 despite 8.5% fall of remittance. Major causes of the jump were 16.6% increase in export and 0.1% fall in imports during the period.
 - Besides, Trade deficit declined by 58% to USD 1.53bn in the 1st half of FY 2013-14 (July to December) compared to same period of last FY 2012-13.
 - Net Foreign Direct Investment (FDI) increased by 9.2% to USD 1.3bn in FY 2012-13 from USD 1.19bn in FY 2011-12. Net Portfolio Investment increased by 19.6% to USD 287mn in FY 2012-13 from USD 240mn in FY 2011-12. In addition, Foreign Aid increased by 37% in FY 2012-13 over FY 2011-12.
 - Foreign investment in the capital market witnessed a 145% increase in 2013. In 2013, foreign investors bought shares worth BDT 26.5bn and sold shares worth BDT 7.1bn, to take their net investment for the year to BDT 19.4bn.

GDP growth at Constant Market Prices by Broad Industry Sector (%)						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13(p)
Agriculture	3.2	4.1	5.2	5.1	3.1	2.2
Industry	6.8	6.5	6.5	8.2	8.9	9.0
a) Manufacturing	7.2	6.7	6.5	9.5	9.4	9.3
of which small scale	7.1	6.9	7.8	5.8	6.5	6.8
b) Construction	5.7	5.7	6.0	6.5	7.6	8.1
Services	6.5	6.3	6.5	6.2	6.0	5.7
GDP at constant market prices	6.2	5.7	6.1	6.7	6.2	6.0

Source: Bangladesh Bureau of Statistics and IL Capital research

GDP:

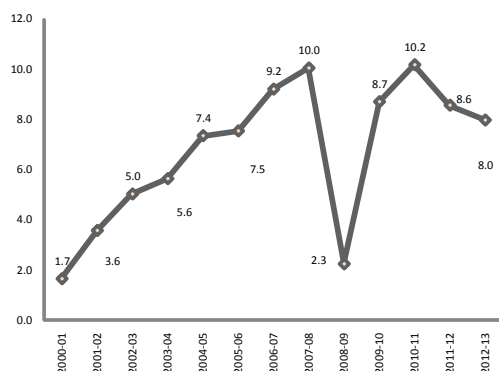
GDP Growth Rate (%)



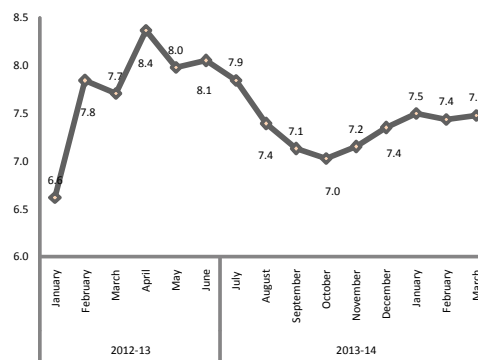
Source: Bangladesh Bureau of Statistics, IMF, ADB, WB and IL Capital Research.

Inflation:

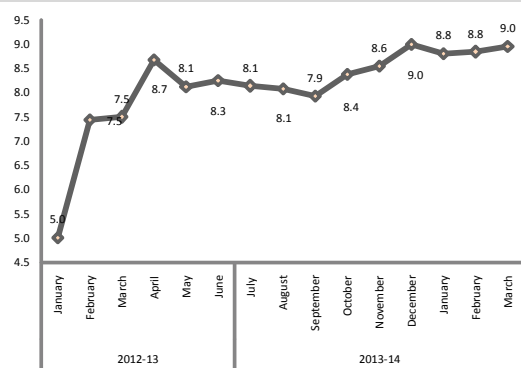
Annual Inflation (%) Base 1995-96



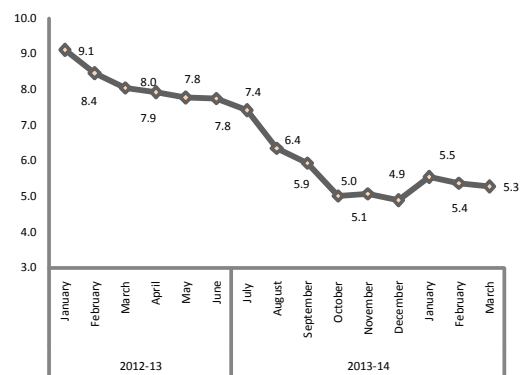
Monthly Inflation Rate (%) Base 2005-06



Monthly Food Inflation (%) Base 2005-06



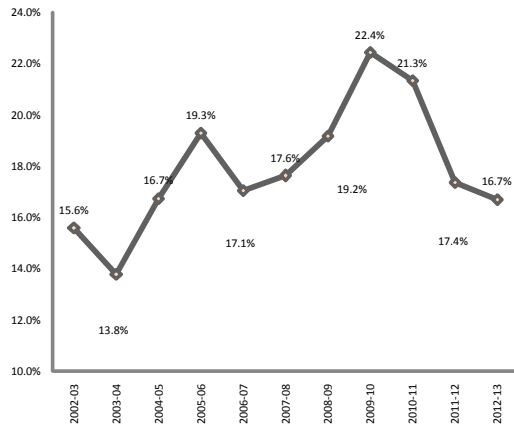
Monthly Non-Food Inflation (%) Base 2005-06



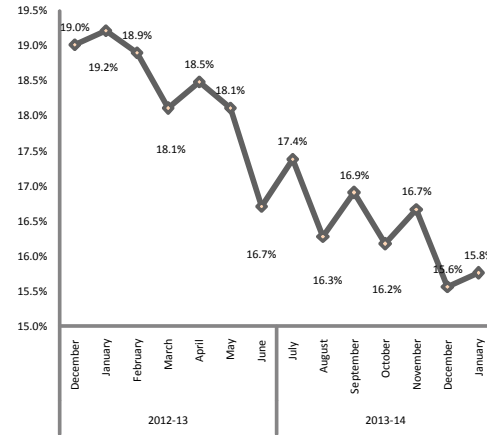
Source: Bangladesh Bank and IL Capital Research.

Money Supply:

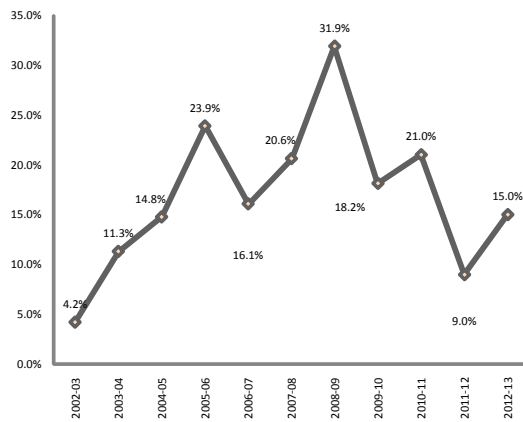
Annual Broad Money Supply (M2) Growth Rate (%)



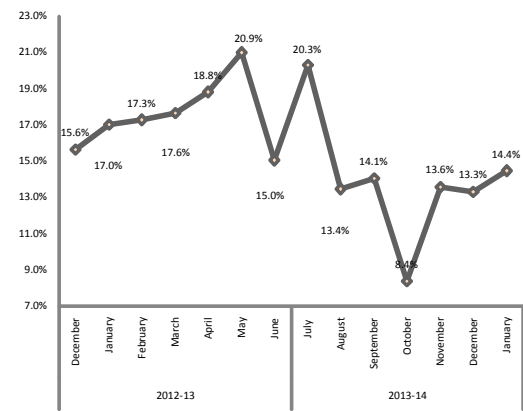
Monthly Broad Money Supply (M2) Growth yoy %



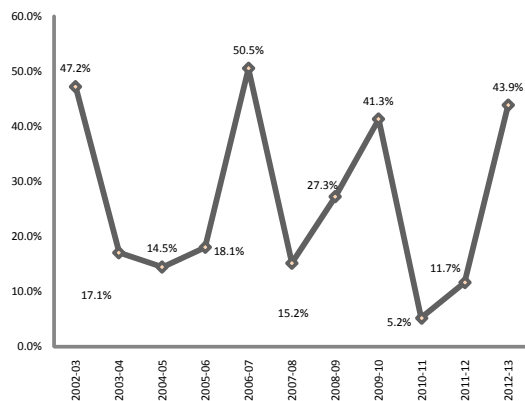
Annual Reserve Money Growth Rate (%)



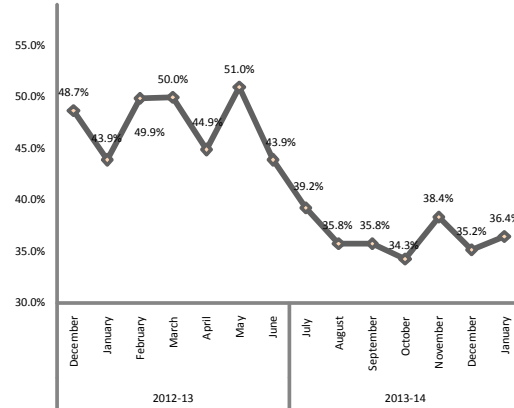
Reserve Money Growth yoy %



Annual Net Foreign Assets Growth Rate (%)



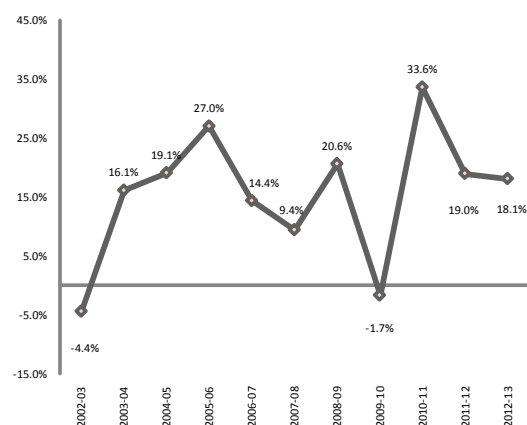
Net Foreign Asset Growth yoy %



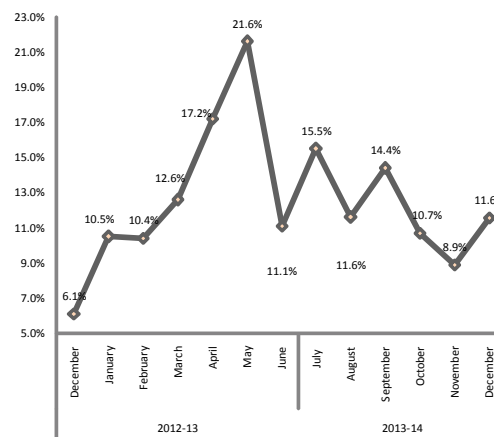
Source: Bangladesh Bank and IL Capital Research.

Money Supply (Continued):

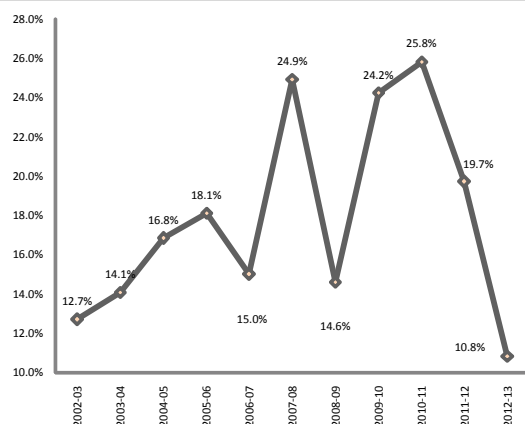
Annual Public Sector Credit Growth Rate (%)



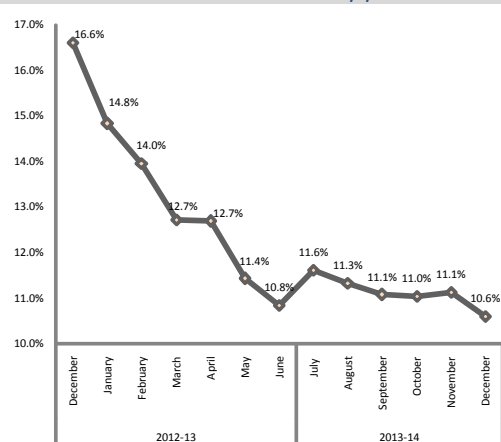
Public Sector Credit Growth yoy %



Annual Private Sector Credit Growth Rate (%)



Private Sector Credit Growth yoy %

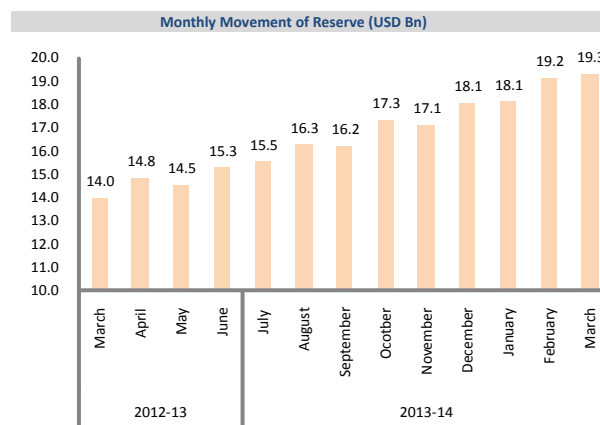
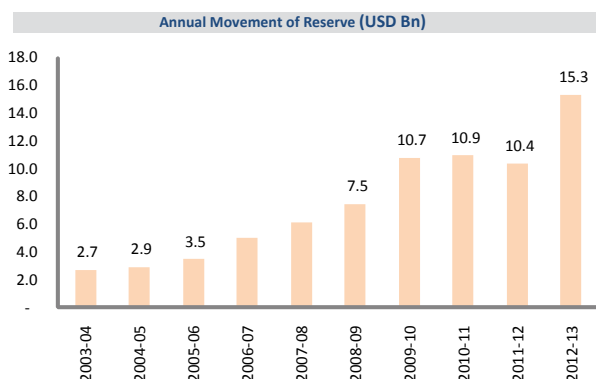


Monetary Aggregates Y-o-Y Growth (%)

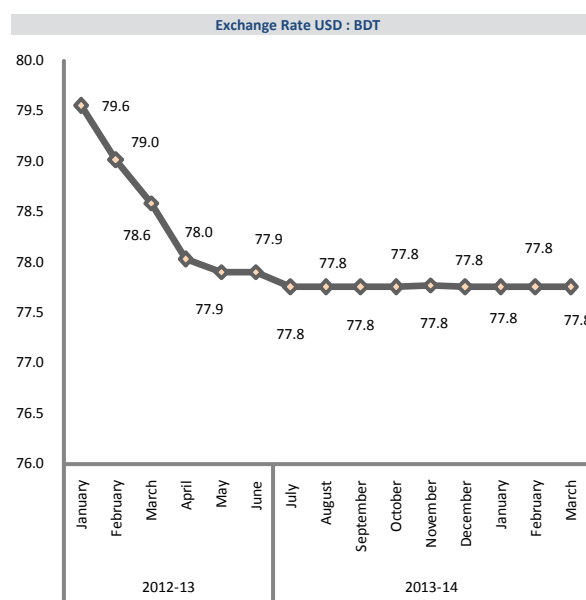
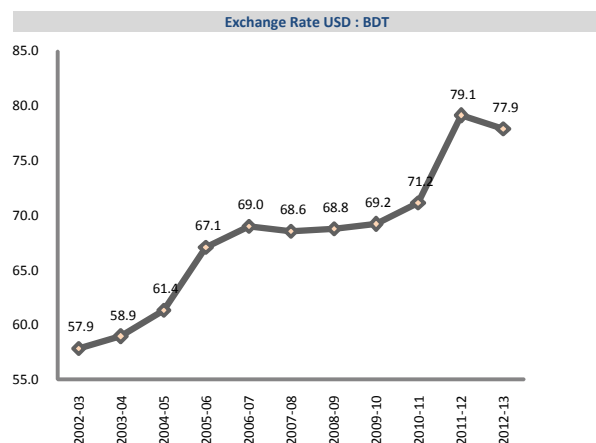
Items	Actual				Program	
	FY10	FY11	FY12	FY13	Dec-13	Jun-14
Net Foreign Assets	41.0	6.2	7.2	50.4	19.3	10.0
Net Domestic Assets	19.0	24.7	19.3	11.0	16.8	18.6
Domestic Credit	17.5	28.2	19.2	10.9	19.3	17.8
Credit to the Public Sector (incl. Govt.)	4.2	38.3	17.4	11.1	33.7	22.9
Credit to the private sector	24.2	25.8	19.7	10.8	15.5	16.5
Broad money	22.4	21.4	17.4	16.7	17.2	17.0
Reserve money	18.1	21.0	9.0	15.0	15.5	16.2

Source: Bangladesh Bank and IL Capital Research.

