



*The term “sustainable growth” when applied to the economy is a bad oxymoron-self-contradictory as prose and un- evocative as poetry.*

## Newsletter of South Asian Federation of Exchanges

July – December 2004

### Rajnikant Patel new Vice-chairman of SAFE

Mr Rajnikant Patel, Executive Director & Chief Executive Officer of The Stock Exchange, Mumbai (BSE) is the new Vice-chairman of SAFE. He has taken place of Dr Manoj Vaish who resigned from BSE and SAFE'. Executive Committee.

Prior to his appointment as the ED & CEO of BSE, Mr Patel was the Chief Operating Officer (COO) and member of the Governing Board of BSE. He is also a member of the Working Committee of the World Federation of Exchanges.

### Mumbai Conference

The 4th Annual General Meeting and 7th theme conference of the South Asian Federation of Exchanges was held from 18th to 19th August 2004 in Mumbai, India hosted by The Stock Exchange, Mumbai (BSE). Representatives of the regulators and stock exchanges from SAFE member countries attended the conference. The theme of the conference was 'Harmonisation of Listing Regulations & Cross Border Listing'.

The 7th Conference and 4th Annual Assembly of SAFE formed a Regional Markets Committee (RMC) -incorporating one member from a member country which will prepare SAFE Listing Standard Harmonisation Principles to encourage mutual recognition of listing regimes.

Leaders of SAFE at the conference expressed their willingness to expand the forum inviting bourses beyond the South Asia region. They said an expanded forum will help to cooperate each other and contribute to starting cross-border listing and trading and develop capital market growth.

The conference also decided to continue using Chittagong Stock Exchange (CSE) as its secretariat. CSE has been acting as secretariat of SAFE which was founded in early 2000 at the initiative of CSE.

At present, SAFE has 12 member exchanges from Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka and Mauritius. SAFE is expecting Maldives to come up with a Stock Exchange very soon and the entrepreneurs are already in touch with the Federation for sharing experiences.

Among the regulators who attended the SAFE Conference is Mr Shahid Caffar, Commissioner, Securities and Exchange Commission of Pakistan, Mr Deepak Raj Kaffle, Chairman, Securities and Exchange Board of Nepal and Mr Daw Tenzin, Managing Director, Royal Monetary Authority of Bhutan. The regulators were present as observers to see the progress of SAFE. This time a delegation from the Kuwait Stock Exchange also attended the SAFE meeting as an observer.

### Executive Training Programme

SAFE launched its Executive Training Programme in March 2001. Since then SAFE is organising regularly International Training Programmes on different capital market issues once in a year for its member exchanges.

In April 2004, SAFE introduced to award scholarships for one deserving candidate from each SAFE member country to cover the tuition and accommodation cost of the training programmes offered by SAFE. The decision was taken in the last Executive Committee meeting held in Lahore on December 2003 and approved.



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by the General Assembly. This year, under the scholarship programme, seven participants from the member countries undergone a week-long International Training Programme on "Securities Market Operations" from 19th to 24th April 2004 in Mumbai offered by the BSE Training Institute (BTI), Bombay Stock Exchange, India. The course was uniquely designed by BTI and the sessions were successfully conducted by relevant faculties/ resource persons from various institutions to give the participants maximum exposure on various topics in our regional context, like: Primary Market, Stock Market Functionality, Products in the Market, Indices, Trading Mechanism & Strategies, Surveillance & Risk Management System, Demat & Depositories, Derivatives & Debt Market, Futures & Options, Foreign Institutional Investors etc.

The first executive training programme of SAFE was on Risk Management, held on 12-16 March 2001 in Mumbai at National Stock Exchange of India. The 2nd executive training Programme of SAFE was on Derivatives, held on 3-7 March 2003 in Mumbai at the BSE Training Institute, The Stock Exchange, Mumbai.



## Seminar on Internet share trading for women entrepreneurs

In a bid to familiarize women entrepreneurs with Internet share trading CSE organized a seminar titled 'Share Trading Business and Technology for Women Entrepreneurs Association (WEA)<sup>1</sup> in Dhaka at the boardroom of Reliance Insurance Limited on July 18, 2004.

In a multimedia presentation, CSE Chief Executive Officer Wali-ul-Marooof Matin discussed stock exchange and stock market, function of CSE, the Central Depository Bangladesh Ltd (CDBL) and CSE online trading system. Around 30 women entrepreneurs participated in the seminar. Habibullah Khan, president of CSE, Rokia A Rahman, chairperson of WEA, and Shamsul Alam, Managing Director of Reliance Insurance Limited, also attended the seminar.

## Thai Bourse President visits CSE

High profile delegation to identify areas of cooperation, expertise sharing

A three-member high profile delegation of the Stock Exchange of Thailand (SET) visited CSE from 8 August 2004 on a week-long mission to foster ties between CSE and SET in light with a MoU signed two years back between SET President Kittiratt Na-Ranong and the-then CSE President Mirza Salman Isphani on 13 December 2002 in the Thai city of Chaing Mai during the visit of Prime Minister Begum Khaleda Zia at a function attended by prime ministers of the two countries.

SET President Kittiratt Na-Ranong, who was leading the delegation joined the team on 11 August 2004 and met with CSE Board of Directors and other high officials to pinpoint the areas of cooperation and to exchange information, knowledge, experience and technology. Purpose of the deal

was to develop capital markets of both the countries by utilising all possible means under the umbrella of a long-term relation between Bangladesh and Thailand and expand global connection. Bangladesh and Thailand are two founding members of Bimstec group. So the cooperation of the two bourses bear special significance and contribute to government's efforts to enhance trade relation.

Leaders of both the stock exchanges had agreed that the two sides could be benefited, if they work closely within a common framework for the development of the two bourses. Task will begin with exchange of visits by the executives from both the bourses to gather experiences and share knowledge to develop human resources.

## Professional Training Course On 'Tax Management' - Tax Payers must know the concepts of Tax Management

"Any business concern should consider Tax Department' as a shadow business partner from the very day-one of starting of its operation. For sound business running it is important for any business concern to update tax record regularly with the tax department" said CSE president Habibullah Khan at his concluding remark of a week-long professional training course on "Tax Management" started at CSE Conference Hall from 26th August, 2004. He further added "as a responsible citizen of the country, it is our moral duty to pay the real tax helping the government to run the statecraft, to implement the Annual Development Plan (ADP). He thanked to Chief Executive of CSE for taking this initiative for the greater interest of participants.

Earlier in the opening session, Mr. AM Ahmed, Commissioner of Tax (Zone-2) while speaking on his topic on 'Tax Concept & Its Scope' said Tax GDP ratio is very low in Bangladesh. Both Taxes Administration and Tax Payers are responsible for this bleak scenario. To improve this situation many changes are brought about in the Taxes Policy. But very little progress has been achieved. The very key reason is that our concept about taxation is not

clear. Much confusion and misleading ideas loom largely over our society regarding taxation. Mr. Ahmed expressed his thanks to CSE Management for organising this training program while welcoming the participants -who came mainly from corporate bodies, wishing that this type of interactive training programs will positively help both the Tax collectors and the Tax Payers to reduce the gap.

Senior officials from the Tax department conducted the training on different important issues on Taxation.

