

Capital Market Information & Trading Network in Bangladesh



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Part-A:

Information Fundamentals

Information- the key to success!

- ◆ Three key resources of a business are- people, technology and information
- ◆ Information is the vital key resource for making informed business decision
- ◆ **Data** is raw fact that does not convey meaning
- ◆ **Information** consists of data that convey meaning
- ◆ Businesses do not go at perfect random, indicative information can forecast the future at least to a certain degree
- ◆ Various stakeholders in the capital market require different types of information like--- securities rules and regulations, listed issuers information, registered intermediaries, market instruments, trade information, new IPO/RPO/direct listing, activities of the regulator, stock exchanges, CDBL etc.



What does business do?

- ◆ What does business do?
 - Business provides service
- ◆ How the service best be delivered to the customers or how customers can get the service best ?
 - Service can best be delivered to or received by the customers at their moment of value, i.e when they want it, where they want it and at what form they want it.
- ◆ What tool can ensure such delivery best, especially if the product is information?
 - Information technology(IT) is the tool that can ensure best delivery of the service at customers' moment of value, because IT(specially website) is time and space collapser in delivery of service to its customers including capturing data, transforming into useful derived information, with the assistance of people.



Information needs for investors

- ◆ Investment decision should be made based on information, not at random
- ◆ Investors require information on company fundamentals as well as market information
- ◆ Investors should understand what information is required and where to collect these from and how to forecast return and risk from that information
- ◆ Otherwise it is better to invest indirectly depending on investment advisors or in mutual fund like instruments which are supposed to be professionally managed






Sources of company fundamental data

- ◆ Company fundamental data is published by the company itself in its half yearly financial statements, audited financial statements and annual report, which are available at the company end, SEC library, DSE library, CSE library, annual report in CD from DSE
- ◆ Further compilation in light of investment analysis may be required to forecast future return and risk tradeoff
- ◆ Price sensitive information is published in news papers, stock exchange website's news section
- ◆ Record date and book closer information is also available in news papers and stock exchange websites

Sources of market data

- ◆ Market trade information including company specific traded share price is available in CD from DSE, DSE and CSE websites, www.dsebd.org and www.csebd.com
- ◆ Market trade related information is also available in daily news papers, DSE, CSE monthly reviews and other publications
- ◆ More analytic information may be available from investment advisors or third party data providers but this trend is yet to be developed in Bangladesh





Making rational investment decision based on information

- ◆ After making fundamental analysis about stock price and comparing it with the market price, investment decision is to be made
- ◆ Internet/mobile based information and rumor based information need to be considered very carefully, as they may be designed to mislead the investors.
- ◆ Recognized and trusted website's information may be useful



Part-B:

Web-Based Information Network

Demonstration of SEC Website

◆ SEC Website, www.sec.gov

- SEC functions
- Securities laws
- New IPO/RPO/Direct listing prospectus/offer documents
- Depository participants
- Eligible securities
- Complaints
- Enforcement actions
- SEC Quarterly reviews
- SEC Annual reports
- List of various intermediaries
- List of issuer companies
- Booklet on *Pujibazare Biniyug*





Demonstration of DSE Website

- ◆ www.dsebd.org
- ◆ Total market trade information
 - DSE Index and General Index, and changes compared to previous day
 - Issues advances, declined, unchanged
 - Total trade, volume and value
- ◆ Company specific information
 - Company trade information
 - Basic company information
 - Last AGM information
 - Half year end information
 - Financial performance
- ◆ IPO lottery results
- ◆ Market related training programs

DSE Website continued.....

- ◆ AGM & record dates
- ◆ Recent company disclosures
- ◆ Circuit breakers
- ◆ New IPOs & IPOs archive
- ◆ Daily news and archives
- ◆ Help desk for NRB- Introductory startup guide for NRB
- ◆ Day end statistics
- ◆ Market highlights
- ◆ Monthly reviews and graphs
- ◆ Global market comparison
- ◆ DSE rules and regulation
- ◆ DSE functions, surveillance, clearing & settlement, legal control etc.



Demonstration of CSE Website


◆ www.csebd.com

◆ Market information

- MIS report on CASPI Index, CSE-30 Index, CSCX Index and changes compared to previous day, total trade, volume and value
- Bid limit sheet- circuit breaker
- Close price of traded scripts
- Traded scripts with open, high, low, close price, value volume
- Daily trade summery- scrip wise
- Indices graph
- Daily news
- Book closure



CSE Website Continued.....