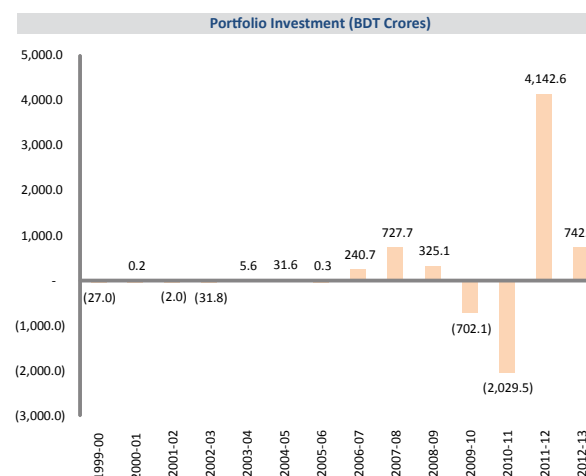
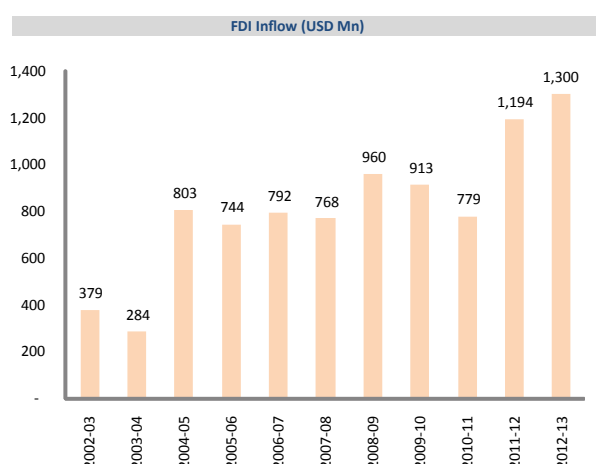
Reserve:



Exchange Rate:

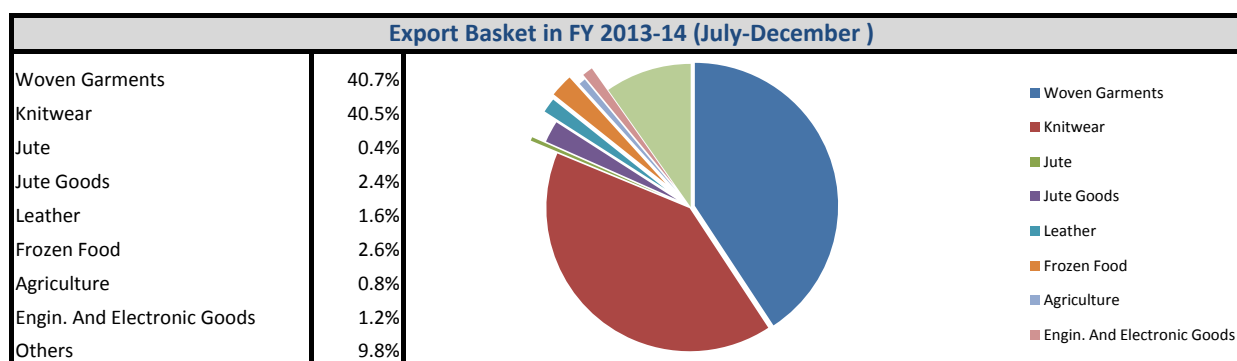
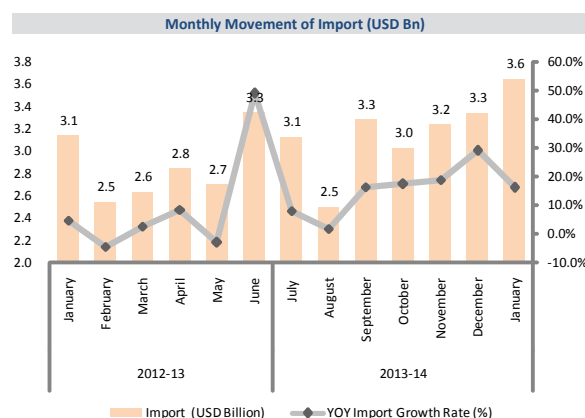
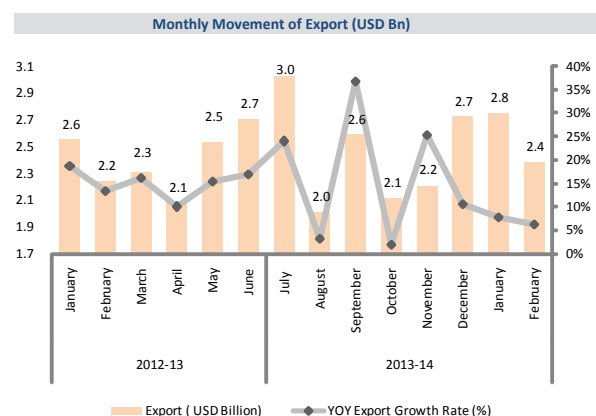
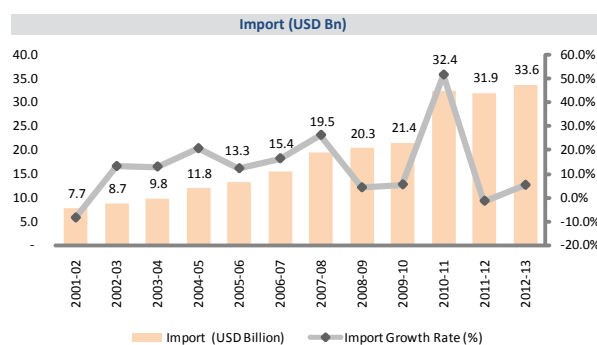
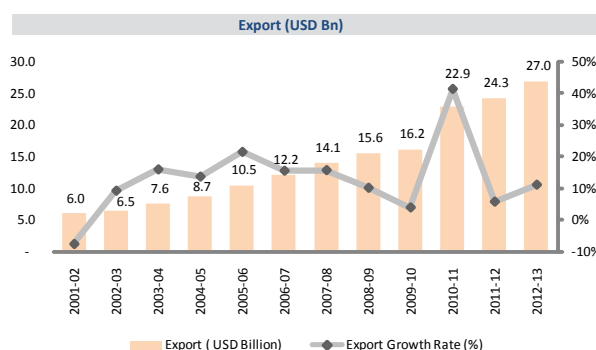
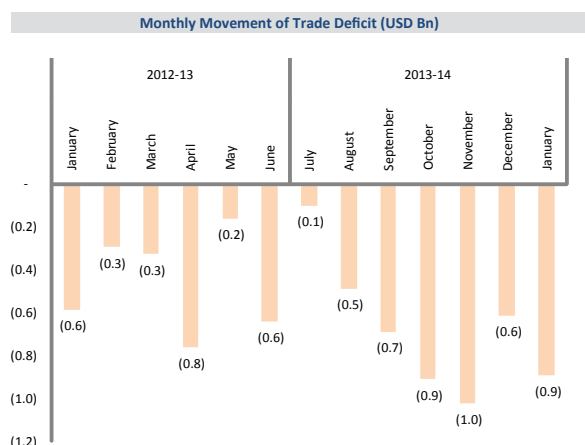
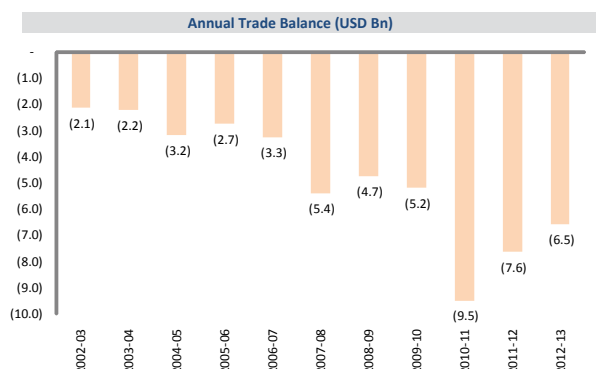


FDI Inflow and Portfolio Investment:



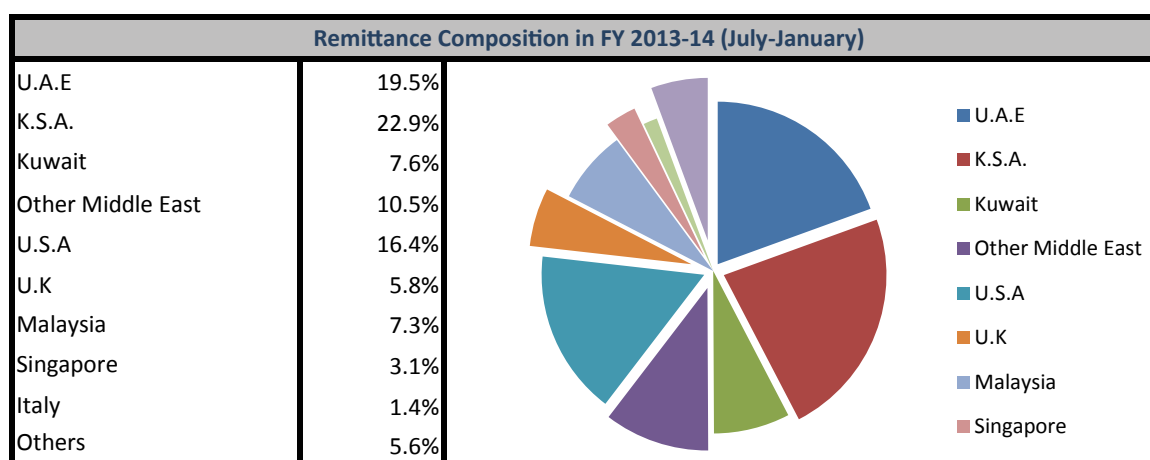
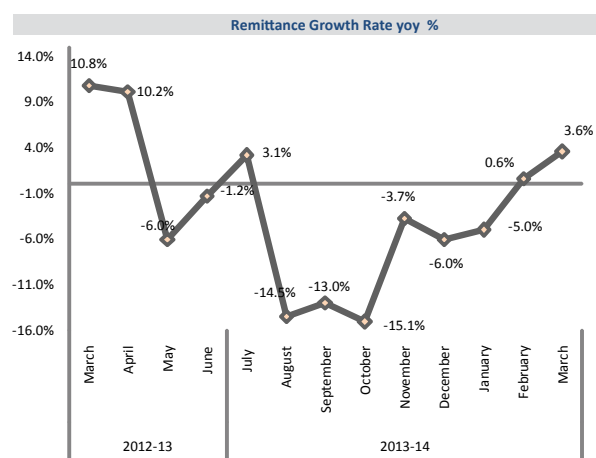
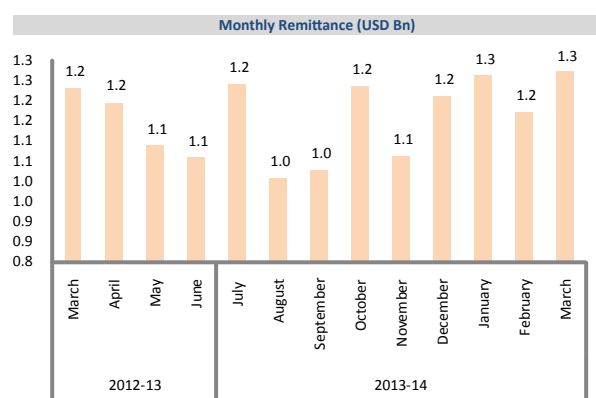
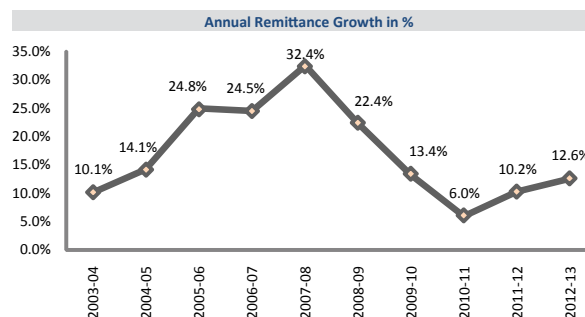
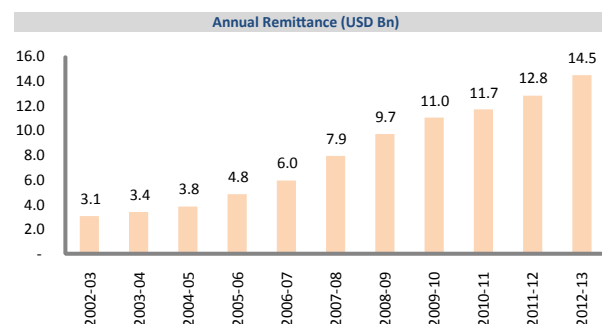
Source: Bangladesh Bank and IL Capital Research.

International Trade:



Source: Bangladesh Bank and IL Capital Research.

Remittance:



Source: Bangladesh Bank and IL Capital Research.