## CSE Expands Operations In Cox's Bazar

### Meenhar Securities Ltd launches brokerage service

Chittagong Stock Exchange (CSE) has expanded its operations connecting Cox's Bazar to key cities of Dhaka, Chittagong and Sylhet through its screen-based online trading system. On 24 November 2004 CSE Member Meenhar Securities Ltd opened a branch office at the southeastern resort town of Cox's Bazar to channel fresh investments from Cox's Bazar through the automated trading engine of the CSE.

The branch office was inaugurated by SEC Chairman Dr Mirza Azizul Islam, who attended the opening ceremony as the Chief Guest while Deputy Commissioner of Cox's Bazar Md Habibur Rahman attended the function as a Special Guest.

Yasmeen Khan, Chairperson of the Meenhar Group of Companies, in her welcome address said: "Meenhar Group of Companies is feeling proud to make its presence in Cox's Bazar facilitating the securities trading. The expansion has created a new scope for making investment for businesses in Cox's Bazar."

CSE President Habibullah Khan requested the SEC Chairman to expedite the process of bringing remaining listed companies under the demat form with the Central Depository network so that the investors of Cox's Bazar can conduct transactions

smoothly and efficiently. He said CSE will continue to take its services to the doorsteps of every investor across Bangladesh to spur investment activities. "We want to reach every segment of investors and channel the pool of small investors' fund to the development of the country." Khan said CSE also offers the perfect platform to investors all over the world through its Internet Trading Service ([www.bangladeshstockmarket.com](http://www.bangladeshstockmarket.com)).

SEC Chairman Dr Mirza Azizul Islam said: "With the launch of securities trading operations in Cox's Bazar, the long cherished dream for the local investors has become a reality. The local investors can now mobilize their savings through stock market and participate in the nation building process, The SEC will extend all-out cooperation wherever and whenever it is required."

## Habibullah Khan reelected CSE President

Mr. Habibullah Khan reelected CSE President for the year 2005. At the 9th AGM held on Friday the 3rd December 2004 at CSE premises, the Board of CSE unanimously elected him as President for his extraordinary efforts towards CSE's development. Before his assignment, he has taken the leadership from Mirza Salman Ispahani immediate past president in 2003. Mr. Khan was also the Vice President of CSE from 1995 to 2003.

Mr. Khan is also the Managing Director of Meenhar Group of Companies. About 3 decades ago Meenhar founded with a view to socio economic development in the country. He has started his business as an exporter in frozen food sector. Mr. Khan is also associated with many other Socio-Economic Organizations. He is the founder of Habibullah Khan Girls High School at Feni District. He is the Member of the Governing Council of Independent University, Bangladesh. He is the former president of Bangladesh Frozen Food Exporters Association and Former Vice President of Bhatiary Golf and Country Club, Chittagong. He was also the Former Executive Committee Member of Metropolitan Chamber of Commerce & Industry.



## A Memorable Year for the Stock Market

The year 2004, which opened on a positive note on 2 January, continued its upward trend throughout the first three-quarters of the year. At the end of September 2004, the All Share Price Index (ASPI) had gained 36.6% from the opening figure for the year, recording the highest ever ASPI during the July-September quarter and a market capitalization of Rs 357.9 billion compared to Rs 262.8 Bn at the beginning of 2004. It was also named the best performing market in Asia and the fourth best performing market in the world during this period.

The October - December quarter continued this exceptional performance to

close the year on a high note. The ASP1, which opened at 1,450.3 on 1 October, to reach another all time high of 1,560.9 on 22 October.

December 2004 showed a gradual yet steady growth through the month to break the previous record by reaching 1,580.7 on the 22nd of December 2004. Two other records were reached on the 22nd, being the first trading day of the CSE's largest ever IPO, that of Lanka IOC Ltd. it was for the first time in history that the Market Capitalisation of the CSE passed Rs 400 Bn to reach Rs 400.8 Bn that day. The highest ever turnover for the day for year 2004 of Rs 1,035.0 Mn for Equity transactions alone, surpassing the previous high recorded in November 2003.

The damage caused by the Tsunami tidal waves on 26th December 2004 to the coastal areas of Sri Lanka, reduced the momentum of the market during the final week of trading for the year. Therefore, the ASPI declined during the last week of December to close the year 2004 at 1,506.9, yet recording an annual growth of 41.9%.

## Lanka IOC lists on the CSE

The biggest Initial Public Offering in the history of the CSE was recorded with the offering by Lanka IOC Ltd, which was listed on the Main Board of the CSE on the 22 December 2004. The issue opened at a price of Rs 27 and closed on the same day due to the heavy demand for the LIOC shares. The issue was oversubscribed by 11.7 times. The shares have been listed under the Power and Energy Sector. The shares of LIOC began trading on the CSE on the 22 December 2004. The ordinary shares began trading at Rs 54, recording a return of 100% from the initial issue price.

## Launch of ATS 4

The latest version of the Automatic Trading System was launched on 10th December 2004 after extensive testing among its users. The new ATS4 has built in Fault tolerance to reduce downtime and is capable handling a greater number of orders and executions at the greater speed.

### The MILANKA PRICE INDEX (MPI) - Selection Criteria 2005

The Colombo Stock Exchange introduced the "Milanka Price Index" on 4 January 1999. The MPI is comprised of 25 liquid companies and they are selected by considering the performances of last four quarters. The base index is set as 1000 points as at 31 December 1998.

Section criteria takes into account the companies size and liquidity. Size has been measured by market capitalization as at 30 September 2004 and liquidity has been determined by the number of trades executed over the period from 1 October 2003 to 30 September 2004 and Trading value over the period October 2003 to September 2004 as a percentage of average market capitalization as at 30 December 2003, 31 March 2004, 30 June 2004 and 30 September 2004. In determining the companies to be included in the MPI for 2005, the following criteria were adopted :

Step 1: Companies to be excluded in selecting for MPI

- Companies in which dealing/ trading were suspended as at 30th September 2004
- The companies that are likely to be de listed in the immediate future
- Companies that have been subject to public offers under the takeovers and mergers code during the period 1st October 2003 to 30th September 2004, Subject to their public holding falling below 25% subsequent to the offer.
- The companies that were transferred to the default board on or before 30th June 2004 and continuing in the default board as at the date of evaluation

• Step 2: Minimum criteria to be satisfied for inclusion MPI for 2005,

- Average Market Capitalization : 296 Mn
- No. of Trades : 879
- Turnover/Average Market Capitalization : 4.33%

Step 3: Ranked the companies based on the performance and give weightage, best 25

companies were selected In 2005 MPI comprised of 25 companies in 8 sectors. The index represents over 10% of the listed companies

and accounts for around 50% of the total market capitalization. Colombo Stock Exchange will review and revise the companies to be included in the MPI on a quarterly basis commencing 1st April 2005.

## Performance of KSE

The Karachi Stock Exchange has achieved another milestone as KSE 100 Index crossed the level of 6000 points and closed at 6218.40 points on December 31, 2004, the highest ever in the history of the Exchange. The record-breaking performance of Karachi Stock Exchange during the last five years is attributed to the positive and consistent policies of the government and number of measures implemented by the Exchange including stringent risk management due to which the Exchange was declared as "The Best Performing Market of the World" for the year 2002 by the international magazine "Business Week" and a US newspaper "USA Today" and ever since the Exchange is amongst the top 10 best performing market of the world in the year 2003.

