

# DSEX & DS30

## DSE Indices

as per 'DSE Bangladesh Index Methodology'  
designed and developed by S&P Dow Jones Indices



**DHAKA STOCK EXCHANGE LTD.**

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# DSEX and DS30 Index

## Dhaka Stock Exchange Indices

The Dhaka Stock Exchange presently computes two indices, DSE Broad Index (DSEX) and DSE 30 Index (DS30). None of the DSE Indices include mutual funds, debentures and bonds.

### Introduction of DSE Indices

The Dhaka Stock Exchange Limited introduced DSE Broad Index ("DSEX") and DSE 30 Index ("DS30") as per 'DSE Bangladesh Index Methodology' designed and developed by S&P Dow Jones Indices with effect from January 28, 2013." DSEX" is the Broad Index of the Exchange (Benchmark Index) which reflects around 97% of the total equity market capitalization.

DS30 constructed with 30 leading companies which can be said as investable Index of the Exchange. "DS30" reflects around 51% of the total equity market capitalization. The criteria taken into consideration in construction of these Indices are:

### Market Capitalization

**DS30** - Eligible stocks must have a float-adjusted market capitalization above 500 million BDT as of the rebalancing reference date.

**DSEX** - Eligible stocks must have a float-adjusted market capitalization above 100 million BDT. Additionally, if a current index constituent falls below the 100 million BDT threshold, but is no less than 70 million BDT, then the stock remains in the index provided it also meets the other inclusion criteria.

**Float-Adjustment:** A stock's weight in an index is determined by its float-adjusted market capitalization.

### Liquidity

**DS30-** Stocks must have a minimum three-month average daily value traded (ADVT) of 5 million BDT as of the rebalancing reference date. Liquidity criteria can be reduced to 3 million BDT in certain circumstance to ensure there are enough constituents in the index. At each semi-annual rebalancing, if a current index constituent falls below 5 million BDT but is no less than 3 million BDT then the stock remains in the index provided it also meets the other eligibility criteria.

**DSEX** - Stocks must have a minimum six-month ADVT of 1 million BDT as of the rebalancing reference date. At each annual rebalancing, if a current index constituent falls below 1 million BDT, but is no less than 0.7 million BDT, then the stock remains in the index provided it also meets the other eligibility criteria.

In addition, all eligible stocks for the DSE indices are required to trade at least half of normal trading days each month for the three months prior to the rebalancing reference date.

## Financial Viability

**DS30** - Stocks must be profitable as measured by positive net income over the latest 12-month period, as of the rebalancing reference date. The figure is calculated by adding the latest four quarters of net income reported for the company.

**DSEX** - Financial viability is not required for index membership.

## Sector Classification

All listed DSE stocks are classified according to the DSE Industry Classification system. The number of constituents in Banks, Financial Institutions, Insurance sector, Real Estate Sub-sector of Service & Real Estate sector, Pharmaceuticals and Fuel & Power is capped at 5 each and 20 combined for the DSE Bangladesh 30 Index. Sector diversification rule is not applied to the DSE Bangladesh Broad Index.

Sector diversification rule is not applied to the **DSEX**.

## Base Date

The base dates of the DSE 30 Index (DS30) and The DSE Broad Index (DSEX) are January 17, 2008.

## Base Value

DSE 30 Index (**DS30**): The base value is 1000 for DS30 Index.

The DSE Broad Index (**DSEX**): The DSE Broad index has a base value of 2951.91 on Jan 17th 2008 which was the index value of the DSE General Index on this date. The new index is a broad market index and is designed to reflect the broad market performance. Starting the base value at 2951.91 the performance of the two indices has been linked and we maintain the continuity of the performance of the benchmark. The two indices are very close in design and we can build on the history of the older index which goes back to 2001.