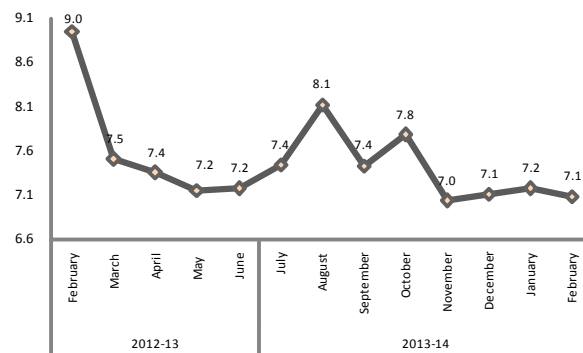
Interest Rate:

Annual Call Money Interest Rate (%)

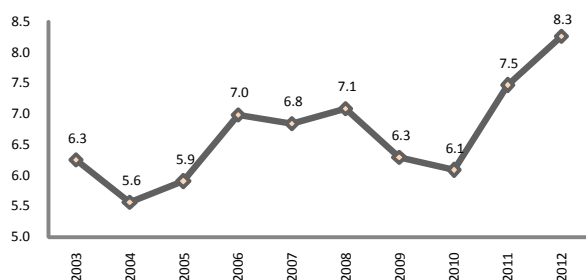


* Data Up to March 2014

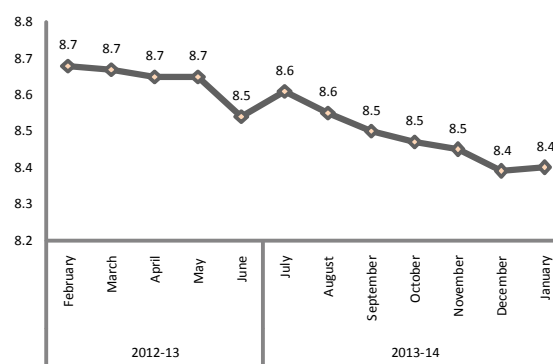
Monthly Movement of Call Money Rate (%)



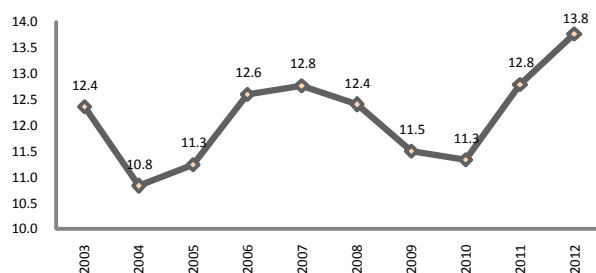
Annual Bank Deposit Interest Rate (%)



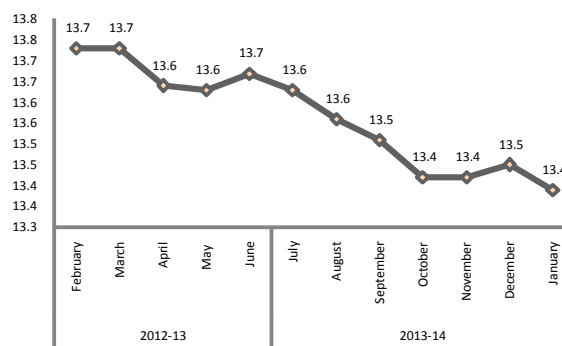
Monthly Movement of Bank Deposit Interest Rate (%)



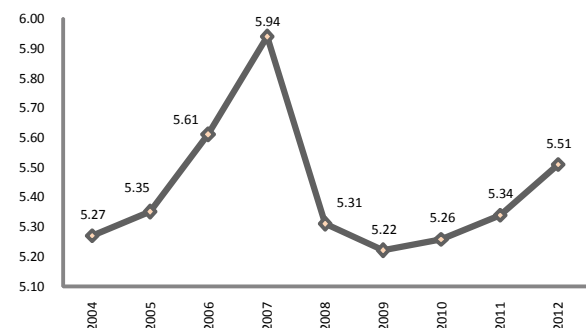
Annual Bank Lending Interest Rate (%)



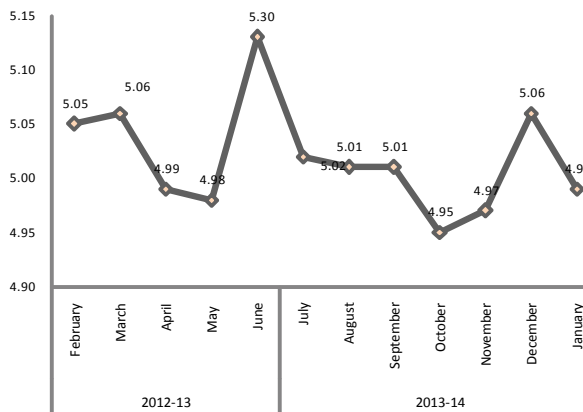
Monthly Movement of Bank Lending Interest Rate (%)



Spread (%)



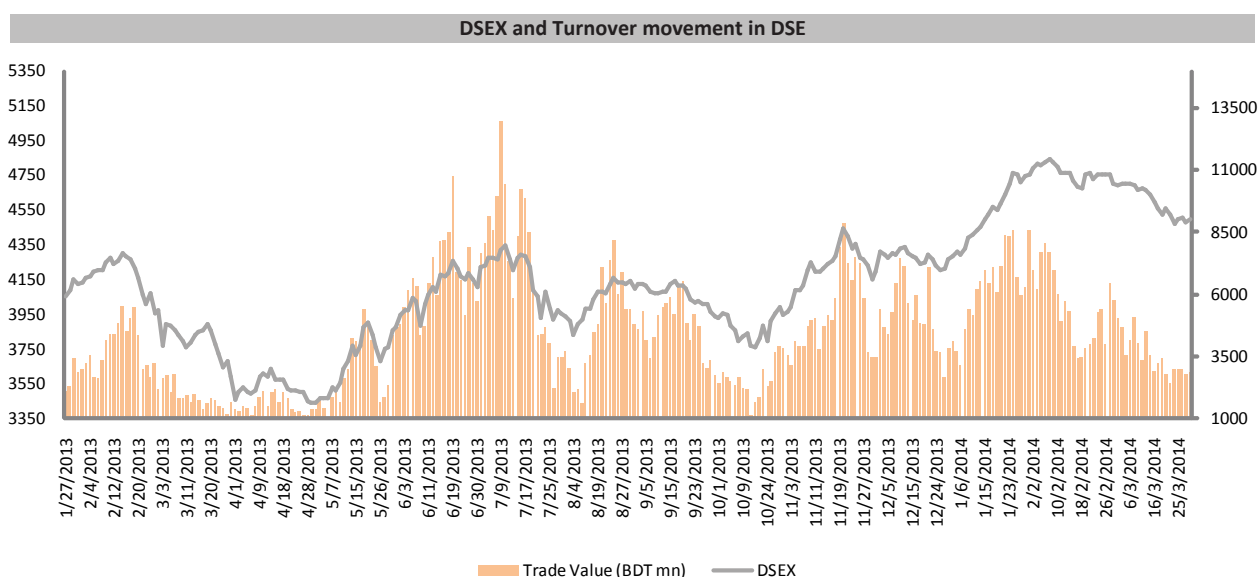
Last Twelve Months Movement of Spread (%)



Source: Bangladesh Bank and IL Capital Research.

MARKET UPDATE

- The benchmark index of Dhaka Stock Exchange (DSEX) gained 5.3% as of March 31, 2014 this year.
- However, during the month of March 2014, Market (DSEX) closed down by 5.4% due to price fall of the major sectors such as Life Insurance, Tannery & Footwear, Banks, General Insurance and NBFIs. On the contrary, Cement and Pharmaceutical sector experienced uptrend in that period.
- The major sectors who gained during the month of March 2014 were Cements (5.1%) and Pharmaceuticals (0.4%). On the other hand, the major losers were Life Insurance (-8.9%), Tannery & Footwear (-8.4%), Banks (-7.9%), General Insurance (-5.8%) and NBFIs (-5.5%).
- Among the companies traded in the Dhaka Stock Exchange (DSE), Renwick Jaineswar (90.0%), Northern Jute Manufacturing (54.0%), Samata Leather Complex (43.0%), National Tubes (39.0%) and Eastern Cables (29.0%) were the top gainers in March 2014. On the other hand, major losers were Prime Finance (-28.0%), Apex Footwear (-26.0%) and First Lease Finance (-25.0%) in that period.
- During the month of March 2014 the average daily turnover of Dhaka Stock Exchange declined by 33.4% to BDT 3.65bn from BDT 5.48bn in February 2014. Average daily turnover of NBFIs, Banks, Energy, and Pharmaceuticals sector declined by 57.0%, 52.3%, 39.0% and 37.0% respectively in March 2014. However, average daily turnover of Miscellaneous and Cement sector increased by 28.5% and 18.4% respectively in that period.
- There are sectors who have outperformed the DSEX namely Foods by 29.3%, Pharmaceuticals by 22.1%, Cement by 18.3% and Tannery & Footwear by 17.1% as of March 31, 2014 this year.
- On the other hand, Travel & Leisure, Textiles, Banks, Real Estate & Services and ITs have underperformed the DSEX as of March 31, 2014 this year by 13.4%, 12.8%, 8.7%, 6.6% and 6.6% respectively.
- Market capitalization of DSE declined by 2.9% to BDT 2.84 trillion (USD 36.47 billion) in March 2014 from BDT 2.92 trillion (USD 37.55 billion) in February 2014. Equity, Debt and Mutual Funds contribution to Market capitalization were 79.2%, 19.6% and 1.3% respectively in March 2014.



Sources: DSE and IL Capital Research

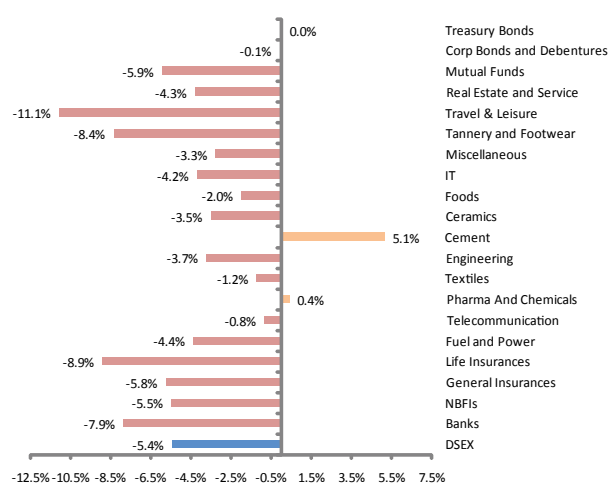
Market Capitalization of DSE

Instruments	31-Mar-14			27-Feb-14			Change (%)
	BDT mn	USD mn	Weight (%)	BDT mn	USD mn	Weight (%)	
Equity	2,244,818.8	28,872.3	79.2%	2,326,705.8	29,925.5	79.7%	-3.5%
Debt Securities	554,972.2	7,137.9	19.6%	554,977.8	7,138.0	19.0%	0.0%
Mutual Fund	36,070.4	463.9	1.3%	38,346.1	493.2	1.3%	-5.9%
Total	2,835,861.4	36,474.1	100.0%	2,920,029.8	37,556.7	100.0%	-2.9%

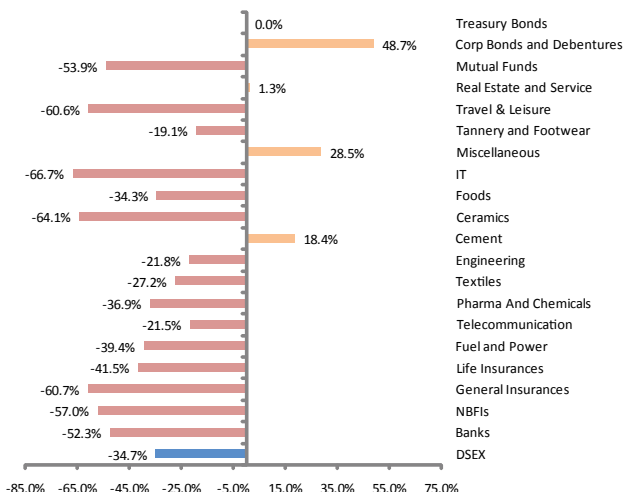
Note: Exchange Rate USD 1 : BDT **77.75**

Source: DSE and IL Capital Research

DSEX and Sectors Movement in DSE (Monthly)



Average Turnover Movement in DSE (Monthly)



Source: DSE and IL Capital Research

Top Gainers This Month

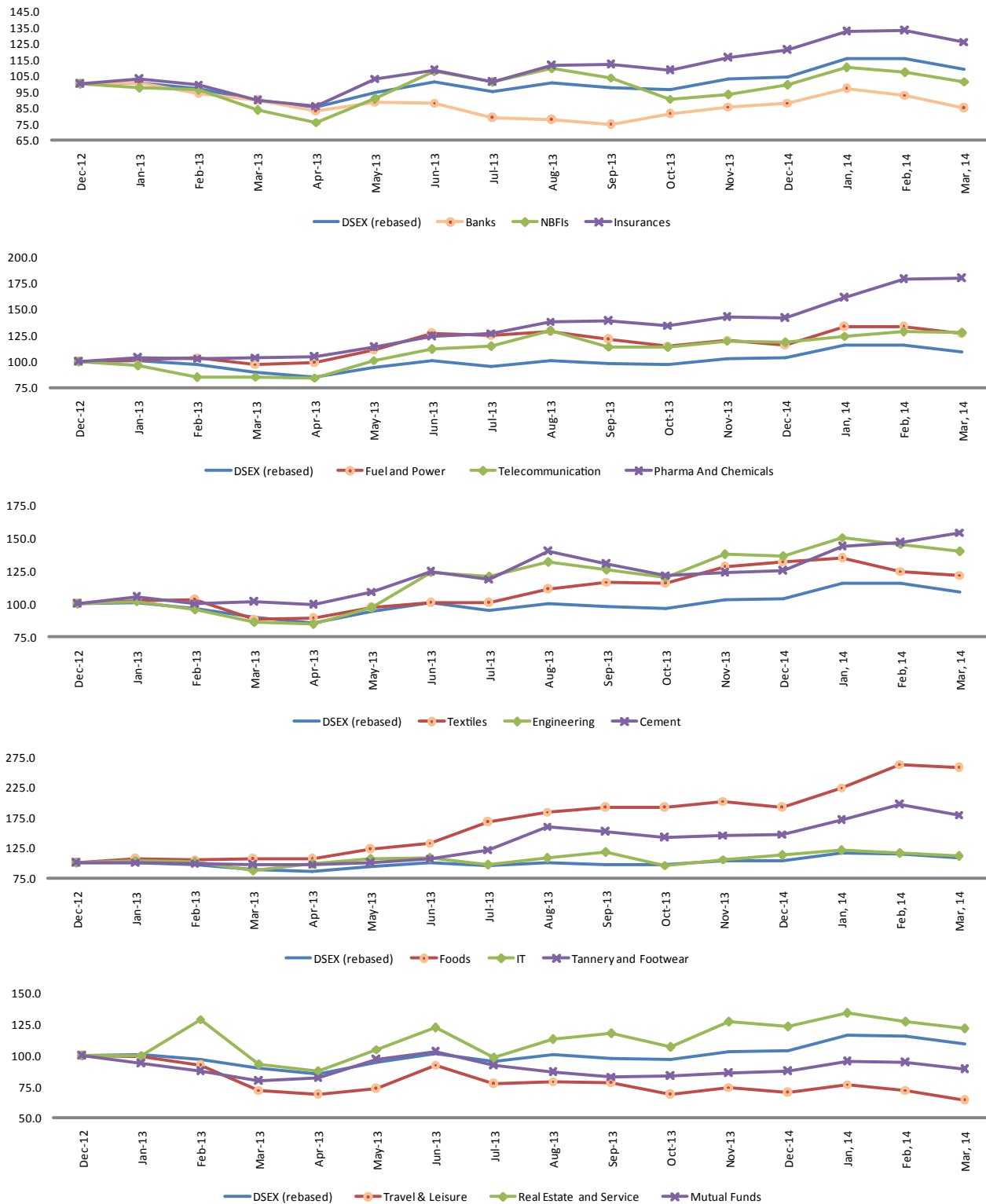
RENWICKIA	90%
NORTHERN	54%
SAMATALETH	43%
NLTUBES	39%
ECABLES	29%
EASTRNLAB	29%
SHYAMPSUG	29%
STANCERAM	26%
ZEALBANGLA	25%
LAFSURCEML	23%