The KSE has taken a number of measures to increase investor's confidence by making the Exchange more transparent and introducing modern technology in order to convert the market into a truly modern and efficient one. In this regard Internet based trading has started from December 6, 2004. Margin Financing has also been introduced from October 08, 2004 and phasing out of existing COT companies would be completed by June 30, 2005. The corporate governance is now the part of KSE's listing regulation. The transparency has been enhanced with the implication of quality audits, quarterly financial reports and timely dividend payouts.

Out of 23 offerings in year 2004, three were of state owned, entities whose shares were allotted under government's privatization program and during 2004, the government offloaded additional shares of SSCC and PIA whereas PPL's shares were offered for the first time to the market participants. PPL offering received record 755,000 applications for its 15 percent public offering in year 2004

With the divestment and Listing of Government's held companies like Pakistan Petroleum Limited (PPL) and Oil and Gas Development Company Limited (OGDCL), the equity base has also broadened which gave the market much needed depth and the market capitalization has been increased to about US\$ 28 billion. The privatization commission is in the process of dis investment of shares of Kot Addu Power Company, the State Life Insurance Company; and the shares held by the government in Pakistan State Oil, and the United Bank Limited are in pipeline.

Economic reforms; regulatory reforms; monetary policy and dividend yield have been the reasons



about the rise in the market. "The objectives of economic consolidation initiated by the Government has been achieved successfully through continuity in the economic reforms and strict implementation of various policy initiatives". The Real GDP growth has accelerated to 6.4% which was the best since 1995-96, country's credit rating has improved by Standard & Poor's Credit Rating Agency from a negative Selective Default (SD) in 1999, to B2/B in 2004 and Pakistan entered the international markets and raised US\$ 500 million through Eurobond issue, which received overwhelming response and oversubscribed four times the initial value.

Following are the major statistics of the Exchange and some of the other information for the period January-December 2004.

### Important Statistics

Membership strength : 200 (includes 106 corporate members 9 of whom are public quoted companies.)

\*Active members : 155

\*Listed companies : 661

\*Listed Capital

(ordinary shares) : Rs.405.64 billion (US\$ 6.84 billion)

\*Market Capitalisation

(ordinary shares) : Rs.1,723.45 billion (US\$ 29.06billion)

\*\*Total Turnover : 87,040.37 million shares (T+3)  
17,341.47 million shares (Future Contract)

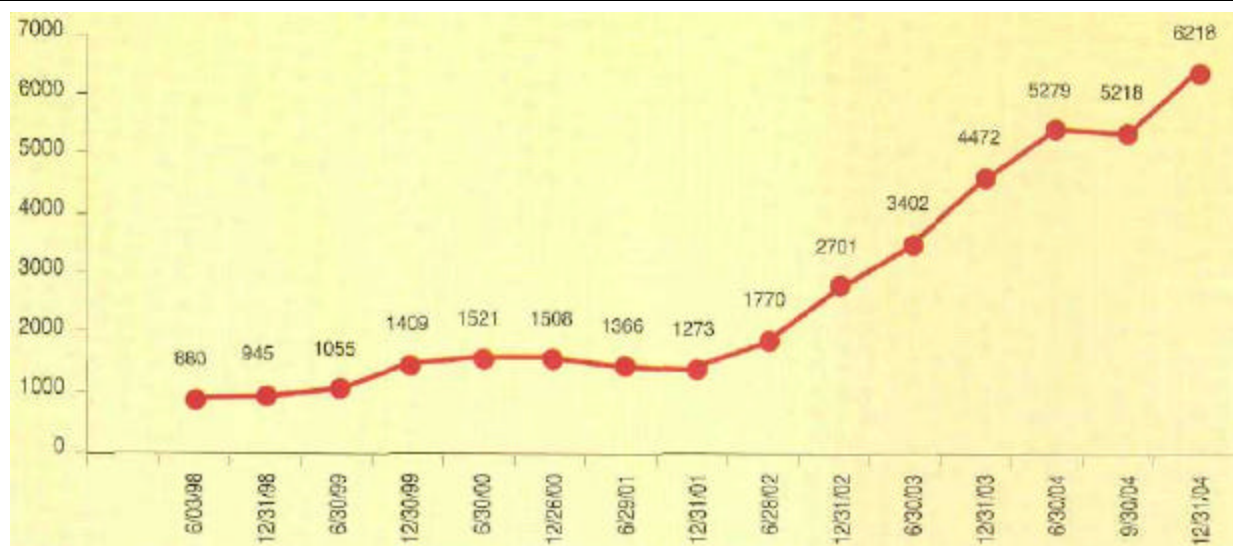
New Listings: During this period, 17 new companies having paid up capital of Rs.66,837.0 million and 5 TFC amounting Rs.4,775.0 million were listed.

|  | Dec 31, 2003 | Dec 31, 2004 |
|--|--------------|--------------|
| KSE100- Index                          | 4471.60      | 6218.45      |
| Market Capitalization (Rs. in billion) | 951.446      | 1,723.454    |

\* The information is up to December 31, 2004.

\*\* The information is from January to December 2004.

## KSE 100 INDEX 1998-2004



## COMPARISON OF KSE 100 INDEX WITH OTHER World Indices

| Exchange     | Index           | Date      |                 | Change          |                           |
|--------------|-----------------|-----------|-----------------|-----------------|---------------------------|
|              |                 | 31-Dec-04 | 01-Jan-04       | POINTS          | %                         |
| Jakarta      | Composite       | 1000.23   | 691.90          | 308.33          | 44.56                     |
| Colombo      | All Share       | 1,506.89  | 1,062.39        | 444.50          | 41.84                     |
| KSE          | <b>KSE100</b>   | 6,218.40  | <b>4,471.60</b> | <b>1,746.80</b> | <b>39.06w<sup>^</sup></b> |
| New Zealand  | NZSX 50         | 3,064.44  | 2,278.33        | 786.11          | 34.50                     |
| Istanbul     | ISENational-100 | 24,971.68 | 18,625.02       | 6,346.66        | 34.08                     |
| Argentina    | MerVal          | 1,375.37  | 1,071.95        | 303.42          | 28.31                     |
| J'Burg       | All Share       | 12,656.86 | 9,961.15        | 2,695.71        | 27.06                     |
| Manila       | PSE             | 1,822.83  | 1,442.37        | 380.46          | 26.38                     |
| Australia    | AORD            | 4,053.10  | 3,306.00        | 747.10          | 22.60                     |
| Brizil       | BVSP            | 26,196.00 | 22,236.00       | 3,960.00        | 17.81                     |
| Singapore    | Straits Times   | 2,066.14  | 1,764.52        | 301.62          | 17.09                     |
| Kuala Lumpur | Composite       | 907.43    | 793.94          | 113.49          | 14.29                     |
| Hong Kong    | Hang Seng       | 14,230.14 | 12,575.94       | 1,654.20        | 13.15                     |
| Mumbai       | BSE 30          | 6,602.69  | 5,838.96        | 763.73          | 13.08                     |
| Seoul        | Composit        | 895.92    | 810.71          | 85.21           | 10.51                     |
| NYSE         | NASDAQ          | 2,175.44  | 2,003.37        | 172.07          | 8.59                      |
| Tokyo        | Nikkei          | 11,488.76 | 10,676.64       | 812.12          | 7.61                      |
| London       | FTSE            | 4,814.30  | 4,476.90        | 337.40          | 7.54                      |
| Paris        | CAC40           | 3,821.16  | 3,557.90        | 263.26          | 7.40                      |
| Frankfurt    | Dax             | 4,256.08  | 3,965.16        | 290.92          | 7.34                      |
| Taiwan       | T. Weihhted     | 6,139.69  | 5,890.69        | 249.00          | 4.23                      |
| NYSE         | Dow Jones       | 10,783.01 | 10,453.92       | 329.09          | 3.15                      |
| Amsterdam    | AEX General     | 348.08    | 337.65          | 10.43           | 3.09                      |
| Bangkok      | SET             | 668.10    | 772.15          | (104.05)        | (13.48)                   |
| China        | Shanghai Comp.  | 1,266.50  | 1,497.04        | (230.54)        | (15.40)                   |

