

January 08, 2010

Pakistan**11-week high volumes mark a hopeful beginning to 2010**

The week set a promising start to the New Year, with the local bourse witnessing 11-week high average daily volumes (196mn) and gaining 389 points. The absence of negative news on the political front, enhanced foreign investors' interest and a steep rise in international oil prices were effectual in the sanguine investor behavior prevalent throughout. The market closed the week at 9,776 points level, up 4.1%WoW.

Piqued foreigner interest in E&P

A lack of disturbing events ensured the overall positive momentum remained in the market resulting in remarkably improved volumes of 196mn shares (up 75%WoW) and an index level of 9,776 points. Renewed foreigner interest in E&P scrips and soaring world oil prices (up 3%WoW) caused a rally in the sector. The sector led the market for the most part, gaining 4%WoW. Interest was also seen in NBP after the announcement of NBP's purchasing 27% stake in NAFA from NIB. PTC (up 10.6%WoW) and PSMC (up 9%WoW) were other key performers this week.

IMF pleased with progress

IMF released its third quarterly review today expressing its satisfaction at the pace of Pakistan's economic recovery. Notably, the review left the growth target of 3% intact, reduced the current account deficit to 4.2% of GDP, but revised the estimate for inflation to 11% (9% earlier). This encouraging report along with forex reserves climbing to US\$15bn (highest since Jan '08), helped the positive momentum to continue as reflected in the healthy volumes of 196mn shares on Friday.

Foreigners and Banks lead buyers

Net buying this week came to US\$28.6mn with Foreigners and Banks/DFIs leading with net purchases of US\$9.7mn and US\$15.5mn, respectively. Individuals and companies sold a net US\$21.9mn out of a total net selling balance of US\$28.5mn.

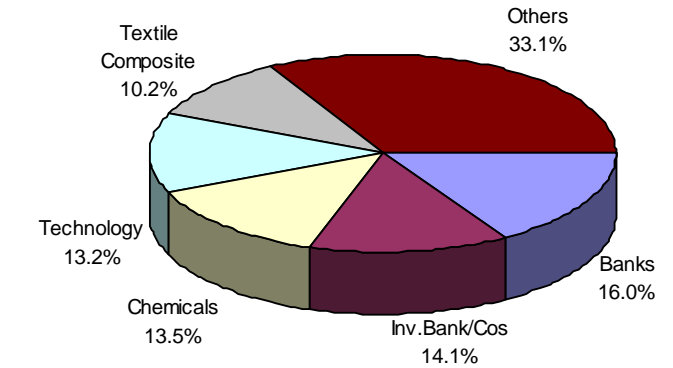
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KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,776.21	9,386.92	4.1%
KSE Market Cap (Rs. bn)	2,812.74	2,705.88	3.9%
KSE Market Cap (US\$ bn)	33.17	32.12	3.3%
Avg daily vol during week (Sh mn)	195.90	111.94	75.0%
Avg daily value during week(Rsbn)	9.55	5.98	59.9%
Avg daily value during week(US\$m)	112.76	70.95	58.9%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.66	5.12	-48.0%
Avg. daily value (Rs. mn)	313.33	239.88	30.6%
KSE ready future spread (%)	8.62	1.35	727bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,196.00	3,277.14	-2.5%
India (BSESN)	17,540.29	17,464.81	0.4%
Indonesia (JKSE)	2,614.37	2,534.36	3.2%
Korea (KOSPI)	1,695.26	1,682.77	0.7%
Malaysia (KLSE)	1,292.98	1,272.78	1.6%
Philippines (PSI)	3,077.18	3,052.68	0.8%
Taiwan (TWII)	8,280.90	8,188.11	1.1%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Pakistan Telecommunication	19.52	17.65	10.6%
Pakistan Oilfields Ltd.	251.60	230.77	9.0%
Pak Suzuki Motor Co. Ltd.	96.97	88.96	9.0%
National Bank Of Pakistan	80.50	74.37	8.2%
Habib Bank Ltd	133.26	123.44	8.0%
Sui Northern Gas Ltd.	26.60	24.80	7.3%
United Bank Ltd.	62.64	58.45	7.2%
I.C.I Pakistan Ltd.	179.63	168.49	6.6%
NIB Bank Limited	5.10	4.80	6.3%
Askari Bank Ltd.	28.85	27.30	5.7%
Kot Addu Power	48.44	45.87	5.6%

WEEKLY REVIEW**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
POL-JAN	0.41	0.07	104.41	14.92	14.17%	6.40%
MCB-JAN	0.10	0.10	21.91	22.39	8.32%	3.84%
OGDC-JAN	0.11	0.71	12.98	78.05	-2.52%	-5.33%
NBP-JAN	0.14	0.14	11.68	10.79	3.23%	7.97%
ENGRO-JAN	0.05	0.06	10.37	11.16	-2.37%	4.38%
AICL-JAN	0.06	0.16	8.04	20.61	1.49%	9.10%
LUCK-JAN	0.09	0.06	6.42	4.06	1.50%	3.37%
PPL-JAN	0.03	0.07	5.29	12.99	2.35%	1.66%
DGKC-JAN	0.14	0.14	4.71	4.34	-1.58%	8.85%
NML-JAN	0.07	0.14	4.67	10.19	0.00%	5.54%
TOTAL	1.71	2.08	204.52	202.30	8.62%	1.35%

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