Top Losers This Month

PRIMEFIN	-28%
APEXFOOT	-26%
FLEASEINT	-25%
UTTARAFIN	-24%
RAHIMAFOD	-23%
BDFINANCE	-21%
ARAMITCEM	-18%
EBL	-18%
DUTCHBANGL	-18%
ULC	-17%

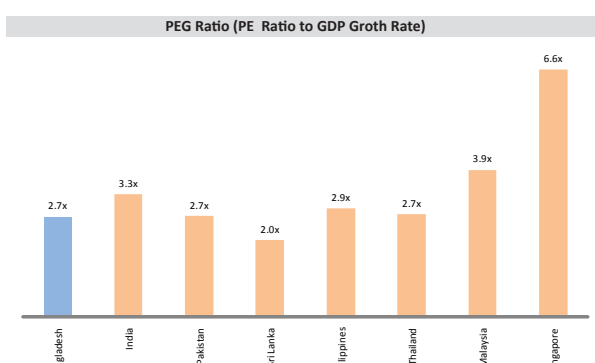
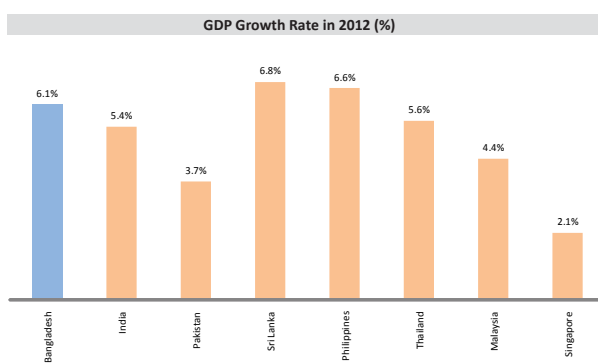
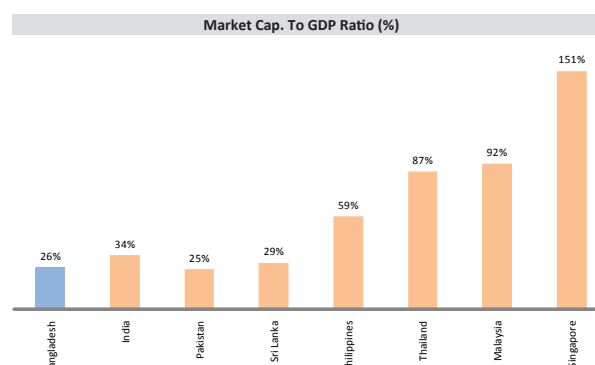
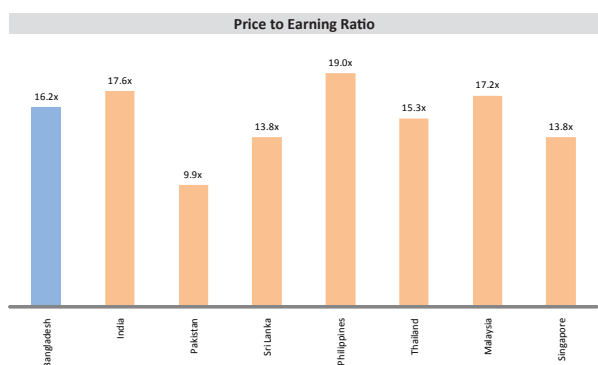
Source: DSE and IL Capital Research

DSEX Vs Sectors Movement (Base Value:100)



Note: The sector indices are market capitalization weighted indices. Should you require any further clarification over index calculation methodology; please don't hesitate to contact IL Capital Research Team.

Sources: DSE and IL Capital Research



PEG ratio = PE ratio of the major stock exchange of the country / GDP Growth of the country in 2012. We assume that listed companies' aggregate earnings growth is reflected in GDP growth rate of the country.

Source: www.bloomberg.com, www.imf.org, wikipedia.com, DSE and IL Capital Research.

- As on March 2014, Bangladesh (DSE) is trading at 16.0x P/E, lower than that of Malaysia (17.2x), India (17.6x) and Philippines (19.0x). However, Bangladesh (DSE) is trading higher than that of Singapore (13.8x) and Sri Lanka (13.8x).
- The PEG (Price Earning Growth) Ratio of Bangladesh as on March 2014 is 2.6x which is lower than that of India (3.3x), Philippine (2.9x), Malaysia (3.9x) and Singapore (6.6x).

Regional Markets' Comparables								
Country	Index Symbol	Index Point	52-Week High	52-Week Low	52-Week Return	PE Ratio	PEG Ratio	M. Cap (USD bn)
Bangladesh	DSEX	4,492.0	4,845.1	3,438.0	29.9%	16.2x	2.7x	36.5
India	SENSEX	22,191.0	22,205.0	17,448.0	20.6%	17.6x	3.3x	594.3
Pakistan	KSE100	27,077.0	27,427.0	17,846.0	59.6%	9.9x	2.7x	58.7
Sri Lanka	CSEALL	5,957.0	6,528.0	5,604.0	6.7%	13.8x	2.0x	19.0
Philippines	PCOMP	6,318.0	7,403.0	5,562.0	-5.6%	19.0x	2.9x	159.5
Thailand	SET	1,360.0	1,649.0	1,205.0	-10.0%	15.3x	2.7x	370.1
Malaysia	FBMKLCI	1,839.0	1,882.0	1,632.0	14.3%	17.2x	3.9x	313.0
Singapore	FSSTI	3,155.0	3,464.0	2,953.0	-2.0%	13.8x	6.6x	407.1

Source: www.bloomberg.com, www.imf.org, wikipedia.com, DSE and IL Capital Research.

BANGLADESH CEMENT SECTOR OVERVIEW

The cement sector of Bangladesh transformed itself from import dependence to export oriented within a decade. Till 1990, about 95% of the country's demand for cement had been met through imports¹. The Chhatak Cement Company was the only cement production facility with a capacity of 135,000 MT annually. In 2000, it increased its capacity to 233,000 MT¹. Since the early 2000s, cement consumption more than doubled and cement production boomed as many cement plants sprung up across the country.

The country has been experiencing an impressive growth in cement consumption due to the development of real estate sector and infrastructural facilities. Over 43 factories, including several multinationals, are in regular production. Currently Bangladesh is the 40th largest market in the world¹. According to provisional data from the Bangladesh Bureau of Statistics, the construction sector of Bangladesh grew at a compound annual growth rate (CAGR) of 6.8% in the last 5 years. Moreover, the sector accounted for a record 9.1% of GDP (Gross Domestic Product) in fiscal year (FY) 2012/13.

Construction Sector of Bangladesh				
	2009-10	2010-11	2011-12	2012-13
Size of Construction Sector (BDT mn)	317,298	337,952	363,523	392,802
Share of GDP @ Constant Prices	8.8%	8.8%	8.9%	9.1%
Growth Rate	6.0%	6.5%	7.6%	8.1%

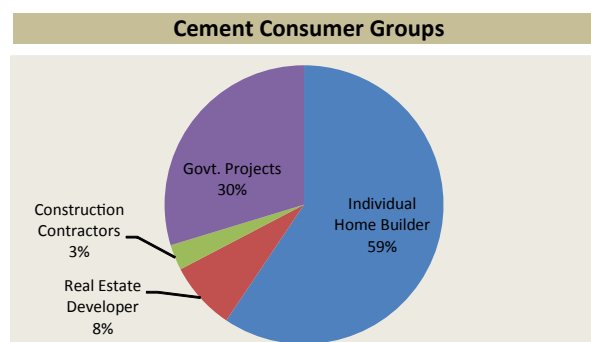
Source: Bangladesh Bureau of Statistics

As cement industry is an important part of the construction sector, industry experts expect that the country's cement industry would enjoy a vigorous growth in the upcoming years.

Installed Capacity, Production & Consumption

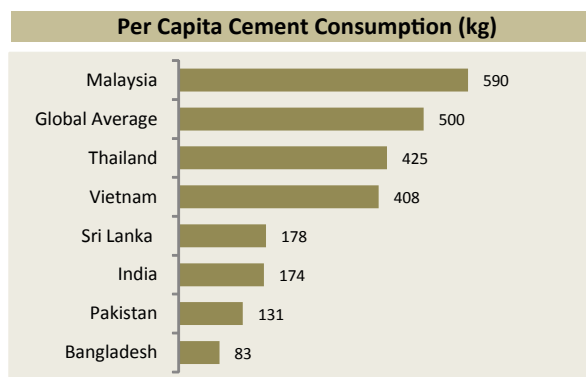
The country is self-sufficient in fulfilling its local demand for cement. In fact, the installed production capacity is higher than the local demand. In 2005, the demand was 8.13 mn MT against a production capacity of 12 mn MT¹ whereas in 2013, the demand stood at 18 mn MT against the existing production capacity of 29 mn MT².

According to Bangladesh Cement Manufacturers Association (BCMA) data, out of total production, 60% cement is consumed in Dhaka division, 20% in Chittagong division and the rest in other divisions. Two-thirds of the cement consumption is skewed towards Independent Home Builders in the major cities. Real Estate and Government's development expenditure would stand next to that.



Source: Annual report, MI Cement

Per capita cement consumption in Bangladesh is about 83 KG, which is massively low compared to India (174 KG), Malaysia (590 KG), Pakistan (131 KG), Thailand (425 KG), Sri Lanka (178 KG) and Vietnam (408 KG). Currently, the global average consumption of cement stands at around 500 kg.



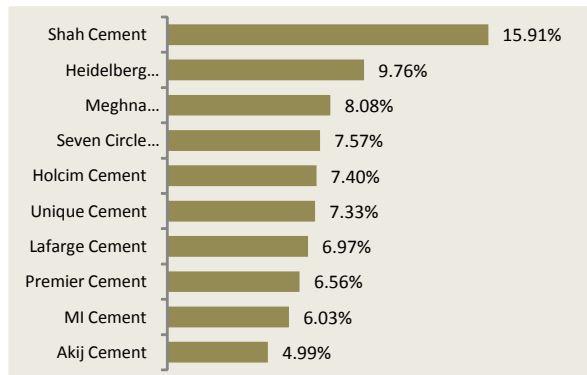
Source: The Economist Intelligence Unit (EIU) of The Economist

Sector Players

Of the 43 factories are in production, some of the world's largest cement companies, including Lafarge (France), Heidelberg (Germany), Holcim (Switzerland) and Cemex (Mexico), operate in the country. The two global cement giants, Lafarge and Holcim, are merging to create the biggest global concrete group. The deal will be based on the offer of one Holcim share for one Lafarge share. This will change the competitive landscape of the country's cement industry.

Now, local companies have around 80% of market share while foreign companies are enjoying the rest 20%. Despite having more than 40 active players inclusive of both locals and multinationals, the market is dominated by only a few. According to Bangladesh Cement Manufacturers Association (BCMA), in 2012, top 10 firms held almost 81% of market share, with leading position seized by Shah Cement (15.91%) followed by Heidelberg Cement (9.76%) and Meghna Cement (8.08%).

Market Share of Top 10 Cement Companies



Source: BCMA, 2012

Product Classification

Ordinary Portland Cement (OPC) was the only cement available in Bangladesh till 2002 which is made following the American Standard Method (ASTM). From 2003, the widely used cement is Portland Composite Cement (PCC) which is made following the European Standard Methods (EN), known as BDS EN. Currently, the ratio of production of PCC and OPC is around 95:5. The basic difference is the raw material. Around 65%-80% of clinker is applied to produce PCC where 95% of clinker is required to produce OPC.

As PCC requires less clinker to produce, it has become more popular than OPC.

Raw materials & related factors affecting cost

Cement is used as a binder material. Its basic element is clinker. Fly ash, slag, gypsum etc. are also used in the production. These ingredients include both naturally occurring materials such as limestone and clay, and industrial byproduct materials such as slag and fly ash.

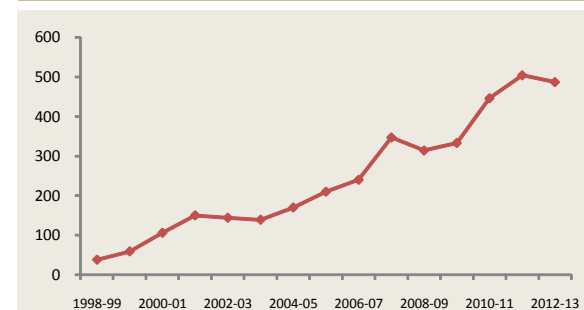
Raw Material Composition (including bags)



Source: CRAB rating report, MI Cement

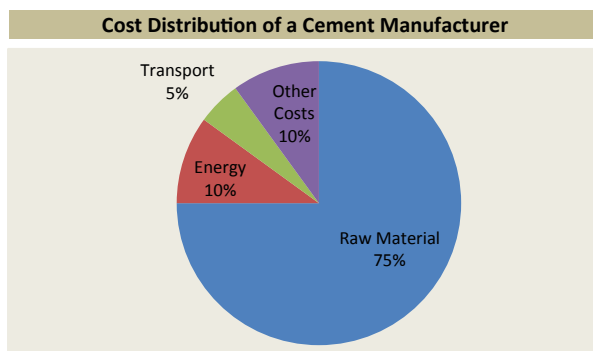
The country does not have any clinker (core ingredient in producing cement) of its own. So an estimated 10mn–15mn MT of clinker are imported every year from India, Thailand, Indonesia, Philippines, China, Vietnam and Malaysia etc³. All the companies import clinker from abroad, except Lafarge-Surma Cement. It extracts clinker through one of its subsidiaries, situated in India.

Clinker Import of Bangladesh (C&F) (Million US\$)



Source: Bangladesh Bank

In the cement manufacturing, raw materials account for an estimated 75% of the total production cost, followed by energy (10%), transport (5%) and other costs (10%).



Source: Newspaper Report, 2013

Export scenario

Bangladesh started exporting cement in 2003. The main export market is the northeastern states of India including Tripura, Meghalaya, east and western area of Assam. M.I. Cement Factory Ltd. is the pioneer in this regard and it is the largest cement exporter in Bangladesh. Its brand Crown Cement constitutes around 40% of the export market¹.

According to Export Promotion Bureau (EPB), in July-September 2013, the country exported cement worth US\$1.49 mn. On an average 15,000-20,000 MT of cement is exported to India in every month.

Characteristics of the Industry

- The cement industry is highly capital intensive. Huge investment is needed to set up a unit with backward and forward linkage facilities. It will cost around BDT 1,000 crore, if a unit has the capacity to produce 10,000 MT of cement a day with adequate backward and forward linkages¹. The backward and forward linkages refer to the transportation of raw materials and shipment of finished products by a company's own transportation chain, in which, ocean going vessels are included. Since the capital intensity of a new cement project is high, access to capital has become a significant entry barrier.

- This industry is energy intensive. Thus power cost is one of the critical cost components in cement manufacturing.
- Another distinguishing characteristic comes from it being cyclical in nature as the market and consumption are closely linked to the climatic cycles. In Bangladesh, cement production normally peaks in winter while it is at its lowest in the rainy season.

Competitive Structure of the Industry

The threat of new entrants in the industry: Capital requirement for cement industry is quite high. Moreover, the industry runs with excess capacity. Since product is more or less homogeneous, its switching cost for the customer is low. Considering the situation, the chance of entering new participants in the sector in near future is quite **low**.