## Salient news

In reverse chronological order for subject period

Key: COT-Carry Over Transaction; CVT-Capital Value Tax; LSE-Lahore Stock Exchange; SECP-Securities and Exchange Commission of Pakistan; SM-Securities Market



The SECP in consultation with the three bourses prepared a 15-week (ending on 31 March 2005) joint action plan to prepare the Exchanges for demutualization. The three exchanges have agreed to initiate discussions on integration among themselves before taking up the matter with SECP during this period.

Elections were held in the LSE to choose 5 member directors. The results were formally announced at the end of the month at the extraordinary general meeting held on 27th December 2004. Mr. Asim Zafar retained the Chairmanship of LSE.

The LSE launched its upgraded website (www.lahorestock.com).

In December 2004, the LSE 25 Index was reconstituted to include Pioneer Cement and Askari Commercial Bank Ltd in place of Engro Chemicals and Japan Power Generation Ltd.

On 24th November 2004, the LSE launched the much awaited Faisalabad trading floor; 32 Members of LSE took office at Faisalabad. The Chairman of the Senate and the Commissioner (SM) of the SECP were kind enough to have joined the LSE at the Faisalabad trading floor inauguration. The branching of an exchange is a new concept in Pakistan whereby the LSE's services are brought right up to the investors in their vicinity. Branching into cities not only enhances investor convenience but also increases market size, as more geographical area and investors are facilitated. Following the successful launching of the LSE Faisalabad trading floor, Sialkot is the next stop for LSE.

In mid October 2004 the Report on the Demutualization and Integration of Exchanges was released by the SECP. This report had been submitted by the ECDI ("Expert Committee on Demutualization and Integration") in early September 2004.

On 3rd September 2004 the SECP issues a time bound action plan for phasing out of COT and the consequent implementation of Margin trading facilities.

'BrokerNet' software was been developed for stockbrokers those want to extend their business over the Internet using their own infrastructure. This will help brokers market their business in remote cities of the country. Broker may issue stock trading terminals to investors to trade directly into the Ultra Trade system (LSE's trading system). Brokers are now able to monitor and control the margin of clients / investors on-line and real-time.

In early July 2004, CVT is applicable on stock market transactions and COT.

In 2003 - 04, the LSE received 1120 claims against various members / defaulted members. Out of those, 1111 claims have been settled, by the Legal Department of the LSE, through Arbitration proceedings and Default Regulations of the Exchange. In the year 2004, the Appeal Committee of the Exchange received 9 appeals out of which the Appeal Committee has decided 5 appeals.

## LSE Overview & Data

For the year 2004, the LSE 25 gained 506.12 points, starting the year at a level of 2491.49 and ending the year on 31st December 2004 at 2997.6 - this represents an increase of 20.31%. The year's high

was on 19th April 2004 when the LSE 25 touched 3133.57. Capitalization of the LSE stood at Rs. 937.300 billion on 1st January 2004 and Rs. 1.678 trillion on 31st December 2004, representing an increase of 79% for the entire year. The total ready market turnover for the year was 17.450 billion (2003: 15.474 billion) with an average daily turnover of 70.08 million (2003: 62.647 million) per day. The total traded value for the year was Rs. 877.261 billion (2003: 764.831 billion) with an average daily traded value of Rs. 3.523 billion (2003: 3.096 billion).

For the period July - December 2004, the LSE 25 Index posted an increase of 169.31 having opened on 1st July 2004 at a level of 2828.30 and closed on 31st December 2004 at a level of 2997.61. Associated details are given below.

It may be pointed out that the LSE 25 index is adjusted (downwards) for dividends and does not assume partial or total reinvestment of dividends in the index. The LSE Total Return Index ("TRI"), which assumes reinvestment, closed at 3779.68 on 31st December 2004 while the LSE 25 was 2997.6 at year end. The LSE TRI's increase for 2004 was 899 points (i.e. 31.20%), having opened the year on 2880.80.

### LSE July - December 2004

|                        |   |
|------------------------|---|
| Total Turnover         |   |
| Volume                 | : 6.925 billion shares                    |
| Value                  | : Rs 376.335 billion [US\$ 6.272 billion] |
| Average Daily Turnover |   |
| Volume                 | : 54.527 million shares                   |
| Value                  | : Rs 2.963 billion [US\$49,388 million]   |

### LSE January - December 2004

|                        |   |
|------------------------|---|
| Number of companies    | : 527   |
| Listed Capital         | : Rs 378.181 billion [US\$ 6.303 billion] Market capitalization |
|                        | : Rs 1.678 trillion [US\$ 27.959 billion]                       |
| Total Turnover         |   |
| Volume                 | : 17.450 billion shares   |
| Value                  | : Rs 877.261 billion [US\$ 14.6.21 billion]                     |
| Average Daily Turnover |   |
| Volume                 | : 70.080 million shares   |
| Value                  | : Rs 3.523 billion [US\$ 58.719 million]                        |

Note: Rs. 60/\$

## Mr. Rajnikant Patel takes over as "Executive Director & CEO" of BSE



The BSE Governing Board appointed Mr. Rajnikant Patel from September 28, 2004 as Executive Director & Chief Executive Officer (C.E.O.) of BSE - The Stock Exchange, Mumbai, for a period of 5 years. Prior to his appointment Mr. Patel

was the Chief Operating Officer (COO) and member of the Governing Board of BSE.

His earlier experience includes assignments with RBI, BNP PARIBAS and Bank of Maharashtra. He is also a member of the working committee of World Federation of Exchanges, is Director on the Boards of Central Depositories Services (India) Ltd. (CDSL) and BOI Shareholding Ltd. (BOISL).

## BSE Launches Weekly Options

BSE Derivatives introduced weekly options from September 13th, 2004, on SENSEX, the popular capital market benchmark Index and on some selected scrips.

This is in order to cater to a demand for shorter maturity options. Presently, the stock and index options are offered for near, middle and far contract month series. With the introduction of weekly options, weekly series will always be available for trading on every Monday for participants with short-term view.

## Product Identification and Risk Management;

For the weekly series, the series code will include the date of expiry. This new series code format will incorporate the expiration date instead of contract month and the risk containment measures adopted for the Weekly Options would be similar to those applied for Stock and Index Options. Benefits of Weekly Stock Option Contracts:

- Weekly Options will command lower premium due to shorter maturity. Thus the Weekly
- Options will cost less than the Monthly Options.
- For similar capital outlay as Monthly Options, participants can take larger positions.
- Weekly Options will provide opportunity for Arbitrage between :
- 'One week to maturity' options and 'two week to maturity' options
- Weekly Options and Monthly Options.