- 
- Scrip wise price chart
 - Sector index
 - Weekly report
 - ◆ Listed companies
 - ◆ Company wise dividends in last few years
 - ◆ New IPOs
 - ◆ IPO lottery results
 - ◆ Market related training programs
 - ◆ Rules and regulations
 - ◆ Listing requirements
 - ◆ Trading policy
 - ◆ Publications

Demonstration of CDBL Website

- ◆ www.cdbl.com.bd
- ◆ No. of investors accounts in CDBL
- ◆ List of depository participants
- ◆ No. of equity securities in CDBL
- ◆ No. of equity shares in CDBL
- ◆ Fees and deposits
- ◆ Direct account
- ◆ CDBL SMS alert
- ◆ Treasury bill electronic registry
- ◆ Methods of operation
- ◆ Various services
- ◆ Legal structure
- ◆ Others





Company websites

- ◆ Company specific more information may be available in company websites
- ◆ For example:
 - www.squarepharma.com.bd
 - www.aci-bd.com
 - www.shahjalalbank.com.bd
 - www.crislbd.org (Credit rating agency)
 - www.crab.com.bd (Credit rating agency)



Third party data providers

- ◆ At present, some local data service provider companies collect data from DSE, CSE upon agreement and provides services to clients through website, mobile etc.
- ◆ Bloomberg, Router etc international data service providers provide stock data service world wide, although they are not yet working in Bangladesh



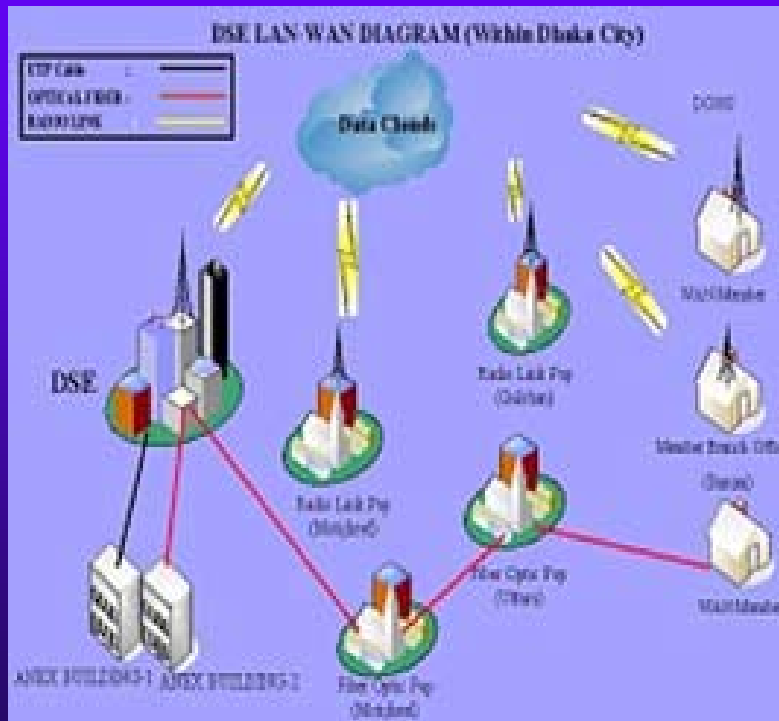
Part-C:

Trading Network

- DSE Trading Network
- CSE Trading Network

DSE's trading network

- All the Member Server Applications (MSA) of 230 DSE members are connected with NonStop HP S-Series Trade Server through either DSE LAN or WAN connectivity. Each member has one or more Trader Work Station (TWS). The TWSs are being connected to the Trading Server via respective MSA through LAN and WAN connection.