The threat of substitute products: Pre-Engineered Steel Building is considered as substitute, to some extent, of traditional cement made building. So far, the customers' propensity for the use of traditional building is still higher which imply that threat of substitute product is **low**.

The bargaining power of buyers: Around 60% buyers (individual home builders) of the industry's product are fragmented which reduce the bargaining power of buyers. However, large buyer, i.e., the Government, might have competitive edge over cement manufacturers. Therefore, **moderate** bargaining power of buyers is present.

The bargaining power of suppliers: The raw material for cement i.e., clinker, gypsum, fly ash and slag are imported from Thailand, China, Vietnam, Indonesia, India, Malaysia etc. So this force imposes **moderate to high** threat to the industry.

The degree of rivalry among existing competitors: 43 factories are operated in this sector whereas 80% market shares are captured by only top ten companies. In addition to this, the sector's excess production capacity and almost homogenous product indicate that the degree of rivalry among the existing competitors is **high**.

Source: Bangladesh Bank, ILSL Research

Cement Sector Potentials & Challenges

- Though cement production in Bangladesh almost doubled in the past few years, the country's per capita consumption is still one of the lowest (only 83 kg as compared to that of the developed countries where it is a staggering 1,000 kg) in the world. Even under-developed West Bengal of India consumes cement one and a half times higher than Bangladesh does. This means the cement industry possesses a great opportunity for growth in terms of volume, revenue and employment generation, contributing significantly to economic growth in Bangladesh.
- Bangladesh has experienced phenomenal growth of urban population since liberation in 1971. In the coming decades the growth is expected to continue. By the year 2015, the total national population would rise to 185 million, the urban population to around 68 million, and the share of the urban population to 30%. (Source: Centre for Urban Studies (CUS), Dhaka). This rapid urbanization growth will make heavy demand for housing, industry and infrastructure in the urban area. This growing demand will fuel the Bangladesh cement industry.

Population & Urbanization of Bangladesh

	National Population (mn)	Population Growth	Total Urban Population (mn)	Level of Urbanization
1981	89.91	2.30%	13.23	14.70%
1991	111.45	2.20%	20.87	18.70%
2001	123.1	1.50%	28.61	23.20%
2011	150.4	1.40%	41.92	27.90%

Source: Bangladesh Population Census

Population of Dhaka City

	1970	1990	2011	2025E
Population (mn)	1.4	6.6	15.4	22.9
Annual Avg. Change		7.86%	4.02%	2.84%

Source: World Urbanization Prospects: The 2011 Revision

- The Bangladesh government has set the challenge to transform itself into a middle income country by 2021. In line with this strategic vision, the government has already

undertaken massive programs for infrastructure development in partnership with the private sector. Moreover, large infrastructural development like Padma Bridge, Dhaka City Elevated Expressway, Dhaka-Chittagong Access Controlled Highway, Sky Rail around Dhaka City, Dhaka Metro Rail Transit, Dhaka-Narayanganj-Gazipur-Dhaka Elevated Expressway, and deep-sea port in Chittagong are in planning stage. This high spending on infrastructure will create sustained demand for cement. Moreover, if the Government implements its plan for facilitating transit to the neighboring country, India, demand for cement will also be increased.

- Around 30% of the total cement produced locally is consumed by the Government through its Annual Development Program (ADP). ADP is growing at an average annual rate of 24% over the last 5 years. ADP implementation had remained range-bound between 83% - 93% in the past 10 fiscal years. This continuing trend of higher allocation and almost full implementation of ADP implies an enormous potential for the cement sector to grow.

Annual Development Program (ADP)

Year	ADP Allocation (BDT crore)	Expenditure % of Allocation	Allocation Growth
2001-02	16,000	88%	--
2002-03	17,100	90%	6.90%
2003-04	19,000	89%	11.10%
2004-05	20,500	92%	7.90%
2005-06	21,500	91%	4.90%
2006-07	21,600	83%	0.50%
2007-08	22,500	82%	4.20%
2008-09	23,000	86%	2.20%
2009-10	28,500	91%	23.90%
2010-11	35,880	92%	25.90%
2011-12	41,080	93%	14.50%
2012-13	55,000	96%	33.90%
2013-14	65,870	38%*	19.80%

Source: IMED, Ministry of Planning; *upto February 2013-14

- Real estate sector of the country is booming over time and the rural areas are also improving through remittance. The growth takes place due to the middle income groups turns to take modern facilities of life.

This booming industry also acts as a catalyst for the cement sector growth.

- The country is in its growth phase. International Monetary Fund (IMF) ranked Bangladesh as the 44th largest economy in the world in 2012 in PPP (Purchasing Power Parity) terms. Goldman Sachs also lists Bangladesh among its "Next 11" (N-11) countries that have the potential to become major economies. Hence to keep up the country's growth engine, cement sector will contribute a lot.
- Since the country has no limestone reserve, all the companies of the sector import raw materials from abroad. So the price is directly linked to the international market and the exchange rate. Adverse movement of BDT against the foreign currency may severely affect the sector growth.
- Export also got affected due to adverse currency movement. In 2012-13 fiscal, export plunged 57.82% on y-o-y basis due to devaluation of Indian Rupee against USD and appreciation of BDT against USD simultaneously¹.

Cement Sector in the Capital Market

Cement Sector of Dhaka Stock Exchange (DSE) consists 5% of total market capitalization. Seven cement companies are enlisted to the main bourse.

Cement Sector in DSE	
Market Capitalization of Sector (BDT bn)	113
Market weight of Sector (based on Market Cap)	5.00%
3-month Average Turnover (BDT mn)	272
3-month Return	26.0%
Cement Sector Trailing P/E	26
Cement Sector Forward P/E	19.5
Cement Sector P/B	3.7
Cement Sector ROE	19.2
No of Listed Stocks	7

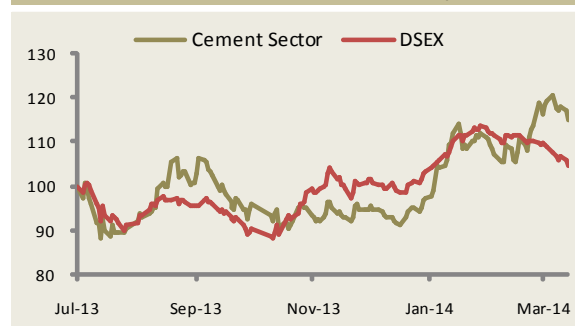
Source: DSE; ILSL Research

Listed Stocks of Cement Sector

Name	Capacity (MT)	Utilization
ARAMITCEM*	255,500	82%
CONFIDCEM	600,000	83%
HEIDELBCEM	2,378,000	63%
LAFSURCEML	1,200,000	107%
MEGHNACEM	1,000,000	79%
MICEMENT*	1,740,000	53%
PREMIERCEM*	939,132	52%
Total	8,112,632	70%

Source: Annual Report Dec 2012, ILSL Research; *June 2013

Movement of DSEX & Cement Sector M. Cap (Rebased)



Source: DSE, ILSL Research

Although in the capital market the cement sector represents a small portion; however, in terms of the country's real economy this sector has significant impact. As the country will move toward more and more infrastructural development, demand for cement will rise and the sector will flourish accordingly.

In this issue, we covered four particular stocks of the Cement sector. These are: Lafarge Surma Cement (DSE: LAFSURCEML), Heidelberg Cement (DSE: HEIDELBCEM), Confidence Cement (DSE: CONFIDCEM) and MI Cement (DSE: MICEMENT).

Information Source:¹NewspaperReports, ²BCMA, ³EIU

Lafarge Surma Cement Limited

Company Overview

Lafarge Surma Cement Limited – the only cross border commercial venture of the cement industry between Bangladesh and India – was incorporated on November 11, 1997. The firm is engaged in manufacturing and marketing of cement and clinker in the local market. To conduct its operation, it extracts and processes the basic raw materials limestone from its own quarry in Meghalaya, India. The raw materials are transported through a 17-km cross-border conveyor belt from the quarry to the plant. It started its production under the brand name of “Supercrete” since 2006. As per 2012 Annual Report, the firm had utilized its entire installed capacity of Grey Cement (1.20 mn MT) and Cement Clinker (1.15 mn MT) which was 73.75% and 42.17% in year 2011. The firm is already meeting about 8% of the total cement market and 10% of total clinker demand of the country.

The Company ensured backward linkage with its two subsidiaries registered in India – Lum Mawshun Minarals Pvt. Ltd. (74%) which obtains land rights and mining leases and Lafarge Umiam Mining Pvt. Ltd.(100%) which supply limestone and shale from mines to cement plant situated in Bangladesh. The Firm enlisted in DSE & CSE in year 2003. Around 70% of shares are held by Sponsors whereas remaining 30% are held by General Investors.

Investment Insight

- On 10 March 2013, the Company had signed a three year agreement with Madina Cement Industries Ltd. According to the agreement Madina Cement Industries will produce Portland Composite Cement exclusively for Lafarge Surma which will be marketed under the brand name of “Powercrete” along with the existing brand “Supercrete”. This indicates increasing demand of firm’s product and higher expected revenue.
- The firm reduced its huge accumulated loss of BDT 534 crore to only BDT 94 crore. Specifically, in Q4 2013, it registered remarkable profit of BDT 112.3 crore.
- The Company enjoyed, on an average, around 40% gross profit margin; whereas other players in the industry can avail gross profit margin up to 15% - 20%. The reason is the firm has competitive edge in getting raw materials through its own resources while others have to import the raw materials from abroad.
- As per 2013 corporate declaration, the firm has accumulated loss of around BDT 94 crore and therefore declared no dividend. As a result, the firm remained as “Z” category in the bourses.
- The Company has already utilized its existing production capacity fully; therefore, it has to go for contract-manufacturing (i.e., outsource the finished-goods from other manufacturers) which will naturally be more costly than own production.

Company Fundamentals

Market Cap (BDT mn)	55,862.0
Market weight	2.5%
No. of Share Outstanding (in mn)	1,161.4
Free-float	30.0%
Paid-up Capital (BDT mn)	11,614.0
3 Months Average Turnover (BDT mn)	97.6
3 Months Return	47.5%
Current Price (BDT)	49.7
52-week price range (BDT)	28.4-50
Sector’s Forward P/E	19.8

	2010	2011	2012	2013 (9M, Ann)
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Financial Information (BDT mn):

Sales	5,655	6,098	10,640	11,008
Operating Profit	-1,115	207	3,336	4,033
Profit After Tax	-1,620	-2,188	1,853	1,897
Assets	17,915	18,559	18,523	18,617
Long Term Debt	4,961	3,999	1,698	2,167
Equity	2,768	6,452	8,381	9,913
Dividend (C/B)%	-/-	-/-	-/-	-/-

Margin:

Gross Profit	10.2%	9.2%	39.4%	42.5%
Operating Profit	-19.7%	3.4%	31.4%	36.6%
Pretax Profit	-32.4%	-37.5%	23.6%	27.9%
Net Profit	-28.6%	-35.9%	17.4%	17.2%

Growth:

Sales	-25.0%	7.8%	74.5%	3.5%
Gross Profit	-80.0%	-3.0%	647.6%	11.7%
Operating Profit	-146.7%	-118.5%	1512.5%	20.9%
Net Profit	-262.7%	35.1%	-184.7%	2.3%

Profitability:

ROA	-9.2%	-12.0%	10.0%	10.2%
ROE	-45.0%	-47.5%	25.0%	20.7%

Leverage:

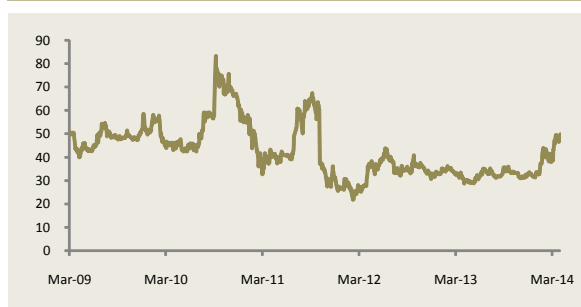
Debt Ratio	72.8%	52.6%	37.0%	23.5%
Debt-Equity	471.2%	151.4%	81.7%	44.1%
Int. Coverage	-1.5	0.1	4	3.9

Valuation:

Price/Earnings	N/A	N/A	20.6	22.7*
Price/BV	11.8	6.0	5.3	5.2*
EPS (BDT)	(2.8)	(2.5)	1.6	2.2*
NAVPS (BDT)	4.8	4.4	6.2	9.5*

*As per latest corporate declaration for the year ended 2013

Last 5 Year's Price Movement (BDT)



Source: Annual Reports, DSE, Lafarge Surma’s website, the Financial Express, the Daily Star, ILSL Research

HeidelbergCement Bangladesh Limited

Company Overview

HeidelbergCement Bangladesh Ltd. (HCBL) was formed by amalgamating two companies namely "Scan Cement International Ltd." and "Chittagong Cement Clinker Grinding Co. Ltd." in 2003. The principal activities are manufacturing and marketing of gray cement (both Portland Composite Cement and Ordinary Portland Cement) under the brand name of "Ruby Cement" and "Scan Cement". The Company has two production plants one in Kanchpur, near Dhaka and another in Chittagong. At inception, the Company's production capacity was total 1.45 mn MT per year. To meet increasing demand, it has increased its Dhaka plant capacity by 0.45 mn MT per year in 2008 and Chittagong plant capacity by 0.75 mn MT per year in 2012. As on December 2012, total production capacity of the firm was 2.378 mn MT per year (Dhaka plant: 1.07 mn MT and Chittagong plant: 1.30 mn MT) of which around 63% was utilized. By and large, around 10% of total market demand of cement in Bangladesh is supplied by the Company.

The Company was enlisted in the DSE & CSE in year 1989 and in year 1995 in turn. Currently, around 60.66% shares are held by sponsors whereas 20.58% and 18.76% are held by Institutional and General Investors respectively.

Investment Insight

- The Company has a plan to install a new cement silo with a capacity of 8,000 MT Portland Composite Cement so that it can manage its inventory more efficiently, reduce maintenance cost and thus increase their profitability in the upcoming years.
- The company tries to improve its product quality constantly. For instance, in a recent BUET test the products of the firm are found to be more "High Sulphate Resistant" which ensures safety against disruption and cracking of the concrete. Such attainment helps to improve the Company's brand name and revenue in turn.
- The Company's involvements in some of the well-known projects, i.e., Gulistan-Jatrabari Flyover, Four Lane Dhaka- Chittagong national highway, Third karnaphuli Bridge etc. enhance the goodwill of the firm as well as future business prospect.
- The Company is entirely dependent on imported raw materials and COGS accounts for around 75%-80% of sales. Therefore, the firm is exposed to foreign exchange risk to a greater extent.
- Around 40% of production capacity of the firm remains unutilized whereas industry's average unutilized capacity was 20%-30%.
- As on 30-Sep-2013, 42.50% of Total Assets (BDT 10.02 bn) of the company consist of "Cash & Bank Balances" (BDT 4.26 bn).

