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| **Incorporated as East Pakistan Stock Exchange Association Ltd.:** | 28th April 1954 |
| **Start of Formal Trading:** | 1956 |
| **Renamed as East Pakistan Stock Exchange Ltd.:** | 23rd June 1962 |
| **Renamed as Dacca Stock Exchange Ltd.:** | 13th May 1964 |
| **Trading Suspended under new State Policy:** | 16th December 1971 |
| **Trading Resumed in Bangladesh:** | 16 August 1976 |
| **Starting Of All Share price Index calculation:** | 16th September 1986 |
| **Share price Indices calculation on basis of IFC Designed formula:** | 1st November 1993 |
| **Starting of Automated trading:** | 10th August 1998 |
| **Starting Of DSE-20 Index calculation:** | January 2001 |
| **Starting Of DSE General Index calculation:** | 27th November 2001 |
| **Start of CDS through CDBL:** | 24th January 2004 |
| **DSE All share price Index (DSI) Re introduced:** | 28th March 2005 |
| **Regulations 2006 Introduced:** | 12th April 2006 |
| **DSE Chittagong Office Inaugurated:** | 22nd November 2007 |
| **DSE Sylhet Office Inaugurated:** | 30th March 2008 |
| **Book-Building Method Introduced:** | 2010 |
| **Web Based Trading Software-MSA Plus Introduced:** | 10th June 2012 |
| **Starting DSE Broad Index (DSEX) & DSE 30 Index DS30 (by S&P):** | 28 January 2013 |
| **Bangla Website Introduced:** | 18 February 2013 |
| **The Exchanges Demutualization Act 2013 passed by the Parliament:** | 29 April 2013 |
| **Effective date of the Exchanges Demutualization Act 2013:** | 02 May 2013 |
| **Index Calculation Algorithm (according to IOSCO Index Methodology):**                                     Yesterday's Closing Index X Current M.Cap Current Index = --------------------------------------------------------------                     Opening M.Cap                                   Yesterday's Closing Index X Closing M.Cap Closing Index = --------------------------------------------------------------                     Opening M.Cap    Current M.Cap = ∑ ( LTP X Total no. of indexed shares )  Closing M.Cap = ∑ ( CP X Total no. of indexed shares )  **There are three indices in the DSE as follows :**   |  |  |  |  | | --- | --- | --- | --- | | Sl.No | Index Name | Base Index | Remarks | | 1 | DSI (all shares) | 350 (as on 01-11-1993) |  | | 2 | DGEN  (A, B, G & N) | 817.63704 (as on 24-11-2001) | SEC directive regarding index was on 17-11-2001 | | 3 | DS20 | 1000 (as on 01-01-2001) |  |     **Abbreviations and Acronyms**  M.Cap  - Market Capitalization DSE      - Dhaka Stock Exchange IOSCO - International Organization of Securities Exchange Commissions (IOSCO) LTP      - Last Traded Price CP        - Closing Price    The Dhaka Stock Exchange (DSE) yesterday launched two price indices, said to be accurate reflections of market activities.  The indices, DSEX and DS30, were designed by Standard and Poor's (S&P), one of the world's leading credit-rating agencies, based on the free-float methodology used by the world's major indices, said Rakibur Rahman, president of the country's premier bourse.  â€œDSEX will be considered as the benchmark general index of the market as it shows the exact price movement of the listed companies,â€ said Alka Banerjee, S&P's head of equity indices product management.  DSEX has a total of 199 listed companies, which is 93 percent of total market capitalisation, she added.  â€œFor the DSEX, S&P has stressed liquidity and turnover of the listed companies,â€ the S&P official said, adding that the value of the DGEN on January 17, 2008 -- 2,951.91 points -- has been set as the base of the DSEX.  As for DS30, 30 companies based on profitability, market capitalisation and share size were selected, with the companies changed every six months on the basis of performance, Banerjee said.  â€œThe companies included in DS30 will be considered as good shares to invest in.â€  Market capitalisation under free-float methodology is calculated by taking the equity's price and multiplying it by the number of shares readily available in the market.  Instead of using all the shares outstanding as in full-market capitalisation, which DGEN follows, the free-float method excludes locked-in shares held by promoters and governments.  The need for a new index arose following the listing of Grameenphone on November 16, 2009, when the benchmark index of the DSE shot up more than 764 points.  The abnormal jump, due to the index's faulty computation methodology, created confusion in the market.  The DSE was supposed to introduce the new index by April 2012, but the prime bourse took its time to ensure that the index met international standards.  â€œInvestors' confusion over the old flawed index will be removed as we introduced world-class indices for the market,â€ Rahman said.  Ahmed Rashid, senior vice-president of the DSE, said the launch of new international index will attracted foreign investors to Bangladesh.  â€œThe new index will encourage investors to play in the market,â€ Rashid said.  DSEX, the key market tracking index of the DSE, finished its first day at 4,090.47 points, after surging 34.56 points, or 0.85 percent.  DS30 index closed the day at 1,473.01 points, after gaining 12.70 points or 0.87 percent.  â€œBut the DS30 index will be traded in the market when we will introduce derivative market,â€ Rahman said.  â€œWe are working to develop the market for the interest of investors,â€ the DSE president said.  **.**  **.**  **.**  **.**  **.**  The country’s two bourses will launch new indices on Monday under free-float system scrapping the existing indices in a bid to restructure the ailing capital market. The Dhaka Stock Exchange will launch two new indices — DSEX, which will replace the existing key index of the bourse DGEN, and DS 30, which will include shares of the top 30 companies. DSE officials said the base year for both indices was 2008 and the base point was 1,000. With the introduction of the new indices, the value of DSEX would be around 4,005 points on Monday while the value of DS30 would be around 1,350 points, said the officials.  The DSE will also run the previous key index DGEN to allow the investors some time to get used to the new ones. The DGEN closed at 4167.69 points on Thursday. An index based on the free-float method is calculated by multiplying the price of an issue by the number of shares available for trading on the market. However, locked-in shares are excluded from the calculation.  In the new DSE indices more than 5 per cent shareholding by listed companies’ sponsors-directors, government’s shareholding, strategic shareholding and cross holding by associated companies would be excluded from the calculations under the free-float system. The investors and market stakeholders are waiting for the new index with mixed anticipation as some fear the value of the new index would be way lower than the existing one and some are hopeful the new index would boost the ailing market with a higher index. The DS 30 will feature the premier companies of the bourse that are selected with a number of criteria taken into consideration, including having a minimum net profitability record for 12 straight months.    The DS30 index companies must have a minimum daily turnover of Tk 50 lakh for three consecutive months while the performances of the companies would be reviewed every six months.  The DS30 also must have representation of every sector of the bourse and no single sector can have more than five companies in the index.  The DS30 criteria also said the banks, financial institutions and insurance companies cannot have more than 10 representatives in the index. The DSE also made a 3-month trial period mandatory for any new company that would be listed to the bourse before its incorporation in the DSEX.  The value of DSEX was computed under the performance of the DGEN since 2008 and the companies listed with it.  The DSE new indices were formulated with the assistance of S&P, an American financial service provider, which formulated a number of major stock market indices across the world, including Dow Jones Industrial Average and S&P 500. The flawed computation of the index first came to light following the debut of Grameenphone on the stock market in November 2009 when the DSE general index gained more than 700 points in a single day. A Securities and Exchange Commission committee in 2010 proposed that the DSE should introduce free-floating index to get over the flaws in the calculation process. The Chittagong Stock Exchange is also set to launch its existing indices under free float method on Monday. The CSE officials said it would continue with the existing indices CXEX, CSE30 and CSPI, but would transform the index calculation process into free float system.   Both the bourses published the name of 30 companies on Thursday which would be included in their new indices of Top-30 shares. The CSE selected the top 30 companies whose paid-up capital is 29 per cent of the total paid-up capital of the market and the market capitalisation is 30 per cent of the total market capitalisation.  http://www.newagebd.com/newspic/86b64d3afb33d0b897c70caf03dce92820130124.jpg |  |

