

December 11, 2009

Pakistan

Market consolidates on positive news flow

WEEKLY REVIEW



The local bourse opened in the backdrop of terrorist activities over the weekend which continued in the first two days of the week. However, sentiments improved after Moody's Investor Service in its annual sovereign report elaborated on its reasons for giving Pakistan a B3 rating and a stable outlook. Moreover, positive inflow on Manzalai production and increased remittances flow in Nov 2009 helped the index to close at 9,037 points (up 0.3%WoW).

Moody's & Manzalai news flow improves sentiment

Moody's country report on Pakistan stated that the country's economic slowdown is phasing out, as external liquidity situation has improved and macro economic imbalances are on their way to recovery as well. However, risks like sensitive political scenario, deteriorating security situation and structural problems in the power sector puts extra pressure on the country's economic footing. Moody's report along with increase in oil and gas production from Manzalai and Nov 2009 remittances data (up 20%YoY) restored investor confidence and nullified the dampening affect of CPI recorded at 10.5% for Nov 2009.

Second tier stocks retain bearing as key performers

Second tier stocks continued to rally this week with PAKRI, PAEL, NCL and BAFL all posting gains on healthy volumes. Investor interest remained intact in BOP due to development in the recovery of bad loans. Once again major sectors such as Cements, Refineries & Telecom underperformed the market.

NBFC and foreigners emerge as net sellers

NBFC and foreigners emerged as net sellers of US\$6.3mn and US\$0.6mn respectively. On the contrary, Banks, Mutual Funds and Companies remained net buyers with a cumulative net inflow of US\$8.3mn.

rabia.tariq@js.com

92 21 111-574-111 (Ext. 3119)

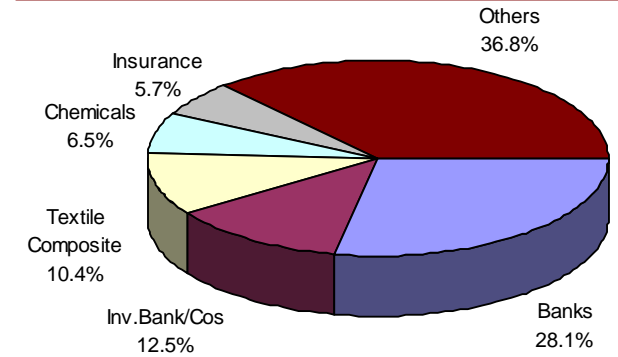
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,037.30	9,009.13	0.3%
KSE Market Cap (Rs. bn)	2,613.73	2,609.08	0.2%
KSE Market Cap (US\$ bn)	31.10	31.20	-0.3%
Avg daily vol during week (Sh mn)	97.39	97.44	-0.1%
Avg daily value during week(Rsbn)	3.82	4.05	-5.6%
Avg daily value during week(US\$m)	45.36	48.38	-6.2%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	1.35	1.42	-5.0%
Avg. daily value (Rs. mn)	123.80	154.56	-19.9%
KSE ready future spread (%)	1.19	3.52	-232bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,247.32	3,317.04	-2.1%
India (BSESN)	17,119.03	17,101.54	0.1%
Indonesia (JKSE)	2,519.10	2,511.54	0.3%
Korea (KOSPI)	1,656.90	1,624.76	2.0%
Malaysia (KLSE)	1,260.00	1,270.20	-0.8%
Philippines (PSI)	3,031.13	3,061.99	-1.0%
Taiwan (TWII)	7,795.07	7,650.91	1.9%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Bank Of Punjab Limited.	18.04	16.06	12.3%
Bank Al-Falah Limited	13.80	13.39	3.1%
D. G. Khan Cement Co.	28.00	27.19	3.0%
Stand.Chart.Bank	9.08	8.83	2.8%
Attock Petroleum Ltd	334.60	327.73	2.1%
NIB Bank Limited	4.92	4.82	2.1%
Oil & Gas Dev.Co	106.90	104.73	2.1%
Indus Motor Company Limited	202.70	199.01	1.9%
Fauji Fertilizer Co. Ltd.	107.80	105.96	1.7%
Fauji Fertilizer Bin Qasim	26.15	25.77	1.5%
Pakistan Oilfields Ltd.	217.11	215.45	0.8%

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
PSO-DEC	0.06	0.09	18.04	25.41	1.43%	13.05%
MCB-DEC	0.06	0.12	12.66	24.16	3.52%	1.85%
NML-DEC	0.17	0.59	11.29	39.06	2.00%	-1.32%
OGDC-DEC	0.09	0.13	9.96	13.21	-4.16%	3.82%
PPL-DEC	0.05	0.02	9.20	4.10	-2.33%	3.91%
ENGRO-DEC	0.05	0.03	8.82	5.70	2.78%	-2.73%
NBP-DEC	0.08	0.11	5.51	7.87	3.88%	1.51%
POL-DEC	0.02	0.01	3.37	2.93	0.36%	4.66%
AICL-DEC	0.01	0.02	1.54	2.63	4.58%	2.68%
DGKC-DEC	0.04	0.01	1.18	0.25	-1.86%	13.94%
TOTAL	0.80	1.30	84.99	130.10	1.19%	3.52%

JS Global Capital Limited

6th Floor, Faysal House, Main Shahrah-e-Faisal, Karachi

Research:

Email: js.research@js.com

Fax: 92 (21) 2800163

Report Compiled By:

Email: raheel.ashraf@js.com

Tel: 92 (21) 111-574-111

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