

August 13, 2010

Pakistan

Dissent on MTS, floods & disappointing results; KSE-100 ↓4.8%WoW

WEEKLY REVIEW



With news flow regarding the flood situation worsening and the KSE chairman expressing difference in opinion on the proposed margin financing product, the market shed 2.8% on Monday. Further, key corporate results also failed to trigger any long lasting rally during the week. The market as a consequence, lost heavily in terms of index points (-492pts), closing the week at 9,823 level (down 4.8%WoW), highest decline since Oct 23, 2009. Trading volumes also remained low as average daily volumes stood at 59mn shares, down 5.2%WoW not only due to the lack of market triggers but could also be attributed to the Ramadan effect.

Economic data failed to invite investor interest

Economic data arriving this week offered a spectrum of developments; trade deficit for July 2010 rose 24%YoY to US\$1.45bn, whereas the CPI for the month came in at 12.34%. Apart from the traditional hike witnessed in Ramadan, it is feared the CPI will be significantly high in coming months owing to the floods which have destroyed some major crops and disrupted the supply of essential food items. On the contrary, remittances maintained their momentum with US\$791mn inflow received in the first month of FY11 rising 6.2%YoY.

Lower than expected corp. results announcement

OGDC, ABL, AHSL, HUBC & LUCK were key result announcements during the week which broadly failed to excite the market owing to lower than expected earnings (and a weak payout in the case of OGDC). HUBC was an exception to the remaining as the stock gained 6%WoW after announcing an impressive final cash dividend of Rs2.5 per share for FY10.

Foreign buying of US\$13.1 mn

Foreigners were net buyers of US\$13.1mn, whereas mutual funds remain net sellers of US\$13.0mn.

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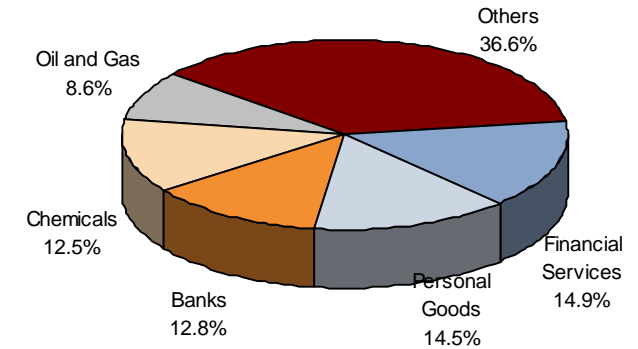
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,823.37	10,315.20	-4.8%
KSE Market Cap (Rs. bn)	2,759.30	2,894.45	-4.7%
KSE Market Cap (US\$ bn)	32.38	33.92	-4.5%
Avg daily vol during week (Sh mn)	58.69	61.91	-5.2%
Avg daily value during week(Rsbn)	2.41	3.21	-25.0%
Avg daily value during week(US\$m)	28.10	37.47	-25.0%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.35	1.94	21.4%
Avg. daily value (Rs. mn)	267.14	246.45	8.4%
KSE ready future spread (%)	-1.30%	-3.75%	245bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,606.70	2,658.39	-1.9%
India (BSESN)	18,167.03	18,143.99	0.1%
Indonesia (JKSE)	3,053.01	3,060.59	-0.2%
Korea (KOSPI)	1,746.24	1,783.83	-2.1%
Malaysia (KLSE)	1,360.15	1,360.45	0.0%
Philippines (PSI)	3,469.52	3,516.28	-1.3%
Taiwan (TWII)	7,891.58	7,963.30	-0.9%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Hub Power Company Limited	37.01	34.92	6.0%
Packages Limited	119.59	120.00	-0.3%
Sui Southern Gas Co. Ltd.	18.51	18.72	-1.1%
Pioneer Cement Limited	7.27	7.36	-1.2%
Kot Addu Power	41.04	41.76	-1.7%
United Bank Ltd.	56.50	57.69	-2.1%
Pak Petroleum Ltd.	204.28	209.21	-2.4%
Maple Leaf Cement Factory Limited	3.19	3.27	-2.4%
National Refinery Ltd.	191.90	197.22	-2.7%
I.C.I Pakistan Ltd.	115.52	118.92	-2.9%
Attock Petroleum Ltd	312.48	321.68	-2.9%

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
NBP-AUG	0.27	0.07	18.04	5.33	-8.56%	2.92%
POL-AUG	0.06	0.09	14.14	20.31	0.82%	3.73%
MCB-AUG	0.07	0.22	13.58	45.59	4.54%	-8.71%
LUCK-AUG	0.13	0.03	8.45	1.75	2.79%	1.02%
PSO-AUG	0.02	0.50	6.24	136.79	2.01%	-2.40%
ENGRO-AUG	0.03	0.11	6.02	20.62	-15.42%	-6.95%
OGDC-AUG	0.04	0.11	4.94	16.35	-17.18%	-22.71%
DGKC-AUG	0.16	0.10	4.11	2.68	4.08%	8.46%
NML-AUG	0.09	0.17	3.96	8.84	2.85%	7.58%
ANL-AUG	0.12	0.09	1.16	1.08	13.04%	20.71%
TOTAL	1.10	2.25	92.50	389.02	-1.30%	-3.75%

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