

November 13, 2009

Pakistan

Market up 1.5%; IMF appreciates signs of recovery

WEEKLY REVIEW



In the outgoing week the benchmark KSE 100 Index gained 1.5%WoW, to close at 9,067 levels. Activity at the bourse remained lackluster in the four day week as average daily volumes remained flat at 132mn shares. However, positive news flow regarding the IMF meeting, improved investor confidence on Friday, helping the Index gain 1.6%.

Moreover, MSCI Barra in its semi annual rebalancing maintained the country's status in the MSCI Frontier Market Index.

IMF welcomes signs of recovery

Key talks between Pakistani officials and the IMF staff, continued during the week with the fourth tranche worth US\$1.2bn expected to be disbursed by mid December. The IMF appreciated the efforts being made by the Government on the structural front and hinted at improvement in certain sectors coupled with easing inflation. However, it also stated the risks to the broader economy remain and more will need to be done to continue on the recovery path. The announcement improved investor confidence and helped the Index gain 1.6% on Friday. Further, the improving economic situation was reflected by the CPI figure for Oct, which came in at 8.87% back into single digits after a gap of 22 months.

Engro replaces NIB in MSCI FM Index

MSCI Barra completed its semi annual review of the MSCI licensed indices, with Pakistan's fourteen scrips having a cumulative weight of 3.4% in the frontier Index. There was only a single change in the list of the companies, as Engro Chemicals replaced NIB Bank. This positive news flow boosted sentiment in the scrip, up 4.7% in the last two days.

Foreigners offload equities worth US\$7.5mn

Foreigners were amongst the major sellers as they offloaded shares worth US\$7.5mn. On the contrary, mutual funds remained net buyers worth US\$5.8mn.

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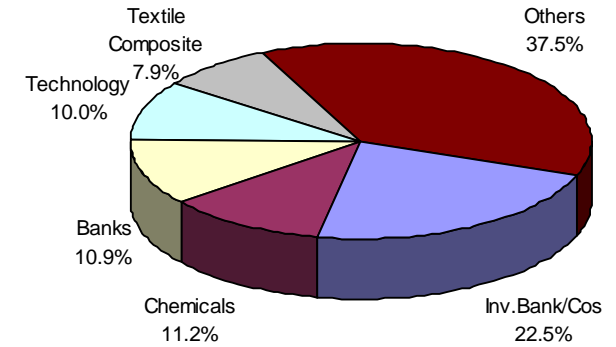
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,067.17	8,936.48	1.5%
KSE Market Cap (Rs. bn)	2,623.18	2,588.96	1.3%
KSE Market Cap (US\$ bn)	31.45	30.99	1.5%
Avg daily vol during week (Sh mn)	131.61	131.63	0.0%
Avg daily value during week(Rsbn)	7.06	7.09	-0.4%
Avg daily value during week(US\$m)	84.56	84.69	-0.1%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.29	2.15	6.7%
Avg. daily value (Rs. mn)	277.74	236.22	17.6%
KSE ready future spread (%)	(3.16)	2.26	-542bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,187.65	3,164.04	0.7%
India (BSESN)	16,848.83	16,158.28	4.3%
Indonesia (JKSE)	2,426.80	2,395.11	1.3%
Korea (KOSPI)	1,571.99	1,572.46	0.0%
Malaysia (KLSE)	1,270.96	1,260.76	0.8%
Philippines (PSI)	3,034.32	2,931.47	3.5%
Taiwan (TWII)	7,665.63	7,463.05	2.7%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
WorldCall Telecom	3.54	3.20	10.6%
Lafarge Pakistan Cement Ltd	2.18	2.00	9.0%
Attock Refinery Ltd.	145.96	135.15	8.0%
United Bank Ltd.	60.38	56.37	7.1%
D. G. Khan Cement Co.	28.48	26.62	7.0%
Pak Suzuki Motor Co. Ltd.	86.43	80.94	6.8%
Engro Chemical (Pak) Ltd.	181.00	170.19	6.4%
Pioneer Cement Limited	9.49	8.96	5.9%
Pakistan Oilfields Ltd.	220.74	209.76	5.2%
Indus Motor Company Limited	197.69	188.21	5.0%
Lucky Cement Limited	64.50	61.43	5.0%

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
AICL-NOV	0.26	0.05	31.31	6.07	23.29%	3.57%
POL-NOV	0.12	0.13	27.11	26.99	-14.88%	-0.26%
MCB-NOV	0.10	0.18	20.57	39.78	-12.05%	-0.25%
OGDC-NOV	0.19	0.37	19.40	38.91	-10.51%	-2.44%
PPL-NOV	0.09	0.10	15.95	16.49	-3.58%	1.52%
PSO-NOV	0.05	0.07	15.12	22.29	0.53%	8.13%
ENGRO-NOV	0.08	0.20	14.02	33.84	-15.55%	4.30%
NMIL-NOV	0.14	0.05	7.99	3.26	-14.45%	2.73%
DGKC-NOV	0.22	0.19	6.00	5.16	-1.87%	15.50%
LUCK-NOV	0.07	0.06	4.57	3.57	-7.68%	0.29%
TOTAL	1.64	2.01	170.17	220.71	-3.16%	2.26%

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