

December 04, 2009

Pakistan**Bearish sentiments drag market down by 2%****WEEKLY REVIEW**

After a long weekend, the local bourse opened on a negative note amid Dubai debt fiasco. The KSE 100 Index plunged by 197 points or 2.1%WoW, closing at a 9,009 level. On the contrary, average volumes picked up by 23% WoW to 97mn shares post the long weekend syndrome. The pickup in volumes was still sluggish when compared to previous three months' average of 202mn shares. A general lackluster performance was observed as investors remained cautious, especially in the banking and telecom sector.

Dubai debacle dents market's sentiment

Debt debacle that emerged in Dubai last week shook the financial markets globally. Though initially, a downward trend was observed in the international markets, a slight recovery was seen following Abu Dhabi government's statement to provide financial support to Dubai, albeit on a selective basis. Local bourse took the impact after a lag as it was closed due to Eid holidays. Investors were initially concerned, particularly, about UBL's exposure in Dubai, causing the stock to fall by 5% in the first trading day. However, after clarification from the management, selling pressure on the stock eased off.

Second tier stocks– key performers this week

No significant activity was witnessed in the major sectors like banking, energy and fertilizer. Investors chose to stay on the sidelines as they were apprehensive about the impact of Dubai debacle on the Pakistan's market. On the contrary, second tier stocks like BOK, SILK, JOVC, PASL and PRL were the key performers.

Foreigners continue to be net sellers

Banks/DFIs, mutual funds and individuals were the net buyers, while foreigners were amongst the major net sellers. Foreigners trimmed down their positions primarily due to uncertainty in the political climate and the prevailing security situation, offloading shares worth US\$5.3mn.

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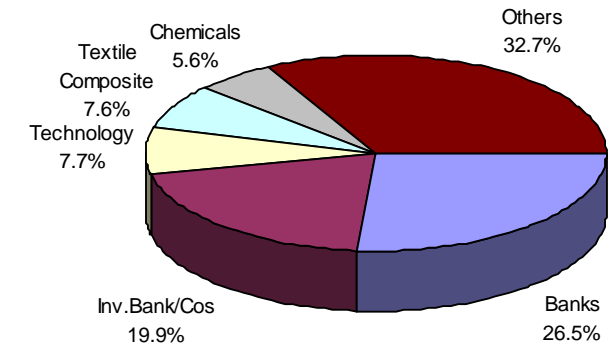
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KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,009.13	9,206.21	-2.1%
KSE Market Cap (Rs. bn)	2,609.08	2,658.29	-1.9%
KSE Market Cap (US\$ bn)	31.20	31.81	-1.9%
Avg daily vol during week (Sh mn)	97.44	79.48	22.6%
Avg daily value during week(Rsbn)	4.05	3.69	9.7%
Avg daily value during week(US\$m)	48.38	44.12	9.7%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	1.42	4.36	-67.5%
Avg. daily value (Rs. mn)	154.56	346.68	-55.4%
KSE ready future spread (%)	3.52	6.24	-272bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,317.04	3,170.98	4.6%
India (BSESN)	17,101.54	16,854.93	1.5%
Indonesia (JKSE)	2,511.54	2,393.52	4.9%
Korea (KOSPI)	1,624.76	1,599.52	1.6%
Malaysia (KLSE)	1,270.20	1,270.61	0.0%
Philippines (PSI)	3,061.99	3,089.82	-0.9%
Taiwan (TWII)	7,650.91	7,739.16	-1.1%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Pakistan Refinery Ltd.	115.93	104.46	11.0%
WorldCall Telecom	3.57	3.36	6.3%
Hub Power Company Limited	30.50	30.12	1.3%
Pioneer Cement Limited	9.16	9.05	1.2%
Kot Addu Power	46.57	46.19	0.8%
National Refinery Ltd.	184.39	185.13	-0.4%
Packages Limited	142.79	143.40	-0.4%
NIB Bank Limited	4.82	4.86	-0.8%
Fauji Fertilizer Bin Qasim	25.77	26.00	-0.9%
Fauji Fertilizer Co. Ltd.	105.96	107.02	-1.0%
Lucky Cement Limited	62.53	63.49	-1.5%

Top sectors by volume

KSE Future Details	This Weekend Vol.(mn)	Last Weekend Vol.(mn)	This Weekend Val.(mn)	Last Weekend Val.(mn)	This Weekend Spread	Last Weekend Spread
NML-DEC	0.59	0.73	39.06	49.29	-1.32%	8.77%
PSO-DEC	0.09	0.01	25.41	3.74	13.05%	4.37%
MCB-DEC	0.12	0.07	24.16	14.54	1.85%	14.80%
OGDC-DEC	0.13	0.32	13.21	34.08	3.82%	2.07%
NBP-DEC	0.11	0.10	7.87	6.99	1.51%	4.11%
ENGRO-DEC	0.03	0.05	5.70	9.38	-2.73%	-3.10%
PPL-DEC	0.02	0.03	4.10	5.11	3.91%	4.01%
POL-DEC	0.01	0.04	2.93	7.74	4.66%	2.60%
AICL-DEC	0.02	0.05	2.63	5.58	2.68%	5.45%
LUCK-DEC	0.02	0.04	1.29	2.82	1.94%	5.10%
TOTAL	1.30	1.89	130.10	147.77	3.52%	6.24%

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