- On account of low cost, the liquidity will improve, as more participants would come in.
- Weekly Options would lead to better price discovery and improvement in market depth.
- The market participants would be able to take a short-term view in the underlying also and Weekly Options would provide market participants short term insurance for their short-term portfolio.



## Launch Of BSE Sector (90/Ff) Series

Constructed as per Global Best Practices With the view to provide the Indian Capital Market with quality sector benchmarks, BSE launched the Sector Series (90/FF) indices effective August 23, 2004.

### BSE Sector Series (90/FF) Indices:

#### New Indices:

- BSE Auto - 16 stocks
- BSE Metal - 12 stocks
- BSE Oil & Gas - 10 stocks

#### Existing Indices :

- BSE BANKEY - 16 stocks
- BSE Capital Goods - 16 stocks
- BSE FMCG - 10 stocks
- BSE Healthcare - 21 stocks
- BSE IT - 11 stocks

The "Sector Series (90/FF) indices are a set of indices across 9 significant sectors listed on the BSE. They are constructed and maintained as per the global best practices. Three new sectors are covered under the new series and the existing sector indices (except BANKEY) will be shifted to the free-float methodology and would become part of the "Sector Series (90/FF)" indices. (BANKEY is already computed on Free Float methodology). **90/FF** implies that the index covers 90% of the sector it represents and is based on the Free-Float methodology.



## Muhurat Trading at BSE

Every year BSE performs Laxmi Puja on Diwali Day at (he Stock Exchange premises, which is then followed by Muhurt trading. This trading is considered as a beginning of the New Year for the traders. Muhurat **Trading via** bsewebx - This time too, the Exchange celebrated the Indian festival of lights that's Diwali on Nov 12, 2004 in a grand way. The invitees included all the senior Capital Market participants. On this day a special felicitation function was also organized for the Oldest Member firm associated with BSE since 1875.

## BSE Heralds UN Year of Micro Credit 2005

On November 18, 2004, the sounds of the bell symbolized the launch of the United Nations (UN) Year of Microcredit 2005. A six-member women micro entrepreneur group from Society for Promotion of Area Resource Centre (SPARC), <i> Mumbai based non-governmental organization, rang the opening bell at BSE - The Stock Exchange, Mumbai's Dinshaw Petit Convention Center, to usher in the UN Year of Micro Credit Year.

Micro-Credit is a simple but powerful poverty alleviating tool that actually rebuild the lives of millions of people living below the poverty line. Micro-Credit drapes the under- privileged with dignity, grace and respect by making people the asset. This was a part of a simultaneous global launch of the Year of Microcredit 2005. Micro entrepreneurs rang the opening bell in different bourses across the globe to launch the Year.

## The National Trading Platform for SMEs - BSE INDONext

20th Jan, 2005 - BSE, The Stock Exchange, Mumbai launched BSE IndoNext by the Hon'ble Finance Minister of India, Shri P. Chidambaram on Friday January 7, 2005 at the BSE . This trading platform will provide the much needed avenue for financing the Small and Medium Enterprises (SMEs).

BSE IndoNext has set up a separate trading platform under the present BSE Online Trading system(BOLT). It



is a joint initiative of BSE and the Federation of Indian Stock Exchanges (FISE) of which 18 regional stock exchanges are members. The BSE IndoNext has introduced the concept of Single Order Book for a security for the first time in India. The objectives of the BSE IndoNext is to :

- To provide a nation wide trading platform for the SMEs already listed with the participating Regional Stock Exchanges (RSEs) and BSE.
- To create liquidity in eligible securities listed on the participating RSEs and
- To create an avenue for existing and new SME companies from various regions of the country to raise fresh capital, both equity and debt, which would help achieve balanced regional growth;
- To use the available infrastructure of the participating RSEs for productive purposes.

This also marks a beginning of stronger ties between BSE and RSEs, for the growth of capital markets in the country, BSE has always been on the forefront in adopting best practices and taking new initiatives. BSE IndoNext is another pioneering effort to provide new opportunities in the Indian capital market by creating a national level single order book for SME's,

## BSE Introduces BIBOR at BSEindia.com

BSE, The Stock Exchange Mumbai , as a part of its initiatives towards development of Debt Market has introduced the BSE Inter Bank Offer Rate (BIBOR) with a view to provide a benchmark or reference rate for short-term interest rates namely the rate of interest at which (acceptable credit quality) banks can borrow funds from other banks, in marketable size in the Mumbai interbank market. Dissemination - These overnight and other tenor rates will be put up on the Bombay Stock Exchange website by 9.40 am & 11.30 am respectively. Additionally, in the interests of transparency and to provide users information about the degree of dispersion in the market, the standard deviation of the all the rates will also be arrived at and published. For any further information, please contact us at [marketing@bseindia.com](mailto:marketing@bseindia.com)

## BSE Hosts 4th SAFE Annual General Conference

BSE hosted the 4th Annual General Meeting of the South Asian Federation of Exchanges in Mumbai on 19th August, 2004. The Exchange jointly with SAFE also organized the 7th Conference for Harmonization of Listing Regulations and Cross Border Listing in order to formulate a process on adoption of SAFE Listing Standard Harmonization Principles to encourage mutual recognition of listing regimes. This High profile South Asian Conference was well attended by chief executives of all member bourses, the regulatory bodies, listed companies to pave the way for cross border listing.



The stock market pursued its bull run during the second semester of 2004 and saw all three indices, SEMDEX, SEMTRI and SEM-7, embark upon a record-breaking spree. The main factors, which underpinned the strong upward move of the market during 2004 are as follows:

- The prevalence of a favourable interest rate environment
- Net inflows of foreign investments in some listed stocks
- The pursuit of share buy-back programmes by the two leaders of the market, namely Mauritius Commercial Bank and State Bank of Mauritius
- Good earnings results by some bellwether stocks and the corporate restructuring of some companies to enhance shareholders' wealth.



## Market Highlights

The Stock market in Mauritius has maintained its upward momentum with the three market indices SEMDEX, SEMTRI and SEM-7 pursued their record-breaking spree and closed on 31 December 2004 at new all-time highs of 710.77 points, 1619.92 points and 149.67 points respectively. The all-share index, SEMDEX, recorded a growth of 8.5% and the SEM-7 went up by 9.2% respectively from July- December 2004. The Total Return Index, SEMTRI, registered a growth of 10.9% in rupee terms and 10.9% in dollar terms respectively for the semester. Market capitalization stood at Rs 67.03 billion on 31 December 2004, recording a growth of 8.5% for the period under review. Turnover amounted to Rs 1.3 billion for the period 1st July to 31 December 2004.

The market continues to trade at compelling valuation multiples as the strong growth in earnings registered by some listed stocks has kept the average market price-earnings ratios at reasonable 9.93 and the average dividend yield at an attractive level of 4.85%.

With the local market showing a total return of

10.9% in dollar terms for the second semester of 2004, foreign investors have maintained their interests in the local market by investing a net amount (purchases-sales) of Rs 247.1 million.

Enactment of Securities

## Legislative Changes Act and Review of Stock Exchange Rules

A new Securities Act will be enacted in February 2005. The SEM is reviewing its regulatory structure and drafting new rules to ensure compliance with the requirements of the new law. The SEM enlisted the support of First Initiative, a donor agency financed by multilateral organisations such as the World Bank, IMF to undertake a thorough review of SEM's listing and business rules. The aim of this project is to update the existing rules to ensure that they reflect international standards and match the requirements of the forthcoming securities legislation and collective investment schemes regulations. The draft rules will have to be approved by the regulator before their coming into force following the enactment of the Securities Act.