Company Fundamentals

Market Cap (BDT mn)	23,426.4
Market weight	1.0%
No. of Share Outstanding (in mn)	56.5
Free-float	39.3%
Paid-up Capital (BDT mn)	565.0
3 Months Average Turnover (BDT mn)	56.2
3 Months Return	8.70%
Current Price (BDT)	421.9
52-week price range (BDT)	225.6-473
Sector's Forward P/E	19.8

	2010	2011	2012	2013 (9M, Ann)
Financial Information (BDT mn):				
Sales	8,322	8,516	10,885	10,631
Operating Profit	1,492	867	1,557	1,940
Profit After Tax	999	750	1,291	1,649
Assets	7,183	8,011	9,182	10,027
Long Term Debt	542	629	744	774
Equity	4,757	5,263	6,300	7,254
Dividend (C/B)%	43/-	45/-	50/-	---
Margin:				
Gross Profit	23.7%	15.7%	19.1%	23.9%
Operating Profit	17.9%	10.2%	14.3%	18.2%
Pretax Profit	19.0%	13.0%	16.6%	21.4%
Net Profit	12.0%	8.8%	11.9%	15.5%
Growth:				
Sales	15.5%	2.3%	27.8%	-2.3%
Gross Profit	10.1%	-32.0%	55.3%	22.0%
Operating Profit	5.4%	-41.9%	79.6%	24.6%
Net Profit	17.4%	-24.9%	72.2%	27.7%
Profitability:				
ROA	15.1%	9.9%	15.0%	17.2%
ROE	22.9%	15.0%	22.3%	24.3%
Leverage:				
Debt Ratio	2.1%	2.1%	2.1%	1.9%
Debt-Equity	3.2%	3.3%	3.1%	2.6%
Int. Coverage	780	596	391	-
Valuation:				
Price/Earnings	20.7	19.3	11.6	14.5
Price/BV	4.3	2.7	2.4	3.3
EPS (BDT)	17.7	13.3	22.9	29.2
DPS (BDT)	4.3	4.5	5	---
NAVPS (BDT)	84.2	93.1	111.5	128.4

Last 5 Year's Price Movement (BDT)



Source: Annual Reports, HeidelbergCement's website, DSE website, the Financial Express, the Daily Star, BCMA, ILSL Research

Confidence Cement Limited

Company Overview

Confidence Cement Limited (CCL) was incorporated on May 02, 1991. The principal activities of the Company are carrying on business as manufacturer of and dealers in cement and allied materials of all kinds and varieties. The factory premises situated at Bhatiary Chittagong. As per 2012 Annual Report, the company has utilized 83% of its production capacity. They had already took initiative to increase the production capacity from 2,000 M. Tones to 4,000 M. Tones per day. The Firm captured 3.5% of total market share. The Company has three associate company – Energypac Confidence Power Venture Ltd. (11 MW @ Habiganj) (49%), Confidence Electric Ltd. (49%) and Confidence Power Ltd. (25%).

The Company generated around 92% of total revenue from local sales and rests are generated from export. The Company was enlisted in the DSE & CSE in year 1995. Currently, around 23.47% shares are held by sponsors whereas 50.03% and 26.50% are held by General and Institutional Investors respectively.

Investment Insight

- The company has decided to increase production capacity from 2,000 MT to 4,000 MT per day. It is noted that expansion project will be set up in existing factory premises. The estimated project cost for additional capacity is about Tk. 2,000 million which will be financed from loan facility with debt-equity ratio of 80:20. The construction work of this project will start during this year and commercial production will start in 2016. The effort, if implemented, will double its revenue and profit.
- The company has investment in three associate companies. Most of which are expected to go to commercial operation in this year. If these projects are initiated in due time and established as profitable, it will boost-up CCL's profit.
- Clinker and gypsum which are around 70% of Cost of Goods Sold, are imported from abroad. Hence CCL's profit margin significantly vulnerable to the price of those raw materials and exchange rate fluctuation.

Company Fundamentals

Market Cap (BDT mn)	6,195.6
Market weight	0.3%
No. of Share Outstanding (in mn)	45.0
Free-float	76.5%
Paid-up Capital (BDT mn)	450.0
3 Months Average Turnover (BDT mn)	69.1
3 Months Return	9.0%
Current Price (BDT)	135.9
52-week price range (BDT)	86.7 - 160.0
Sector's Forward P/E	19.8

	2010	2011	2012	2013 (9M, Ann)
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Financial Information (BDT mn):

Sales	1,719	2,241	3,272	3,679
Operating Profit	175	244	466	561
Profit After Tax	241	198	280	334
Assets	3,233	3,735	4,084	4,330
Long Term Debt	31	304	339	414
Equity	2,603	2,515	2,553	2,714
Dividend (C/B)%	25/15	20/20	20/-	-/-

Margin:

Gross Profit	13.8%	14.0%	17.2%	18.3%
Operating Profit	10.2%	10.9%	14.2%	15.2%
Pretax Profit	17.2%	11.3%	11.9%	12.5%
Net Profit	14.0%	8.8%	8.6%	9.1%

Growth:

Sales	41.6%	30.4%	46.0%	12.5%
Gross Profit	3.5%	32.9%	78.6%	20.0%
Operating Profit	-5.2%	39.7%	90.5%	20.5%
Net Profit	67.9%	-17.7%	41.5%	19.3%

Profitability:

ROA	8.7%	5.7%	7.2%	8.0%
ROE	10.8%	7.7%	11.1%	12.7%

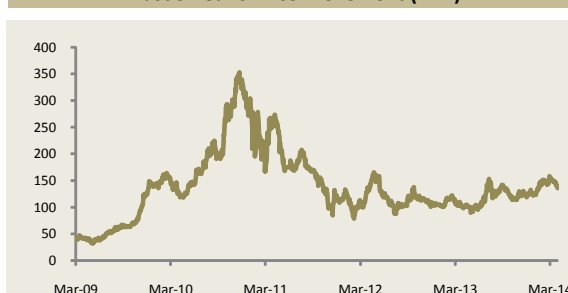
Leverage:

Debt Ratio	11.6%	16.8%	22.8%	20.9%
Debt-Equity	14.5%	25.0%	36.4%	33.4%
Int. Coverage	15.5	10.1	5.7	5.7

Valuation:

Price/Earnings	45.6	28.2	16.8	18.3
Price/BV	4.2	2.2	1.8	2.3
EPS (BDT)	7.4	5.3	6.2	7.4
DPS (BDT)	2.5	2	2	---
NAVPS (BDT)	69.4	55.9	56.7	60.3

Last 5 Year's Price Movement (BDT)



Source: Annual Reports, DSE Website, the Financial Express, the Daily Star, ILSL Research, REHAB.

M. I. Cement Limited

Company Overview

M.I. Cement Factory Limited is involved in manufacturing and marketing of Ordinary Portland Cement and Portland Composite Cement under the brand name "Crown Cement". The Company started its commercial operation in 2000 with daily production capacity of 600tpd (ton per day). Afterward it expanded its production capacity thrice – 2nd unit (800tpd) in 2002, 3rd unit (1400tpd) in 2006 and 4th unit (3,000tpd) in 2011, thereby raising its total production capacity to 5800tpd, i.e., 1.74 million MT per annum. In 2011-12 the firm had utilized 72% of its installed capacity. The Firm captured 6.03% of total market share.

To run its operation efficiently the Company has established backward and forward integration process through its associate industrial units - Crown Power Generation Ltd. (50%), Crown Mariners Ltd. (20%), Crown Transportation & Logistics Ltd. (20%), Crown Cement Concrete & Building Materials Ltd. (20%) and Crown Polymer Bagging Ltd.

The Company, one of the largest cement exporters in Bangladesh, mainly exports its product to northeastern states of India. About 12.4% and 18.1% of total revenue generated from export in 2012 and 2011 respectively. In 2011, the firm enlisted in DSE & CSE.

Investment Insight

- The company has procured an ocean going ship to facilitate transportation of raw materials from abroad at 2 July 2012 which may help to reduce cost and sustain profit.
- The backward and forward integration process through associate companies smoothen the operations and enhance efficiency which eventually turn into higher expected earnings.
- Adverse foreign exchange move may hamper profitability since almost all raw materials are imported. In 2012, BDT depreciated approx. 16% against USD causing Gross Profit Margin and Operating Profit Margin of the firm to decline significantly.
- Both local and foreign demand had fallen due to slower economic growth by 10-15% in Jan-Jun of 2013 and price of cement also declined by BDT 30-50 per bag.

Company Fundamentals

Market Cap (BDT mn)	12,488.9
Market weight	0.5%
No. of Share Outstanding (in mn)	148.5
Free-float	30.0%
Paid-up Capital (BDT mn)	1,485.0
3 Months Average Turnover (BDT mn)	15.0
3 Months Return	6.9%
Current Price (BDT)	84.1
52-week price range (BDT)	62.8-113.8
Sector's Forward P/E	19.8

	2010-11	2011-12	2012-13	2013-14 (HY, Ann)
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Financial Information (BDT mn):

Sales	4,022	5,658	6,830	7,055
Operating Profit	606	575	823	954
Profit After Tax	436	560	665	671
Assets	7,005	9,915	9,783	10,644
Long Term Debt	607	1,963	1,694	1,460
Equity	5,029	5,438	5,594	5,336
Dividend (C/B)%		15/35	35/10	-

Margin:

Gross Profit	19.1%	13.3%	16.8%	17.8%
Operating Profit	15.1%	10.2%	12.0%	13.5%
Pretax Profit	16.9%	13.1%	12.9%	12.6%
Net Profit	10.8%	9.9%	9.7%	9.5%

Growth:

Sales	28.6%	40.7%	20.7%	3.3%
Gross Profit	9.5%	-2.3%	52.9%	9.5%
Operating Profit	6.1%	-5.1%	43.1%	16.0%
Net Profit	31.3%	28.3%	18.9%	0.9%

Profitability:

ROA	9.4%	6.6%	6.8%	6.6%
ROE	13.7%	10.7%	12.1%	12.3%

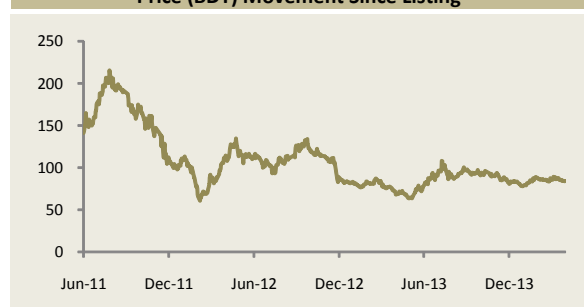
Leverage:

Debt Ratio	16.4%	34.8%	35.1%	36.6%
Debt-Equity	22.8%	63.4%	61.5%	72.9%
Int. Coverage	6.6	2.8	2.3	2.5

Valuation:

Price/Earnings	54.7	28.8	20.2	18.6
Price/BV	2.7	2.5	2.5	2.6
EPS (BDT)	5.4	4.1	4.5	4.5
DPS (BDT)	1.5	3.5	4.0	-
NAVPS (BDT)	37.2	36.6	37.7	35.9

Price (BDT) Movement Since Listing



Source: Annual Report, the Financial Express, the Daily Star, ILSL Research, Company's concerned person

MUTUAL FUND: MONTHLY UPDATE

Performance of Mutual Funds

Mutual Fund Sector of DSE posted 6.3% loss over the month (**23 Feb - 30 Mar, 2014**), while the prime index of the bourse, DSEX, decreased by 5.26%. Price of 6 Mutual Funds increased and 35 Mutual Funds over the period. On the other hand, NAV @ Market Price of 6 Mutual Funds increased and 35 Mutual Funds decreased. Out of 41 Mutual Funds, 37 were traded below their respective NAV. GREENELMF had the lowest Price/NAV ratio (55.2%) whereas 1STPRIMFMF was traded at highest Price/NAV ratio (170.5%). Price 7TH ICB Mutual Fund gained 6.6% against decrease in NAV by 1.3%.

Name of Fund	NAV Per Unit @		Price 30 Mar, 2014	Close Price/ NAV per Unit	% Change in NAV	% Change in Price	52-Week Price Range	Avg Monthly Turnover (BDT mn)	Year of Redemption	Asset Manager		
	Market Price	Cost Price										
AIMS1STMF	50.04	17.49	41.7	83.3%	↓	-2.6%	↓	-6.7%	27 - 63.4	5.04	30/Jun/15	AIMS
GRAMEEN1	33.03	20.95	43.8	132.6%	↓	-3.0%	↓	-4.2%	29.4 - 84	4.84	4/Sep/15	AIMS
GRAMEENS2	18.34	12.96	16.0	87.2%	↓	-0.8%	↓	-10.1%	10.7 - 29.8	5.10	2/Sep/23	AIMS
RELIANCE1	12.37	11.78	9.2	74.4%	↓	-2.5%	↓	-6.1%	7.7 - 13	2.65	7/Jul/21	AIMS
1STICB	1346.34	145.91	844.4	62.7%	↑	2.4%	↓	-0.7%	775 - 960	0.10	31/Dec/14	ICB
2NDICB	281.82	102.65	276.2	98.0%	↓	-1.9%	↓	-4.4%	175.1 - 352	0.06	31/Dec/14	ICB
3RDICB	311.14	67.17	216.8	69.7%	↑	2.0%	↑	2.1%	127 - 224.4	0.08	31/Dec/14	ICB
4THICB	276.79	73.19	213.4	77.1%	↓	-0.6%	↑	4.6%	122.1 - 242.1	0.13	31/Dec/14	ICB
5THICB	237.13	51.32	185.7	78.3%	↑	1.0%	↓	-0.5%	100 - 235	0.12	31/Dec/14	ICB
6THICB	65.59	27.71	63.3	96.5%	↓	-0.7%	↑	1.6%	40.5 - 77	0.79	31/Dec/14	ICB
7THICB	113.21	36.93	97.0	85.7%	↓	-1.3%	↑	6.6%	66 - 115.9	0.06	31/Dec/14	ICB
8THICB	75.52	31.33	68.2	90.3%	↓	-1.7%	↑	6.4%	45.8 - 72.4	0.38	31/Dec/14	ICB
1STPRIMFMF	10.91	15.99	18.6	170.5%	↓	-5.3%	↓	-11.0%	8.8 - 35.7	3.86	17/Mar/16	ICB AMCL
ICB1STNRB	25.67	34.65	27.2	106.0%	↓	-4.9%	↓	-2.2%	21.5 - 37.7	0.58	28/Mar/17	ICB AMCL
ICB2NDNRB	11.3	14.98	10.2	90.3%	↓	-4.2%	↓	-8.1%	8.4 - 16.5	1.30	27/Jul/18	ICB AMCL
ICB3RDNRB	7.72	11.23	5.2	67.4%	↓	-3.5%	↓	-8.8%	4.7 - 10.8	1.10	24/May/20	ICB AMCL
ICBAMCL2ND	8.48	12.88	6.1	71.9%	↓	-4.3%	↓	-16.4%	5 - 11.7	0.85	28/Oct/19	ICB AMCL
ICBEPMF1S1	7.79	11.52	5.6	71.9%	↓	-3.6%	↓	-13.8%	5.4 - 13.5	0.72	18/Jan/20	ICB AMCL
ICBISLAMIC	18.09	23.99	19.5	107.8%	↓	-2.3%	↓	-11.4%	16 - 28	0.34	5/Jan/15	ICB AMCL
ICBSONALI1	10.53	11.16	8.5	80.7%	↓	-2.5%	↓	-10.5%	6 - 13.2	2.25	12/Jun/23	ICB AMCL
IFILISLMF1	10.06	11.33	6.6	65.6%	↑	0.2%	↓	-2.9%	4.1 - 9.4	2.12	22/Nov/20	ICB AMCL
PF1STMF	7.5	11.3	5.5	73.3%	↓	-3.6%	↓	-11.3%	4.6 - 12.4	0.75	9/May/20	ICB AMCL
PRIME1ICBA	7.82	11.4	5.5	70.3%	↓	-3.8%	↓	-12.7%	4.9 - 10.6	0.70	2/Feb/20	ICB AMCL
AIBL1STIMF	10.71	10.81	8.0	74.7%	↓	-1.8%	↓	-3.6%	4.7 - 10.2	1.45	10/Jan/21	LR Global
DBH1STMF	10.32	10.58	6.2	60.1%	↓	-2.8%	↓	-8.8%	4.9 - 11.2	2.14	7/Feb/20	LR Global
GREENELMF	9.97	10.43	5.5	55.2%	↓	-2.4%	↓	-11.3%	4.4 - 10.3	1.68	28/Sep/20	LR Global
LRGLOBMF1	11.09	11.2	6.9	62.2%	↓	-1.5%	↓	-9.2%	6.3 - 10.6	0.71	19/Sep/21	LR Global
MBL1STMF	10.4	10.63	8.0	76.9%	↓	-2.7%	↓	-4.8%	4.8 - 9.8	4.60	8/Feb/21	LR Global
NCCBLMF1	10.71	10.64	7.8	72.8%	↓	-10.2%	↓	-27.1%	7.4 - 13.6	2.54	24/May/22	LR Global
1JANATAMF	10.81	11.53	6.2	57.4%	↓	-1.4%	↓	-8.8%	4.9 - 10.3	1.84	20/Sep/20	RACE
ABB1STMF	11.74	10.92	7.3	62.2%	↓	-2.2%	↓	-9.9%	6.4 - 12.5	5.68	29/Jan/22	RACE
EBL1STMF	10.18	11.47	6.7	65.8%	↓	-4.2%	↓	-6.9%	6.3 - 14.8	1.04	19/Aug/19	RACE
EBLNRBMF	11.02	10.82	7.3	66.2%	↓	-3.1%	↓	-5.2%	6 - 11	0.06	23/May/21	RACE
EXIM1STMF	11.17	11.13	7.5	67.1%	↓	-0.9%	↓	-5.1%	6.5 - 11.5	0.03	16/Jul/23	RACE
FBFIF	11.03	10.77	9.4	85.2%	↓	-1.4%	↑	3.3%	8 - 10.6	0.01	19/Mar/22	RACE
IFIC1STMF	10.86	11.27	6.7	61.7%	↓	-2.3%	↓	-5.6%	5.8 - 11.8	3.04	1/Apr/20	RACE
PHPMF1	10.5	11.58	5.8	55.2%	↓	-1.9%	↓	-9.4%	4.5 - 10.4	2.46	29/Nov/20	RACE
POPULAR1MF	11.03	12.04	6.2	56.2%	↓	-1.1%	↓	-10.1%	4.8 - 10	2.81	19/Oct/20	RACE
TRUSTB1MF	11.06	10.97	7.5	67.8%	↓	-3.2%	↓	-3.8%	5.8 - 12.8	4.88	27/Jan/20	RACE
NLI1STMF	12.18	12.02	8.9	73.1%	↑	1.6%	↓	-5.3%	7.6 - 15.7	2.03	27/Feb/22	VIPB
SEBL1STMF	11.85	11.66	8.3	70.0%	↑	2.2%	↓	-2.4%	7.6 - 12.6	2.10	23/May/21	VIPB

