JS Research

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Pakistan

WEEKLY REVIEW

KSE: Investors remain sidelined as long weekend ahead

The outgoing week witnessed limited activity at the local bourse due to the upcoming Eid holidays, as average volumes dropped to 35.4mn shares (down 29.7%WoW) and Index closed at 9,879 points, up 1.8%WoW. Moreover, limited corporate earning announcements - except for NML's which too came in the last trading session, and news reports of IMF delaying the release of two remaining tranches worth $2.6 billion to Pakistan, kept investors sidelined. However, the GoP announced the much awaited appointment of SBP's governor, with Shahid Hafeez Kardar chosen to replace the acting governor Yaseen Anwar.

The IMF and macro newsflow

Reportedly, the IMF has set four pre-conditions – implementation of reformed GST, power sector reforms, more autonomy for SBP and clearing of the circular debt arising from commodity operations, to the release of two remaining tranches of $2.6bn. However, it has asked Pakistan to avail $450mn reserved for natural emergencies to help its flood affectees. Furthermore, CPI for Aug 2010 was recorded at 13.2%YoY, while it rose 2.5%MoM owing to Ramadan and the flood effect. However, encouragingly home remittances reached an all time high of US$933mn (up 18%MoM) as aid for the ongoing flood crisis is channeled in.

NML result above market expectations

NML announced a higher than consensus FY10 EPS of Rs8.29 (diluted) and a cash dividend of Rs2.5 per share. Overall the scrip gained 5.7%WoW. Amongst other scrips, MTL rose 4.4%WoW on the back of its strong earnings and payout announced late last week.

Foreign net buying of US$2.6mn

Mutual Funds & Foreigners were net buyers of US$2.9mn and US$2.6mn, respectively while companies and banks were net sellers of US$3.0mn and US$2.8mn, respectively.

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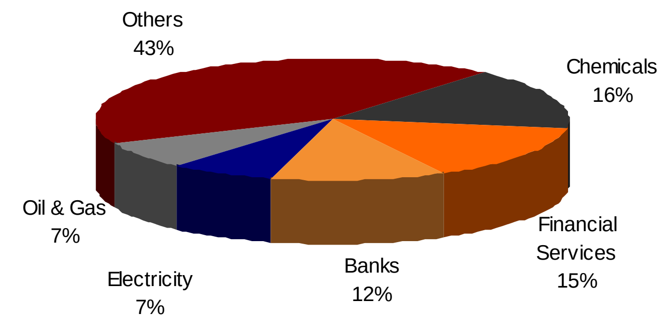
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,879.33	9,703.06	1.8%
KSE Market Cap (Rs. bn)	2,754.85	2,712.35	1.6%
KSE Market Cap (US$ bn)	31.88	31.68	0.6%
Avg daily vol during week (Sh mn)	35.39	50.37	-29.7%
Avg daily value during week(Rsbn)	1.51	2.15	-29.4%
Avg daily value during week(US$mn)	17.64	25.05	-29.6%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	1.34	1.75	-23.2%
Avg. daily value (Rs. mn)	126.83	173.03	-26.7%
KSE ready future spread (%)	-1.29%	-1.70%	41bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,656.35	2,655.39	0.0%
India (BSESN)	18,785.10	18,221.43	3.1%
Indonesia (JKSE)	3,230.89	3,164.28	2.1%
Korea (KOSPI)	1,784.36	1,780.02	0.2%
Malaysia (KLSE)	1,437.78	1,435.67	0.1%
Philippines (PSI)	3,902.56	3,734.70	4.5%
Taiwan (TWII)	7,835.54	7,830.21	0.1%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Sui Northern Gas Pipelines Ltd.	28.50	26.46	7.7%
Sui Southern Gas Co. Ltd.	21.46	20.01	7.2%
Pioneer Cement Limited	7.87	7.40	6.4%
Nishat Mills Ltd.	45.64	43.16	5.7%
Fauji Cement Company Ltd.	5.14	4.90	4.9%
Maple Leaf Cement Factory Limited	3.26	3.11	4.8%
D. G. Khan Cement Co.	26.25	25.09	4.6%
Attock Petroleum Ltd	320.23	306.87	4.4%
Pak Petroleum Ltd.	210.20	203.47	3.3%
Pakistan Telecommunication	18.37	17.80	3.2%
Fauji Fertilizer Bin Qasim	29.17	28.27	3.2%

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
PSO-SEP	0.14	0.05	36.06	11.58	-0.65%	-29.16%
POL-SEP	0.12	0.10	26.49	21.66	-0.49%	3.61%
MCB-SEP	0.12	0.17	21.82	31.66	0.30%	2.33%
PPL-SEP	0.08	0.03	14.25	4.41	10.89%	7.17%
ENGRO-SEP	0.08	0.05	13.96	8.03	2.11%	7.66%
NBP-SEP	0.07	0.12	4.31	7.34	-1.77%	6.42%
OGDC-SEP	0.02	0.05	3.50	6.38	-44.77%	-25.67%
DGKC-SEP	0.12	0.09	3.28	2.23	-1.06%	2.08%
LUCK-SEP	0.02	0.06	1.57	4.19	-21.53%	-5.85%
ANL-SEP	0.09	0.19	0.88	1.77	-2.87%	20.47%
TOTAL	**1.34**	**1.04**	**146.98**	**106.27**	**-1.29%**	**-1.70%**

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