The Listing Rules Review Committee set up by the SEM met regularly during the last quarter to review the implications of the Draft Securities Bill on the SEM Listing Rules. The Committee has established an action plan for review and update of the Listing Rules. The Listing Rules review is expected to be completed by the end of this year's first semester.

## Introduction of new Listing Rules for Offshore Entities

New Listing Rules have been drafted for offshore funds and international products. The SEM is working closely with the Ministry of Financial Services and the Financial Services Commission (FSC) for the implementation of the SEM's proposed listing facility for offshore funds/

international products. A joint working committee comprising SEM executives and representatives of the FSC has been set up to follow up on the project and its implementation. The Draft Listing Rules will be finalised following the enactment of the new Securities Act and Collective Investment Regulations.

## Corporate Governance

The Listing Rules Review Committee had discussions on corporate governance principles that should be incorporated in the SEM Listing Rules.

Furthermore, the SEM has, on its own initiative, decided to adhere to the principles of good governance as enunciated in the Mauritius Code of Corporate Governance. A committee comprising members of the management of the Exchange carried out an assessment of the impact of the Code of Corporate Governance on the SEM and made recommendations on the steps to be taken for the implementation of good governance practices by the Exchange. The following Board committees have been set up as per the requirements of the Code of Corporate Governance in order to assist the Board in discharging its responsibilities efficiently: an Audit Committee, a Risk Management Committee and a Corporate Governance Committee.

## New Projects

### Setting up of a second market and the revamping of the OTC Market.

The Stock Exchange of Mauritius (SEM) is working on a project to restructure the current Over-The-Counter (OTC) Market and to consider the establishment of a new SEM Second Tier Market. The project is supported by First Initiative, a donor agency funded by the World Bank, IMF and other international organisations, which provides technical and financial assistance to eligible institutions in the financial services sector. Consultants appointed by First Initiative visited Mauritius from January 17, 2005 to February 4, 2005 to review the regulatory and operational structure of the OTC Market and conduct a market survey/feasibility study to

determine whether a Second Tier Market should be created.

### Development of a secondary market for government instruments of longer maturities

The SEM is working closely with the Bank of Mauritius, the Ministry of Finance, the Ministry of Financial Services and the FSC to develop a secondary market for government instruments of longer maturities. A working committee comprising representatives of the SEM/CDS, the Central Bank, the Ministry of Finance and FSC has been set up and is meeting regularly to discuss the proposed market structure as well as regulatory and operational issues relating to the bond market.

## Central Depository System

CDS Co. Ltd (Mauritius), in partnership with Millennium Information Technologies (Sri Lanka), has successfully completed the implementation of central depository systems at the Central Depository & Settlement Corporation (Kenya) and the Bank of Ghana. Both systems went live in November/December 2004. The General Manager of CDS Co. Ltd (Mauritius), Vipin Mahabirsingh, was the Project Director for both projects.

CDS Co. Ltd and Millennium Information Technologies (MIT) will now start the implementation of the Automated Trading System at the Nairobi Stock Exchange and the Ghana Stock Exchange. In Ghana, the central depository will handle both primary and secondary trading of treasury bills and government bonds issued by the central bank as well as shares and corporate debentures listed on the Ghana Stock Exchange. This has allowed the Bank of Ghana and the Ghana Stock Exchange to optimize their investments in the modernization of the financial market infrastructure. CDS Co. Ltd (Mauritius) and MIT have also started discussions with the newly created Central African Regional Stock Exchange regarding the implementation of central depository and automated trading systems.



National Stock Exchange of India Ltd. (NSE) is a for-profit, tax paying company. It depends\* on business income for its sustenance and growth. As of March 31, 2003, it had a net worth of Rs. 270 crore.

## Market Segments

NSE provides a trading platform for all types of securities - equity and debt, corporate and government and derivatives. The Exchange provides products in 3 different segments; Wholesale Debt Market (WDM), Capital Market (CM) and in Futures & Options (F&O) segment and the products range from equities, fixed income securities (sovereign and nonsovereign), futures and options on indices, stocks and interest rate.

| Market Segments | At the end of Dec 04 |   | Trading Value<br>(Rs.m mn.) |                 |                  |
|-----------------|----------------------|---|-----------------------------|-----------------|------------------|
|                 | No. of Members       | No. of Securities / Contracts (Rs.inn.) | Market Capitalisation       | Nov.-04         | Dec-04           |
| CM              | 867                  | 832                                     | 15,791,608                  | 820,353         | 1,155,931        |
| WDM             | 74                   | 2,937                                   | 14,275,060                  | 455,414         | 725,933          |
| F&O             | 633                  | 4,010                                   | -                           | 1,758,04        | 2,682,275        |
| <b>Total</b>    | <b>878</b>           | <b>7,779</b>                            | <b>30,066,668</b>           | <b>3,033,81</b> | <b>4,564,139</b> |

Notes:

- (a) excludes suspended securities.  
(b) 3 nifty index futures, 3 CNX IT futures, 130 nifty index options, 156 stock futures, 134 CNX IT options, 3,566 stock option and 18 interest rate futures contracts.  
(c) includes notional turnover [(strike price + premium) x quantity] in index options and stock options.  
(d) do not add up to total because of multiple membership.

## Market Review

All three segments in NSE, taken together reported a trading value of Rs.4,564,139 million during December 2004, a rise of 50.44% as compared to the previous month. The market capitalization of the securities available for trading at the end of December stood at Rs.30,066,668 million.

## Membership

The current membership strength of the Exchange is 878.

## Indices

### S&P CNX Nifty

The market benchmark index S&P CNX Nifty closed at 2080.50 on December 31, 2004, registering a rise of 121.70 points (6.21%) during the month as compared to 1958.80 on November 30, 2004. It recorded a high of 2088.45 on December 30, 2004 and a low of 1944.50 on December 01, 2004. The market capitalisation of S&P CNX Nifty was 9,028,310 million as on December 31,2004. It registered an increase of Rs. 629,740 million

### Performance of Various Indices as at end December 2004 (In percent)

| Indices          | 1 month | 3months | 6 months | 1 year |
|------------------|---------|---------|----------|--------|
| S&P CNX Nifty    | 6.21    | 19.19   | 38.18    | 10.68  |
| S&P CNX 500      | 9.18    | 122.06  | 44.62    | 17.86  |
| S&P CNX Defty    | 8.79    | 25.38   | 45.61    | 15.31  |
| CNX Nifty Junior | 14.64   | 27.08   | 53.38    | 30.76  |
| CNX Midcap 200   | 14.24   | 30.22   | 70.29    | 44.61  |
| CNX It Index     | -1.99   | 17.65   | 38.85    | 42.53  |
| CNX Bank Index   | 18.84   | 42.60   | 56.69    | 37.65  |

(7.50%) from its previous month's

close. During the month 298 trades involving 0.20 million Nifty BeEs, the Exchange Traded Fund (ETF), valued at Rs.40,17 million were transacted.

## Overseas Indices

A correlation analysis for the major overseas stock market indices was carried out for the month of December 2004. The following Table(s) presents the returns and the volatility of these indices & the respective correlation.

