

July 09, 2010

Pakistan

Market rises most in 17 weeks, index up 2.9%WoW

WEEKLY REVIEW



The bourse saw its highest weekly gain in 17 weeks as the benchmark KSE-100 Index rose 2.9% or 277 points on the back of anticipated positive developments to bring back leveraged product in the market. Moreover, a meeting between the KSE and the FBR officials to discuss the modalities of CGT was a key highlight of the week. This helped volumes pick up in the last three days of the week after a lackluster first two days, with average daily volumes settling at 55mn shares, up 6.5%.

KSE meeting with FBR and SECP lifts sentiments

Along with KSE meeting SECP to discuss re-introduction of leveraged product, KSE officials meeting with the FBR to consider the modalities of CGT reignited investor interest in the market. A press release issued by the KSE late on Friday, confirmed that financing income on leveraged products would be charged at 10%, as a full and final tax liability. In addition, the FBR agreed to consider the carryover of capital losses. Apart from this, another positive development was World Bank endorsing a proposed lending program worth US\$6.2bn which also helped boost market sentiment.

Cement stocks outperform others during the week

Cements stocks out performed the market on the back of the upcoming meeting of FoDP regarding the financing of Diamer-Bhasha Dam. DGKC, being one of the likely beneficiaries of this development, gained 12.7% and closed at Rs26.82. In addition, Banks and Chemicals were the other key performers during the week. On the other hand, Oil & Gas and Automobile & parts were the under performers.

Foreign buying gains momentum

Foreigners continued to accumulate shares, particularly in OGDC, and came out as net buyers of US\$9.8mn shares. On the other hand, Mutual Funds were the net sellers of US\$11.2mn shares.

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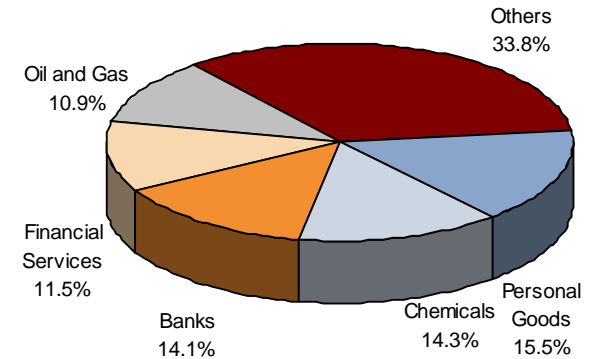
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,974.40	9,697.65	2.9%
KSE Market Cap (Rs. bn)	2,804.85	2,728.64	2.8%
KSE Market Cap (US\$ bn)	32.73	31.95	2.4%
Avg daily vol during week (Sh mn)	55.15	51.78	6.5%
Avg daily value during week(Rsbn)	2.00	1.55	29.7%
Avg daily value during week(US\$m)	23.41	18.08	29.5%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.31	1.67	38.3%
Avg. daily value (Rs. mn)	238.73	198.33	20.4%
KSE ready future spread (%)	3.37	3.06	32bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,470.92	2,382.90	3.7%
India (BSESN)	17,833.54	17,460.95	2.1%
Indonesia (JKSE)	2,943.90	2,871.55	2.5%
Korea (KOSPI)	1,723.01	1,671.82	3.1%
Malaysia (KLSE)	1,324.31	1,307.44	1.3%
Philippines (PSI)	3,394.56	3,290.98	3.1%
Taiwan (TWII)	7,647.25	7,330.74	4.3%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Lafarge Pakistan Cement Ltd	3.13	2.70	15.9%
D. G. Khan Cement Co.	26.82	23.79	12.7%
Stand.Chart.Bank	7.98	7.26	9.9%
Fauji Cement Company Ltd.	4.98	4.54	9.7%
Nishat (Chunian) Limited.	17.42	15.98	9.0%
Nishat Mills Ltd.	46.60	42.78	8.9%
WorldCall Telecom	3.19	2.93	8.9%
Lucky Cement Limited	67.19	62.14	8.1%
Pioneer Cement Limited	6.80	6.30	7.9%
Lotte Pakistan PTA Ltd.	8.56	8.00	7.0%
Maple Leaf Cement Factory Limited	3.39	3.19	6.3%

Top sectors by volume



KSE Futures Details	This Weekend Vol.(mn)	Last Weekend Vol.(mn)	This Weekend Val.(mn)	Last Weekend Val.(mn)	This Weekend Spread	Last Weekend Spread
POL-JUL	0.53	0.05	116.54	9.92	6.48%	6.99%
MCB-JUL	0.43	0.14	86.26	27.01	0.17%	5.43%
DGKC-JUL	2.05	0.03	54.45	0.67	5.25%	10.94%
OGDC-JUL	0.24	0.03	34.79	3.57	-7.24%	-17.45%
ENGRO-JUL	0.18	0.10	31.80	16.89	2.02%	1.96%
NML-JUL	0.43	0.03	20.15	1.25	10.09%	10.97%
PSO-JUL	0.08	0.04	19.77	11.17	7.42%	2.01%
PPL-JUL	0.06	0.01	11.84	1.27	-3.30%	-19.12%
LUCK-JUL	0.13	0.02	8.95	1.22	-2.84%	7.54%
NBP-JUL	0.11	0.02	7.28	1.41	6.09%	3.26%
TOTAL	5.13	0.68	444.87	78.16	3.37%	3.06%

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