

May 14, 2010

## Pakistan

## Inspid market activity keeps index flat at 10,272 level

## WEEKLY REVIEW



The market remained flat in the outgoing week owing to the global concerns regarding Euro debt crisis and China's macro tightening. The activity at the local bourse was rather muted, particularly from foreigners, as reflected from average daily volumes of 94mn shares versus 130mn shares traded last week. During the week, the SBP disclosed key macro data for the month of April, most of which were in line with market expectations.

## Euro relief package failed to spur activity at the KSE

The week started off with news flow regarding EU's bailout package of US\$962bn, leading to a flurry of activity in the world markets. The KSE, however, failed to witness any spark due to apprehensions pertaining to the release of IMF's fifth tranche of US\$1.2bn, and absence of corporate triggers. To mitigate the concerns, Hafeez Sheikh has hinted towards another 6% power hike (a key IMF condition), if materialized, would pave the way for the smooth completion of the SBA.

## Economic data suggests improving macro situation

Trade gap continued to narrow, as deficit in April alone was down 13.6%MoM to US\$1.3bn on the back of higher growth in exports compared to imports. Remittances also showed improvement and climbed up further in April to stand at US\$756mn, taking the cumulative figure to US\$7.3bn for 10MFY10. Moreover, LSM data for the month of March showed a remarkable growth of 12.2%YoY and 4.4%YTD. On a negative note, inflation rose by 13.3% in April, which was slightly above the street expectation.

## Foreign buying spree slows down

Foreigners continued to dominate the market purchasing shares to the tune of US\$6.6mn. However, the buying spree was sluggish as compared to YTD weekly average of US\$12.4mn. Banks emerged as major net sellers during the week, offloading shares worth US\$7.7mn.

sana.hanif@js.com

92 21 111-574-111 (Ext. 3102)

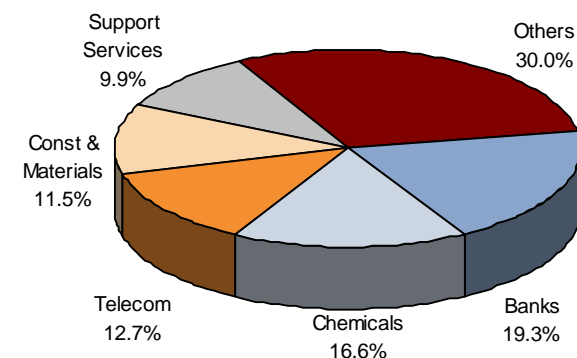
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	10,271.71	10,271.47	0.0%
KSE Market Cap (Rs. bn)	2,898.68	2,905.96	-0.3%
KSE Market Cap (US\$ bn)	34.41	34.49	-0.2%
Avg daily vol during week (Sh mn)	94.07	129.77	-27.5%
Avg daily value during week(Rsbn)	2.50	4.86	-48.6%
Avg daily value during week(US\$m)	29.72	57.77	-48.6%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.41	3.42	-29.3%
Avg. daily value (Rs. mn)	262.47	335.98	-21.9%
KSE ready future spread (%)	(1.36)	1.85	-320bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,696.63	2,688.68	0.3%
India (BSESN)	16,994.60	16,769.11	1.3%
Indonesia (JKSE)	2,858.39	2,739.33	4.3%
Korea (KOSPI)	1,695.63	1,647.50	2.9%
Malaysia (KLSE)	1,339.30	1,332.89	0.5%
Philippines (PSI)	3,330.42	3,142.06	6.0%
Taiwan (TWII)	7,772.13	7,567.10	2.7%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Bank Of Punjab Limited.	16.07	14.31	12.3%
Indus Motor Company Limited	247.27	240.30	2.9%
Oil & Gas Dev.Co	138.05	135.02	2.2%
Lucky Cement Limited	70.02	68.94	1.6%
Pakistan Telecommunication	21.14	20.88	1.2%
Attock Petroleum Ltd	346.26	343.74	0.7%
Habib Bank Ltd	107.21	106.43	0.7%
Kot Addu Power	43.00	42.69	0.7%
Fauji Fertilizer Co. Ltd.	114.88	114.17	0.6%
Pak Petroleum Ltd.	193.08	192.68	0.2%
Pak Suzuki Motor Co. Ltd.	84.57	84.63	-0.1%

## 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
OGDC-MAY	1.02	0.30	140.56	40.94	-4.90%	-7.55%
ENGRO-MAY	0.23	0.58	44.58	115.40	3.45%	3.96%
POL-MAY	0.11	0.33	25.15	79.44	4.45%	-0.44%
PPL-MAY	0.06	0.18	12.26	34.65	0.00%	1.34%
LUCK-MAY	0.17	0.21	11.70	14.91	-4.46%	16.93%
MCB-MAY	0.06	0.21	11.39	42.45	3.05%	2.22%
PTC-MAY	0.37	0.15	7.84	3.26	14.66%	14.04%
NBP-MAY	0.10	0.36	7.39	26.18	3.31%	2.89%
AICL-MAY	0.05	0.24	5.26	23.95	2.12%	1.73%
DGKC-MAY	0.07	0.25	1.81	6.64	0.00%	18.89%
<b>TOTAL</b>	<b>2.42</b>	<b>3.95</b>	<b>292.77</b>	<b>460.81</b>	<b>-1.36%</b>	<b>1.85%</b>

## JS Global Capital Limited

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

Research:  
Email: [js.research@js.com](mailto:js.research@js.com)  
Fax: +9221 3280 0163

Report compiled by:  
Email: [adeel.jafri@js.com](mailto:adeel.jafri@js.com)  
Tel: +9221 111.574.111

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