

# Daily Markets Commentary

Bangladesh

## Low PE ratio may lure investors back to stocks!!!

Bank Sells			Bank Buys		
TT & OD	BC	Currency	TT Clean	OD Sight	OD Transfer
82.3745	82.4000	USD	81.4000	81.3088	81.1868
90.4264	90.4557	AUD	85.7280	85.6993	85.6850
85.1768	85.2317	CAD	80.8362	80.8002	80.7822
93.2649	93.3249	CHF	88.4328	88.3984	88.3811
110.3488	110.3788	EUR	107.3240	107.0675	107.0513
131.1852	131.2152	GBP	128.1840	127.9625	127.7425
11.5327	11.5437	HKD	10.1158	10.1085	10.1049
1.7570	1.7582	INR	1.6150	1.6137	1.6125
1.0921	1.0931	JPY	0.9814	0.9810	0.9805
67.9206	67.9515	SGD	63.0627	63.0316	63.0160
14.8497	14.9860	NOK	14.0291	13.9980	13.9824
22.9277	22.9753	AED	21.7400	21.7089	21.6933
15.8365	15.8871	CNY	12.1954	12.1643	12.1487

Global Markets

## Disclaimer

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Cash			Traveller's cheques		
	Bank Sells	Bank Buys		Bank Sells	Bank Buys
USD	84.4937	81.7950	USD	85.0000	82.9000
GBP	131.5132	127.8635	GBP	131.2852	127.8840
EUR	110.6247	106.9061	EUR	110.4488	106.8240

London Interbank Offer Rates (LIBOR)					
Currency	1 Month	2 Months	3 Months	6 Months	1 Year
USD	0.2455	0.3605	0.4926	0.7521	1.0661
GBP	0.7519	0.8671	1.0693	1.3865	1.8889
EUR	0.5300	1.2920	0.9518	1.2779	1.6321

Singapore Interbank Offer Rates (SIBOR)					
Currency	1 Month	2 Months	3 Months	6 Months	1 Year
USD	0.2480	0.3650	0.4930	0.7532	1.0600

Forward Buying Rates					
	30 Days	60 Days	90 Days	120 Days	180 Days
USD	82.0224	82.6837	83.3128	83.9739	85.2908
GBP	127.7758	128.8346	129.7853	130.7762	132.6677
EUR	106.8363	107.6301	108.5372	109.3860	111.0162
JPY	1.0216	1.0305	1.0387	1.0474	1.0649
CHF	88.8156	89.4428	90.0230	90.6490	91.8844

Forward Selling Rates					
	30 Days	60 Days	90 Days	120 Days	180 Days
USD	83.8571	85.2318	86.6065	87.9812	90.7306
GBP	134.4265	136.5640	138.6427	140.7311	144.8457
EUR	113.1755	114.8677	116.7280	118.4787	121.9049
JPY	1.1456	1.1637	1.1814	1.1994	1.2355
CHF	94.2859	95.6248	96.9500	98.2826	100.9226

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- The above rates are prepared for indicative purposes only and are applicable for transactions upto USD 10,000.00 and equivalent in other currencies.
- Any transaction valued over and above USD 10,000.00 or equivalent in other currencies has to be reported to Global Markets Front Office for the applicable rate.
- The rates indicated above are subject to change without notice due to movement in the market.
- HSBC reserves the right to accept or decline transactions based on the rates indicated above.

## Domestic market

- ▶ BDT is appreciating against the USD as the external sector is re-balancing itself through lower import LC opening and higher inward remittances and exports. However, market liquidity remains tight. We expect USDBDT to remain stable or bearish in the near term.
- ▶ O/N rates remained static at the range of 20% with the money market still showing demand for funds.

## International Market

- ▶ **FX Market:** The dollar is slightly firmer and the euro is consolidating as details of the new Greek bailout agreement are being digested by the market. EUR/USD fell short of the 100-day SMA which is just above the 1.33 figure as the pair saw session highs of around the 1.3290/95 level before turning lower. With the additional aid secured for Greece, the focus has now turned to the debt swap with key issues to be addressed such as the extent of private sector participation and whether or not it will trigger credit default swaps. Greek Prime Minister Papademos said that a formal debt swap offer will be coming in a few days and ECB Executive Board member Asmussen said that the bond swap will last two weeks.

[Source: *ActionForex*]

## Corporate and Economic News

- ▶ **Low PE ratio may lure investors back to stocks: analysts:** The price-to-earnings (PE) ratio of banks, non-bank financial institutions, telecoms, textiles, and mutual funds is at low levels, which indicates that the stockmarket has become less risky and more attractive for investment. The PE ratio of banks is 8.3, non-bank financial institutions 10.7 and telecoms 10.5. "The PE ratio of most sectors suggests that the market has become attractive for investment," said Fakhor Uddin Ali Ahmed, former president of Chittagong Stock Exchange. Before making an investment decision, investors should consider the companies' PE ratio, operational growth and management, said Ahmed, who is also a vice president of South Asian Federation of Exchanges. Conventional wisdom says the smaller the price compared to earnings, the better the deal. Ahmed said the companies' tendency to declare dividends is another indicator to consider in making an investment decision. Investors can make capital gains and earn dividends through long-term investment, which is important for investors in the country, he said.

[Source: *The Daily Star*]

## Market Snapshot

### International Commodity Prices

Light Crude Oil (\$ per bbl)	105.84	↑
Natural Gas (\$ per mm btu)	2.64	↓
Gold (\$ per Troy oz)	1,756.60	↑
Corn (cents per bu)	633.75	↓
Soybeans (cents per bu)	1,274.75	↑
Wheat (cents per bushel)	634.50	↓
Cotton (cents per pound)	91.25	↓
Sugar #11 (cents per pound)	25.25	↑

### Central Bank Policy Rates

Australia	4.25%
Canada	1.00%
EMU	1.00%
Japan	0.10%
Switzerland	0.25%
England	0.50%
US	0-0.25%

### International Stock Market

FTSE 100 Index	5,928.20	↑
Nikkei 225 Index	9,477.59	↓
DowJones Industrial Average	12,965.69	↑

### Local Stock Market

#### Dhaka Stock Exchange

DSI Index	3,510.63	↓
DSE General Index	4,183.52	↓

#### Chittagong Stock Exchange

CSE All Share Price Index (CASPI)	12,094.82	↓
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Source: *Websites*

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