### Returns and Volatility of Select Indices during December 2004(In percent)

| Indices      | Monthly Returns | Volatility of Returns* |
|--------------|-----------------|------------------------|
| !djia        | 3.40            | 0.58                   |
| HANG SENG    | 1.21            | 0.68                   |
| FTSE 100     | 2.36            | 0.47                   |
| NIKKEI       | 5.41            | 0.88                   |
| NASDAQ       | 1.74            | 0.63                   |
| STI          | 1.90            | 0.66                   |
| S&PCNX NIFTY | 6.21            | 0.74                   |

\* Volatility is the standard deviation of daily returns for December 2004

## Correlation between Select Indices during December 2004

| Indices          | DJIA | HANG SENG | FTSE 100 | NI-KKEI | NAS - DAQ Com- | STI   | S&P CNX Nifty |
|------------------|------|-----------|----------|---------|----------------|-------|---------------|
| -DJIA            | 1    | 0.09      | 0.40     | -0.07   | 0.68           | 0.18  | 0.26          |
| HANG SENG        |      | 1         | 0.32     | -0.05   | 0.08           | 0.08  | 0.59          |
| FTSE100          |      |           | 1        | -0.06   | 0.24           | 0.001 | 0.27          |
| NIKKEL           |      |           |          | 1       | 0.08           | 0.62  | 0.16          |
| NASDAQ Composite |      |           |          |         | 1              | 0.32  | 0.21          |
| STI              |      |           |          |         |                | 1     | 0.13          |
| S&PCNX NIFXY     |      |           |          |         |                |       | 1             |

### Capital Market Segment

The Capital Market (CM) segment of the Exchange reported a trading volume of Rs. 1,155,931 million with about 2.04 million trades per day. The month witnessed an increase in the trading value by 40.91% over its previous month (November 2004) where it registered a trading value of Rs. 820,353 million. The average daily trading value for the month was Rs. 50,258 million as compared to Rs. 41,018 million during the preceding month. The average trade size recorded in the month was Rs. 24,339.

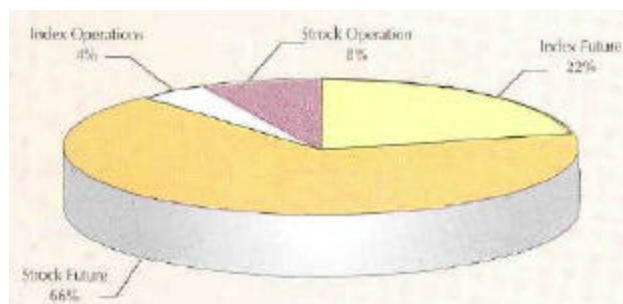
At the end of the month, 832 companies, 826 listed and 6 permitted were available for trading in the CM segment of the Exchange. The market capitalization of securities available for trading in the CM segment increased by 9.19% from Rs 14,462,924 in November 2004 to Rs 15,791,608 million in December 2004. The S&P CNX Nifty and CNX Junior Nifty securities accounted for 57.17% and 10.47% of total market capitalisation respectively.

During the month 4,986 trades involving 6.30 million debentures for Rs.659.15 million were transacted in the CM segment of the Exchange as against 3,845 trades involving 6.42 million debentures for Rs.621.85 million in the preceding month.

### Futures & Options (F&O) Market

The total trading value in the F&O segment amounted to Rs. 2,682,275 million in the month of December 2004 as against Rs 1,758,045 million in November 2004. The segment witnessed an increase of 52.57% in the current month over the previous months trading volume. The average daily trading value during the month was Rs 116,621 million.

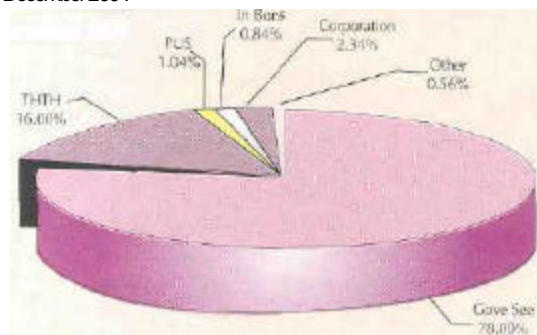
Distribution of F&O Volume: December 2004



### Wholesale Debt Market

The WDM segment witnessed a trading value of Rs.725,933 million during December 2004, as against Rs.455,414 million in November 2004, recording a rise of about 59.40% over the previous month. The average daily trading value during the month was Rs.27,920 million as against Rs.19,801 million in the preceding month. Daily trading value ranged widely between "Rs.61,652.5 million on December 02, 2004 and Rs.9,728.7 million on December 18, 2004.

Security-wise Distribution of WDM Trades December 2004



### Market Capitalisation of WDM Segment

| Security Type     | Market Capitalisation (Rs. mn.) | Share in Total |
|-------------------|---------------------------------|----------------|
| Covt. Securities  | 9,964,407                       | 69.80          |
| PSU Bonds         | 679,402                         | 4.76           |
| State Loans       | 2,145,195                       | 15.03          |
| MF Units          | 18,203                          | 0.13           |
| Fin. Institutions | 281,629                         | 1.97           |
| Treasury Bills    | 620,828                         | 4.35           |
| Corporate         | 358,679                         | 2.51           |
| Others*           | 207,617                         | 1.45           |
| <b>Total</b>      | <b>14,275,060</b>               | <b>100.00</b>  |

\* Others include securitized debt and bonds of local bodies.

## NSE Family

- ° National Securities Clearing Corporation Ltd. (NSCCL)
- ° India Index Services and Products Limited (IISL)
- ° National Securities Depository Limited (NSDL)
- ° NSE.IT Limited (NSE.IT)
- ° National Commodity and Derivatives Exchange Limited (NCDEX) - In an attempt to provide a world class commodity

exchange platform for Market participants to trade in a wide spectrum of commodity derivatives, NSE joined hands with other financial institutions in India viz., IOCI bank Ltd., NABARD, LIC, BNB & CRISIL to promote the National Commodity and Derivatives Exchange Limited (NCDEX). Currently facilitating trading of 15 commodities, more commodities will be traded subsequently in phases.

## A Brief Profile of RSEB

Established No. of Members Regulations

August 1993  
Four Brokerage Firms  
Regulated under the Companies Act of the Kingdom of Bhutan 2000 and the Financial Institutions Act 1992.

Trading Days : Weekly two days - Tuesday and Friday

Trading Time : 11 a.m.

Clearing & settlement: T+3 for equity securities and T+1 for short term Bills and Bonds

Types of securities traded : Equity, Bills and Bonds

No. of Listed Companies : : Mr. Daw Tenzin, Managing Director, Royal Monetary Authority of Bhutan ; Mr. Tashi Yezer

CEO

## Dematerialization

Towards the end of year 2004, the Exchange has started dematerializing the physical certificates of the listed companies, which has issued certificates prior to inception of the Exchange. The revised Companies Act of the



of Bhutan 2000 helped us to carry out the Dematerialization. Together with the dematerialization, the listed Companies with Face Value above Nu. 100 per share are required to split down to Nu.100 or below per share in order to bring uniformity in the face value of shares issued to public.