he Dhaka Stock Exchange (DSE) is going to introduce a new index calculation system by next two-three months on the basis of free-float method.  
  
“We have been working for a long time in line with the guidelines of the Securities and Exchange Commission (SEC) to introduce a new index calculation and finally will be able to introduce it by next two or three months,” DSE Senior Vice-President Ahmed Rashid Lali told reporters after a meeting with the consulting firm ‘S and P’ at DSE building in the capital yesterday.  
  
Earlier, the new index was set to be launched in April, but faced a setback due to non-submission of necessary information by a number of listed firms to the DSE timely.  
  
Lali, however, said the present index calculation will also remain operational for sometimes after the launching of the new one until the investors are able to understand new index calculation fully.  
  
“We will send the methodology for new index calculation to the regulator for approval before introducing it finally,” he added.  
  
Representative of S and P Coeal Goash said after the meeting, “We agreed on different points on reforms in the calculation method”, adding that they would start studying existing index calculation method at first.  
  
Earlier, the SEC asked the country’s twin bourses to calculate index based on free float shares.  
  
In free-float system, market capitalisation is calculated by multiplying the equity's price with the number of shares available for trading on a particular day. - See more at: http://www.daily-sun.com/details\_yes\_04-05-2012\_New-DSE-index-in-3-months\_133\_1\_3\_1\_5.html#sthash.7QGXLUv5.dpuf