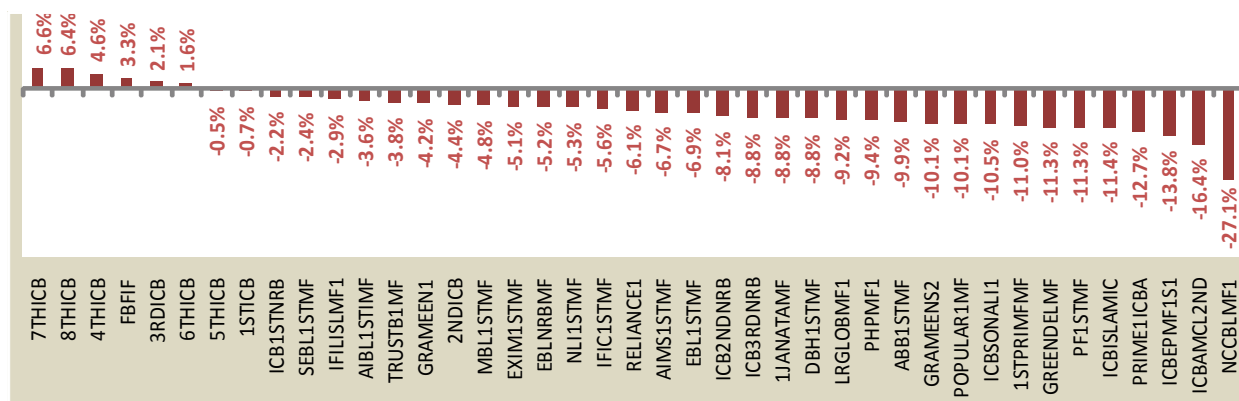
Source: DSE, ILSL Research

Mutual Fund : Monthly Update

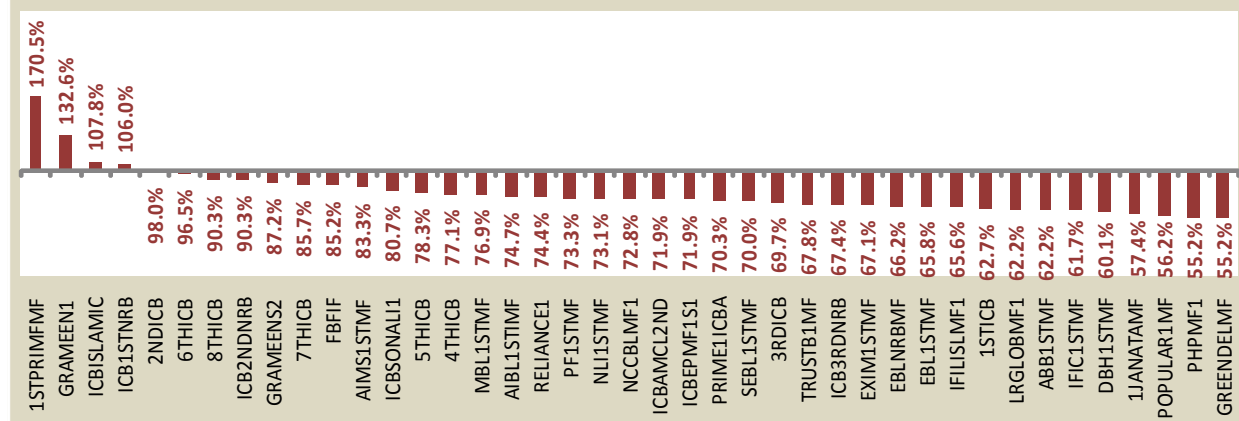
Weekly Top 10 Analysis

Highest Return	% Change in NAV	Lowest Return	% Change in NAV	Turover Leader	Avg Turnover (BDT mn)
1STICB	2.4%	NCCBLMF1	-10.2%	ABB1STMF	5.7
SEBL1STMF	2.2%	1STPRIMFMF	-5.3%	GRAMEENS2	5.1
3RDICB	2.0%	ICB1STNRB	-4.9%	AIMS1STMF	5.0
NLI1STMF	1.6%	ICBAMCL2ND	-4.3%	TRUSTB1MF	4.9
5THICB	1.0%	ICB2NDNRB	-4.2%	GRAMEEN1	4.8
IFILISLMF1	0.2%	EBL1STMF	-4.2%	MBL1STMF	4.6
4THICB	-0.6%	PRIME1ICBA	-3.8%	1STPRIMFMF	3.9
6THICB	-0.7%	PF1STMF	-3.6%	IFIC1STMF	3.0
GRAMEENS2	-0.8%	ICBEPMF1S1	-3.6%	POPULAR1MF	2.8
EXIM1STMF	-0.9%	ICB3RDNRB	-3.5%	RELIANCE1	2.7

Monthly Price Return



Mutual Funds Trading at Premium/Discount



Performance of Asset Managers

Asset Manager	Assets Under Management (AUM) (BDT mn)	% of Total AUM	Monthly Return on Portfolio	NAV @ Market Price/ Cost Price	Paid-Up Capital (BDT in mn)
AIMS	6,187	12.4%	-1.9%	1.65	2,595
ICB	3,139	6.3%	0.5%	4.00	178
ICB AMCL	6,857	13.7%	-3.1%	0.75	7,250
LR Global	9,483	19.0%	-3.2%	0.98	8,896
RACE	22,559	45.1%	-2.0%	0.98	20,386
VIPB	1,796	3.6%	2.0%	1.02	1,501

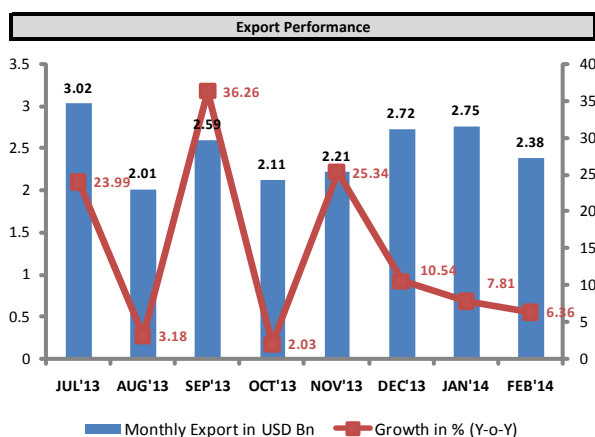
Source: DSE, ILSL Research

BUSINESS NEWSFLASH

Economy

Exports rise 6% in Feb

The Daily Star, March 11, 2014



Exports accelerated 6.4% year-on-year to USD 2.38 billion in February. Shipments are on the rise despite adversities such as the Tazreen Fashions fire and Rana Plaza collapse because of higher demand for garment items. The country fetched USD 19.8 billion in July-February, a 13.96% rise from the same time last year. However, a month-on-month comparison shows exports in February dropped 13.2% from January. Exports were 3.76% lower than the USD 2.48 billion target. Bangladesh exported USD 7.9 billion of knitwear products and woven garments worth USD 8.2 billion in July-February, registering growth of 17.5% and 15.9% respectively from the same time last year.

<http://www.thedailystar.net/business/exports-rise-6pc-in-feb-14971>

Muhith eyes USD 75b exports in five years

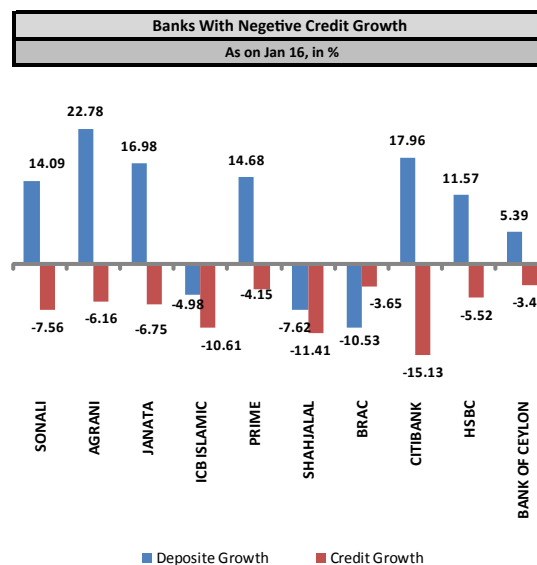
The Daily Star, March 23, 2014

Finance Minister AMA Muhith asked businesses to improve their export capacity so that the country's annual exports reach the USD 75 billion mark within the government's five-year tenure. Exports earned USD 27.02 billion in fiscal 2012-2013, and USD 19.82 billion in the first eight months of the current fiscal year.

<http://www.thedailystar.net/business/muhith-eyes-75b-exports-in-five-years-16847>

Low demand for money pushes interest rates down

The Daily Star, March 2, 2014



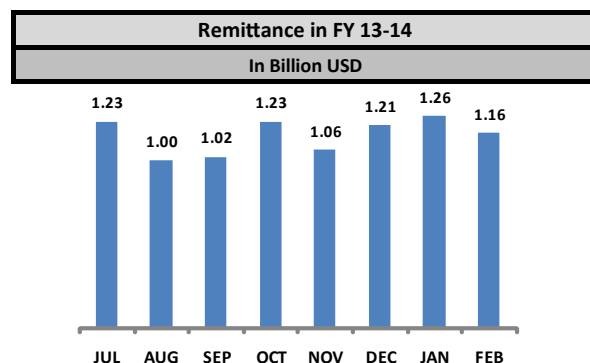
The ongoing downtrend in investment demand has forced banks to cut interest rates for both deposits and lending. Some banks are now offering as low as 8.5% interest for fixed deposit receipts of different tenures, dropping from 12.5% a year ago. The lending rate declined to 13-14% now from 15-16% a year ago. Premium borrowers are offered less than 13%. State-run Agrani, Janata and Sonali offer a maximum of 9% as interest on deposits as these banks are sitting on huge funds. Eastern Bank is currently offering the highest of 9% on deposits. The banking industry has been going through a challenging time since the beginning of last year for the elections. Businesses had taken a 'wait-and-see' position and many borrowers were not taking their sanctioned loans. Private sector credit could not exceed 12% growth so far this fiscal year, against the central bank's target of 16.5%.

<http://www.thedailystar.net/business/low-demand-for-money-pushes-interest-rates-down-13636>

Remittance rises marginally on poor outflow of workers

The Daily Star, March 4, 2014

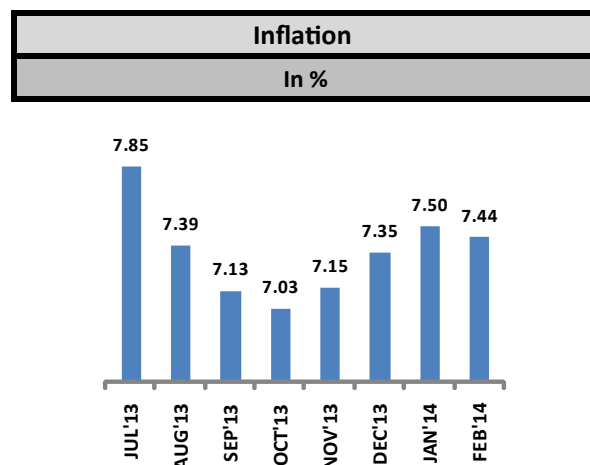
Remittances rose marginally to USD 1.16 billion year-on-year in February, as the outflow of migrant workers is in decline. In the first eight months of the fiscal year, remittances fell 7.02% to USD 9.2 billion from the same period last year, according to data from Bangladesh Bank.



Remittance growth is sluggish mainly due to a fall in manpower export, a finance ministry official said. Manpower export fell 10.3% year-on-year in the first six months of the fiscal year. In July-December, manpower export was 2.09 lakh persons as against 2.33 lakh in the same period last year. Manpower exports to Oman, Saudi Arabia and the UAE fell drastically in 2013. The finance ministry, however, expects that remittance will finally increase by 3% in the current fiscal year. Bangladesh Bank officials said achieving 3% growth in remittance is difficult.