## Statistical Data July - December 2004

### Equity

|   |          |
|---|----------|
| No. of Listed Companies                     | 15       |
| Volume Traded (No. of Shares)               | 77,915   |
| Value Traded (Nu. in Mill.)                 | 32.97    |
| Market Cap. As at 31/12/2004 (Nu. in Mill.) | 4,298.89 |
| No. of Shareholders                         | 15,150   |

### KM A Bills

|                            |           |
|----------------------------|-----------|
| No. of Bills auctioned     | 4         |
| Volume Traded (Units)      | 40,000    |
| Value Traded (Nu. in mill) | 396.46    |
| Face Value (Nu.)           | 10,000.00 |
| Discount Rate (%)          | 3.5       |
| No. of days to mature      | 91        |

### Bonds/Treasury Bills

|                            |          |
|----------------------------|----------|
| No. of Bonds issued        | 2        |
| Volume Traded (Units)      | 811,861  |
| Value Traded (Nu. in mill) | 811.86   |
| Face Value (Nu.)           | 1,000.00 |
| Coupon Rate (%)            | 7.5      |
| No. of years to maturity   | 10       |



## Summary sheet of transactions

1 st January, 2004 to 31 December 2004

Poush 2061

| Particulars           | 1 st January 2003 to 31 Dec. 2003 |                |        | 1st January 2004 to 31 Dec.2004 |               |        |
|-----------------------|-----------------------------------|----------------|--------|---------------------------------|---------------|--------|
|                       | Share units ('000)                | Rs. in Million | %      | Share units (COOO)              | Rs.in Million | %      |
| 1 Turnover            | 2665.42                           | 590.79         | 100.00 | 15977.77                        | 4861.14       | 100.00 |
| 2 Commercial Banks    | 1886.92                           | 353.42         | 59.82  | 5487.42                         | 3554.81       | 73.13  |
| 3 Development Banking | 84.53                             | 12.84          | 2.17   | 226.56                          | 34.58         | 0.71   |
| 4 Insurance           | 481.65                            | 72.54          | 12.28  | 228.57                          | 37.48         | 0.77   |
| 5 Finance             | 891.64                            | 129.09         | 21.85  | 1284.30                         | 177.71        | 3.66   |
| 6 Manufacturing &     | 27.37                             | 3.35           | 0.57   | 8624.95                         | 1047.13       | 21.54  |
| 7 Hoteli              | 88.90                             | 5.00           | 0.85   | 72.65                           | 3.25          | 0.07   |
| 8 Trading             | 23.36                             | 7.27           | 1.23   | 9.14                            | 5.44          | 0.11   |
| 9 Other               | 348.82                            | 32.60          | 5.52   | 44.18                           | 0.74          | 0.02   |

|                                   |                                 |         |          |       |          |          |       |
|-----------------------------------|---------------------------------|---------|----------|-------|----------|----------|-------|
| 10                                | Market days                     | 237     |          |       | 239      |          |       |
| 11                                | Average daily turnover          | 11.25   | 2.49     |       | 66.35    | 20.34    |       |
| 12                                | Number of transactions          | 77799   |          |       | 106859   |          |       |
| 13                                | Number of Company Traded        | 84      |          |       | 92       |          |       |
| 14                                | Number of Share Traded          | 2665.42 |          |       | 15977.77 |          |       |
| 15                                | Number of Companies Listed      | 111     |          |       | 117      |          |       |
| 16                                | Number of Scripts Listed *      | 115     |          |       | 118      |          |       |
| 17                                | Total Amount of Listed Share    |         | 12794.75 |       |          | 13160    |       |
| 18                                | Market Capitali. of Listed Cos. |         | 36279.10 |       |          | 46837.62 |       |
| 19                                | NEPSE Index of the year         |         |          |       |          |          |       |
|                                   | High                            |         | 227.40   |       | 241.63   |          |       |
|                                   | Low                             |         | 198.44   |       | 195.14   |          |       |
|                                   | Closing                         |         | 201.57   |       | 238.29   |          |       |
| 20                                | % of turnover to paid up value  |         |          | 4.62  |          |          | 36.94 |
| 21                                | % of turnover to market Capita. |         |          | 1.63  |          |          | 10.38 |
| 22                                | Number of Listed Securities     | 155109  |          |       | 172645   |          |       |
| 23                                | Commercial Banks                | 11      |          | 9.91  | 13       |          | 11.11 |
| 24                                | Development Banking             | 4       |          | 3.60  | 4        |          | 3.42  |
| 25                                | Insurance                       | 13      |          | 11.71 | 14       |          | 11.97 |
| 26                                | Finance                         | 38      |          | 34.23 | 41       |          | 35.04 |
| 27                                | Manufacturing & Processing      | 29      |          | 26.13 | 29       |          | 24.79 |
| 28                                | Hotel                           | 4       |          | 3.60  | 4        |          | 3.42  |
| 29                                | Trading                         | 8       |          | 7.21  | 8        |          | 6.84  |
| 30                                | Other                           | 4       |          | 3.60  | 4        |          | 3.42  |
| <b>Note:-US \$ 1 = Rs.71.60/-</b> |                                 |         |          |       |          |          |       |

- 1 NB Insurance Co. Ltd. Listed it's share 200000 worth Rs20 million on 2060/11/19
- 2 Nepal Bank Limited has been delated on 2060/12/19 so (he number of Listed company, ikied shares, total value reduce as compare to the previous month's market report.
- 3 Alpic Everest Finance Limited listed it's 200000 rights share on 2060/12/19
- 4 Peoples Finance Limited listed it's 113255 rights share on 2060/12/19.
- 5 National Finance Limited listed it's 60000 bonus share on 2060/12/19.
- 6 Laxmi Bank Limited Listed it's Share 5500000 worth Ks.550 millions on 2061/1/8
- 7 Nepal Investment Bank Bond 2067 Listed it's unites 300000 worth Rs.300 million
- 8 Cosmic Met: Banking & Finance co. Listed it's Share 600000 worth Rs. 60 Millions on 2061/1/20
- 9 Standard Chartered Bank Nepal Ltd. Listed Bonus Shares 350916 Rs. 36091600 on 2061/2/26
- 10 Union Finance Com. Ltd. Listed Bonuse Shares 59965 worth Rs. 5996500 on 2061/2/26
- 11 Sidhanha Finance Limite. Listed rights shares 200000 worth Rs.2000000 on 2061/03/21
- 12 Kumari Bank Limited Listed Shares 5000000 worth Rs. 500.00 Million on 2061/4/14 (29)July,04)
- 13 Fewa Finance Com. Ltd Listed Shares 200000 worths Rs. 20.00 Million on 2061/6/1 (17)Sept, 04)
- 14 Narayani Finance Limited listed Bonus Shares Listed 47194 on 2061/6/21(07 00,04)
- 15 Lumbini Bank Limited Listed Shares 5000000 Worths Rs. 500.00 On 2061/7/25 (WNov, 04)
- 16 Prudential Insurance Com. Ltd. Listed Shares 1000000 Rs. 100.00 on 2061/7/25 (WNov, 04)
- 17 Laxmi Bank Limited Listed 600000 additional shares which comes through The takeover of HISEF Finance Ltd. on 2061/7/26 (11 Nov, 04).
- 18 Laxmi Bank take over the HISEF so the total no of listed share and amount has been Deducted from previous month's record.
- 19 Sagarmatha Insurance Com. Limited bonus shares 51000 on 2061/7/19 (04Nov,04).
- 20 Rastriya Beema Sansthan Listed Bonuse shares 138525 on 2061/8/23 (8 Dec. 2004)

# South Asian Federation of Exchanges

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