DSE trading network location coverage

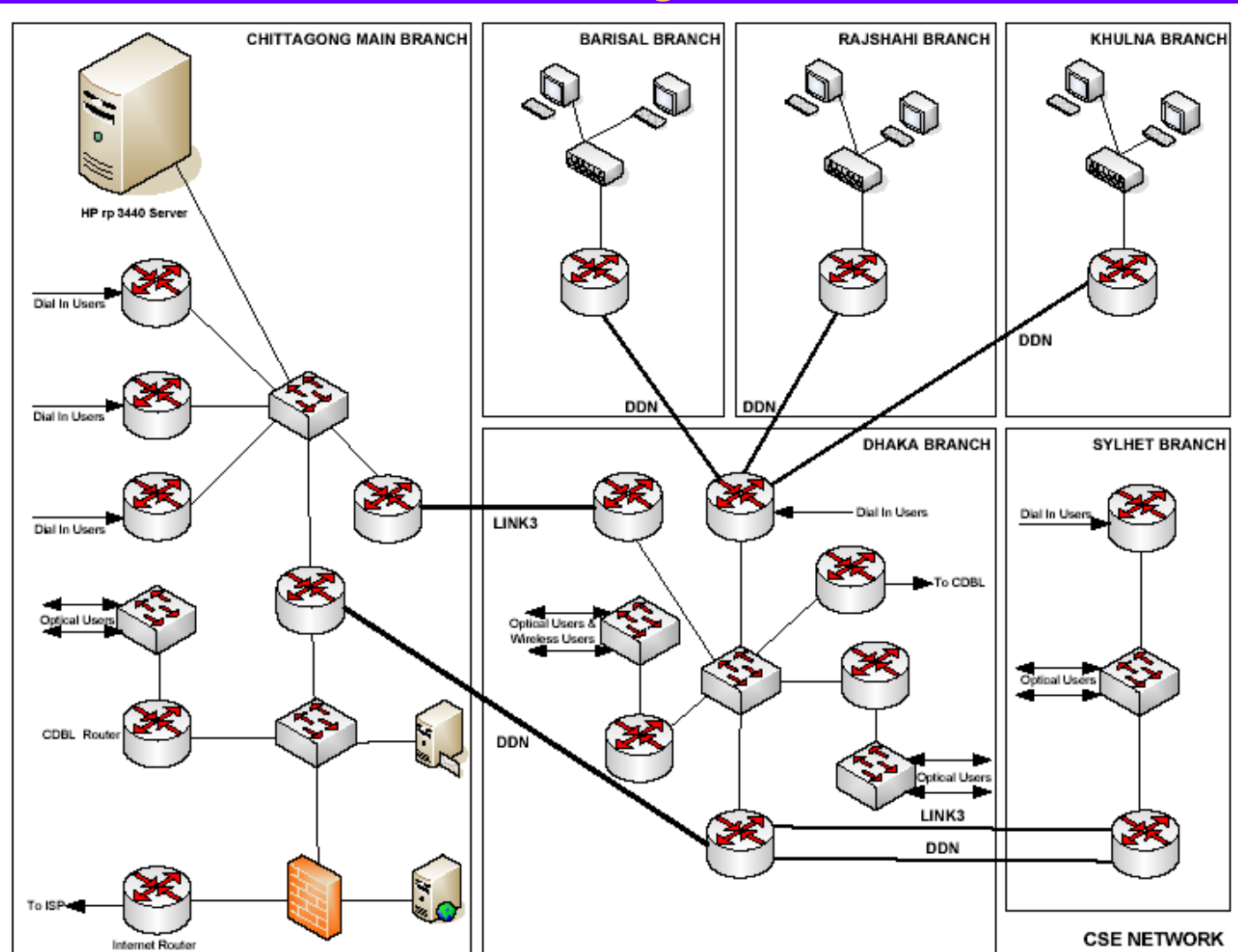
- ◆ Now a days, members can establish a main office or branch offices to their remote location and can trade smoothly by using different media ADSL, optical fiber and radio Link from Dhaka and other important cities such as:

- Gazipur
- Narayanganj
- Comilla
- Feni
- Hobiganj
- Moulovibazar
- Mymensing
- Saver
- Chittagong
- Sylhet
- Khulna
- Kustia
- Barisal
- Rajshahi
- Bogra



CSE trading network

- CSE has LAN/WAN based trading network
- Internet based trading network



CSE's trading network location coverage

- ◆ Trading network of Chittagong Stock Exchange Limited (CSE) exists in the following regions
 1. Chittagong
 2. Dhaka
 3. Sylhet
 4. Rajshahi
 5. Khulna
 6. Barisal
 7. Chowmuhoni,
 - 8 Noakhali
 9. Jessore
 10. Feni
 11. Cox's Bazar
 12. Narayanganj





CSE Internet Trading Network

- ◆ www.bangladeshstockmarket.com
- ◆ The objective of Chittagong Stock Exchange Internet Trading Services (ITS) is to spread the capital market of Bangladesh beyond the larger cities of the country. Through this system, you can witness the market scenario on the Internet and place buy/sell order through your Broker concurrently.

Procedures for Internet Trading in CSE

- ◆ Agreement with a Broker
- ◆ Passwords
- ◆ Cash Account and Margin Account
- ◆ Deposits with your brokers and your trade limit
- ◆ Placing & Execution of Order
- ◆ Trade Confirmation
- ◆ Post Trade Settlement
- ◆ Check your position - your own index
- ◆ Collection of money and share certificates from your brokers Safe Keeping service of your Brokers





Thank You