<http://www.thedailystar.net/business/remittance-rises-marginally-on-poor-outflow-of-workers-13993>

Inflation reverses upward trend: Consumer Price Index slows to 7.44% on falling non-food prices, cautious monetary policy
The Daily Star, March 7, 2014



Inflation bucked the upward trend of past three months, dropping 6 basis points to 7.44% month-on-month in February on the back of falling non-food prices. Non-food inflation, which was the main cause for the rise in inflation in recent months, dropped 16 basis points to 5.37% last month, according to data from the Bangladesh Bureau of Statistics. The World Bank's Dhaka office said January's cautious monetary

policy statement helped in containing inflationary expectations despite wage increases in public and private sectors. If the situation persists in the coming months, inflation may remain within the government's budgetary target of seven percent throughout fiscal 2013-14. Food inflation, which was on a descent in the last few months, went up 3 basis points from the previous month to 8.84% in February, most definitely on the back of rice price increases. The national average retail price of rice in December 2013 was 24% higher than in the previous year, due to disruptions in the transport system caused by political instability.

However, the central bank thinks keeping inflation within this target would be challenging and hence in the latest MPS they have advised the government to keep the bank borrowing within the budgetary target.

<http://www.thedailystar.net/inflation-reverses-upward-trend-14441?archive=2014-03-07>

Stock Market

3 bodies formed on launching derivative, commodity markets: Khulna Printing IPO approved
The Financial Express, March 5, 2014

The securities regulator has formed three bodies to prepare reports on launching derivative market, clearing corporation and commodity market. The Bangladesh Securities and Exchange Commission (BSEC) has also approved the IPO (initial public offering) proposal of the Khulna Printing and Packaging which will raise a fund worth BDT 400 million under fixed price method. As per the regulatory decision, the committee, headed by the BSEC Executive Director Farhad Ahmed, will submit its report considering overall issues of establishing a derivative market. The BSEC Executive Director Mohammad Saifur Rahman has been made the convener of another three-member body which will submit its report on launching of the clearing corporation.

As per the regulatory approval, the Khulna Printing and Packaging will offload 40 million ordinary shares at an offer price of ten taka each to raise a fund worth BDT 400 million to boost current capital and repay the term loans.

In accordance with the financial statement for the year ended on June 30, 2013, the company's earnings per share (EPS) and net asset value (NAV) are BDT 2.82 and BDT 24.26 respectively.

<http://www.thefinancialexpress-bd.com/2014/03/05/21790>

Pharmaceutical, cement, textile sectors dominate DSE trading

The Financial Express, March 10, 2014

Stocks edged marginally down on March 9, 2014, with market participation improved significantly as investors went for late hour selling spree. The market opened with positive note, but could not sustain. At the end of the session, the prime index of the Dhaka Stock Exchange (DSE) DSEX- went down by 12.43 points or 0.26% to close the session at 4,687.19 points. The DS30, comprising blue chips lost 4.79 points or 0.28% to close at 1,685.32 points. However, the DSE Shariah Index (DSES) managed to close positive with gaining 8.27 points or 0.82% to close at 1,019.62 points. The total turnover hit 5-session high to BDT 5.10 billion on DSE, registering 23.78% increase over the previous session's value of BDT 4.12 billion. Some large cap scrips like GP, Square Pharma and Lafarge Surma Cement performed quite well while overall market pulse was in selling mood, said the International Leasing Securities. Market participation mainly focused on pharmaceuticals, textile and cement sectors, accounted for 12.62%, 11.87% and 11.77% respectively, it said.

<http://www.thefinancialexpress-bd.com/2014/03/10/22654>

DSE to launch T+2 cycle from Apr 16

The Financial Express, March 16, 2014

Dhaka Stock Exchange (DSE) has decided to introduce the reduced trading cycle--T+2--from April 16 this year replacing the existing trading cycle--T+3--in a bid to increase the liquidity flow in the capital market. After the introduction of the T+2 trading cycle, the buyers will receive shares and the sellers will get money two days after the transactions are executed. Presently, an investor gets cheque against his sale order after three days of executing his sale order.

The decision of introducing the reduced trading cycle on the DSE comes after a long discussion although earlier the DSE itself submitted the proposal of introducing the T+2 to the securities regulator. Many stakeholders of the capital market have supported the T+2 stating that the investors' cost of trading will come down and they will get their funds quickly from sale of shares, which will ease liquidity shortage in the market. Some other stakeholders, who were skeptical about the success of T+2, have stressed on fund availability in investors' accounts at the time of making any buy order for the sake of the reduced trading cycle.

<http://www.thefinancialexpress-bd.com/2014/03/16/23687>

DSE signs deal with US companies to upgrade trading system

The Financial Express, March 22, 2014

The Dhaka Stock Exchange (DSE) signed an agreement with two US-based companies - NASDAQ OMX and FlexTrade Systems - to upgrade its existing trading system to a 'next-generation, world-class' trading platform. DSE managing director Professor Swapan Kumar Bala, NASDAQ OMX managing director Robert Fröjd, and principal and executive director of FlexTrade Systems Bertrand Rassat signed the agreement on behalf of their respective organizations. This process was started over six months ago, and a total of 15 international solution providers participated in the selection process with the final short-listing carried out by an external expert committee.

<http://www.thefinancialexpress-bd.com/2014/03/22/24772>

Criminal Procedure to guide spl court on stock market

The Financial Express, March 5, 2014

Recently formed special tribunal for capital market is set to start functioning shortly 'without having its own rules' amid the experts' doubts over smooth operation of the special court. Although there was an initiative to frame a separate set of rules for the tribunal, now the authorities are considering run it under the powers of existing Code of Criminal Procedure (CrPC)-1898. Earlier, the authorities formed a committee to frame

such rules, but they later retracted from doing so. Some legal experts expressed their apprehension that "multiple complexities may arise during the adjudication process at the tribunal if any separate mode of operandi is not framed" for the special tribunal. It was claimed that there is 'inconsistency' at the tribunal related sections at the Securities and Exchange Ordinance (SEO)-1969 with the CrPC-1898 in respect of power, structure and mode of operandi. "The special tribunal, having jurisdiction in entire Bangladesh, shall try all the offenses mentioned at the section 17 of the SEO-1969" the BSEC said.

<http://www.thefinancialexpress-bd.com/2014/03/05/21791>

Banks

Pressure on BB as it reins in banks' stock exposure

The Daily Star, March 4, 2014

In an echo of 2009, the central bank is again facing hostility for stepping up its measures against banks' excessive exposure to the capital market. Bangladesh Bank on February 25, 2014, instructed banks to give a breakdown of daily investments in stocks in the monthly report submitted to the central bank on the 10th of every month. At present, the banks just give their total investment figure to BB, which the central bank believes does not reflect the true picture. BB found that many banks tend to invest heavily for the best part of the month and cut back toward the end to give BB the impression that their stockmarket exposure was not excessive.

The Banking Companies Act stipulates that banks cannot invest more than 25% of their total capital in stocks, and the central bank gave them until July 2016 to bring down their exposure. As of December last year, banks and their subsidiaries' exposure stands above 50% of their capital on average. It stands at 150% for many. However, the notice has not been well-received particularly by Bangladesh Securities and Exchange Commission that argued that it would create panic among the investors and destabilize the market. Seeing the huge gains to be made, banks invested aggressively in stocks by breaching rules. The market

eventually crashed. But what was most ironic was that those who had initially barred the central bank from taking steps aimed at controlling the bubble blamed it for not doing enough to prevent the crash.

<http://www.thedailystar.net/business/pressure-on-bb-as-it-reins-in-banks-stock-exposure-13991>

Banks show mixed trend in dividends

The Daily Star, March 10, 2014

Dividend Recommendation By Listed Banks		
In %		
C for Cash Dividend	B for Bonus or Stock	
Banks	2012	2013
Pubali	10C	10B
UCBL	15C	20C
EBL	20C	20C
AIBL	17B	13.5B
Prime	10B, 10C	12.5C
SouthEast	15C	16C, 5B
DBBL	40C	40C
BankAsia	10B	10B
BRAC	15B	10B, 10C
Trust	10B	12B

Listed banks are demonstrating a mixed trend in dividends declared for 2013. Of the 30 listed banks, 10 have so far distributed profits to the shareholders; four banks declared higher dividends than last year, two have declared lower dividends, while four have given the same dividends as last year, according to data from Dhaka Stock Exchange. Although 2013 was a tough year for banks as business activities were hampered by political unrest, the central bank's move to relax loan rules at the end of the year helped them recover losses. Banking shares fell by 3.16% last week on the premier bourse, disappointing investors the most. It declined 1.67%.

<http://www.thedailystar.net/business/banks-show-mixed-trend-in-dividends-14837>

Islamic Finance News highlights Shariah banking in Bangladesh

The Financial Express, March 18, 2014

A country report on Islamic Banking in Bangladesh has been published in Islamic Finance News (IFN) Annual

Guide-2014. For the past seven years, the leading Islamic finance news provider publishes this Annual Guide from Malaysia which provides the industry's leading practitioners with a practical and resourceful review of the global Islamic financial market. This IFN Guide-2014 included reports of 30 countries across the world of every major Islamic market and asset class and also traverses the global Islamic financial landscape covering the diverse sectors of debt capital markets, leasing, micro finance, regulation, securitization, Sukuk, Takaful, technology and tax. The Islamic banking asset base has been grown by 28.3% as investments (financing and advances) grew by 25%; and similarly the liability base has grown by 28.6% due to an increment of 22.9% in deposits in 2012 compared to that of 2011. In addition to that, net profit demonstrated a 39% growth as compared to 2011.

<http://www.thefinancialexpress-bd.com/2014/03/18/24023>

NBFI

Two new NBFIs get approval

The Daily Star, March 6, 2014

Bangladesh Bank approved two new non-bank financial institutions, which will increase competition in the sector. The approval came from a meeting of the central bank's Board of Directors, chaired by Governor Atiur Rahman. CAPM Venture Capital and Finance Ltd is one of the NBFIs, with Mahmud Hossain as its main sponsor. The other is Meridian Finance and Investment Ltd with Kazi Aminul Islam as its main sponsor. BB approved the two NBFIs as per the recommendations of the finance ministry. The NBFIs will have to meet 31 conditions, before taking licences. As per the conditions, none of the sponsors can be defaulters of loans or tax, and they must have a specific work plan to invest in productive sectors. The sponsors must deposit BDT 100 crore in capital before introducing the NBFIs and a family's stake cannot exceed 10% of the company, according to the central bank rules. At present, 31 NBFIs operate in the country.

<http://www.thedailystar.net/business/two-new-nbfis-get-approval-14289>

Cement

Accumulated loss keeps Lafarge at bay

The Financial Express, March 6, 2014

Lafarge Surma Cement's profit in 2013 stood at BDT 2.54 billion, up 37% from the previous year. The company performed particularly well in the last quarter of 2013 though the period was hit by political turmoil, recording BDT 1.10 billion in net profit in the quarter alone, according to BRAC-EPL. It even gained market share during the quarter when companies with higher product pricing lost sales. The positive movement of the Indian rupee against the dollar might have helped the company log in higher consolidated earnings. However, the manufacturer of Supercrete-branded cement could not declare dividends for the year as it still has an accumulated loss of around BDT 950 million.

<http://www.thefinancialexpress-bd.com/2014/03/06/21993>

Padma Cement to be liquidated

The Financial Express, March 13, 2014

Padma Cement is going to be liquidated over its prolonged non-performance as the first company of the over-the-counter (OTC) market. The company's move on the liquidation comes following an order of the High Court (HC). The officials of the Dhaka Stock Exchange (DSE) have said the shareholders earlier filed a case with the HC seeking its order in a bid to pay out their due benefits of all shareholders. This is the first company which will be liquidated as per the court's order. The DSE on March 12, 2014, requested all shareholders to contact with official liquidator of Padma Cement with proper documents before March 21, 2014. Presently, there are 68 companies, which were earlier de-listed from the main bourse due to non-performing situation, in the OTC market. After the liquidation of the Padma Cement, the number of the companies in the OTC market will stand at 67.

<http://www.thefinancialexpress-bd.com/2014/03/13/23197>

Telecommunication

BD joins consortium of 15 telecom operators

The Financial Express, March 11, 2014

The country has joined the consortium of 15 telecom operators to install new submarine cable system to connect 17 countries from Asia and Europe. Bangladesh Submarine Cable Company Limited (BSCCL) as one of the members of the consortium signed a deal in this regard at Kuala Lumpur recently. The South East Asia-Middle East-Western Europe 5 (SEA-ME-WE 5) of the consortium will be the latest 100G technology to provide a total design capacity of 24,000 Gbps (gigabit per second). The consortium is expecting to make the cable operational by 2016. The length of the cable will be 20,000-km. In Bangladesh part, the cost would be nearly USD 53 million for the project. Of the total cost, the BSCCL will provide USD 25 million and the remaining portion will be managed in the form of loan.

At present, the country depends on only one undersea cable which is SEA-ME-WE4 that connected 13 countries.

<http://www.thefinancialexpress-bd.com/2014/03/11/22853>

Telco service providers asked to use 'fiber optics transmission capacity' from NTTN operators

The Financial Express, March 21, 2014

All telecom service providers have to use 'fiber optics transmission capacity' from the NTTN operators following the directive of the telecom regulator. The directive of the Bangladesh Telecommunication Regulatory Commission (BTRC) mentioned on Thursday that the service providers must lease the primary capacity in long haul from the Nationwide Telecommunication Transmission Network (NTTN) operators where its network is available. Sources said the directive has come after some telecom service providers allegedly take nominal transmission capacity from the NTTN companies instead of core service. According to BTRC rules, only the service providers could use others transmission capacity in terms of non availability of the NTTNs network. In this way, service providers will use both primary and secondary link of the NTTN companies. Mobile phone operators, WiMAX

operators, Internet Service Providers (ISPs), public switched telephone network (PSTN) and other telecom service providers take lease transmission capacity from the NTTN operators. At present, two NTTN operators - Fiber@Home and Summit Communications Ltd-are authorized for developing telecom transmission network infrastructure in the country.

<http://www.thefinancialexpress-bd.com/2014/03/21/24575>





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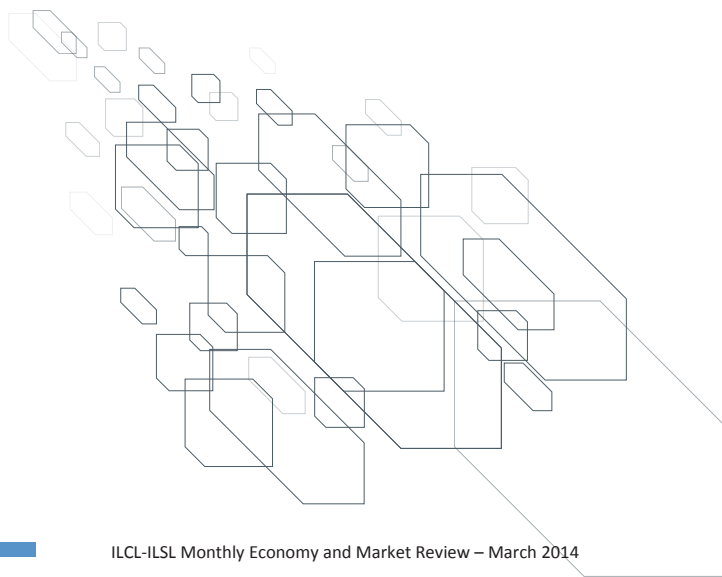
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- Performance of mutual fund: Contain information about NAV of all Mutual Funds with comparison of previous week.
- Corporate declaration: Includes information related to listed company (from DSE Website)
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