

July 16, 2010

Pakistan

Macro data influences investors; Index up 1.8%WoW

WEEKLY REVIEW



The week began on a bullish note amid the weekend's positive news flow of some consensus on CGT's modalities and finalization of recommendations for the introduction of leveraged products. Further, some key economic data sets for the year ended June 2010 were released, most of which depicted improvement in the overall economic fundamentals enabling the market to close in the green during first three trading sessions. Towards the end of the week, investors broadly preferred to book profits keeping the index under pressure. However some pre result rallies were witnessed in stocks like FFBL. (↑ 5.9%WoW). On the whole, the index managed to closed at 10,154pts (↑1.8%WoW). Volumes too picked up, (↑ 46%WoW), with an average ~80mn shares traded daily this week.

Macro indicators suggest continued recovery

During the outgoing week, key data was released displaying continued improvement in economic fundamentals. The c/a deficit improved to US\$3.5bn from US\$9.3bn in FY09 owing to higher remittances and CSF payments from the US. Inflation figures also showed improvement as CPI for FY10 settled in at 11.73% versus 20.77% in FY09. Moreover, according to data published by the FBS, exports for FY10 stood at US\$19.4bn (highest since 2008) surpassing the expected target and helping the trade deficit to reduce by 10.5%YoY to US\$15bn.

Cement and Oil & Gas remained key performers

The cement sector continued rallying this week, gaining 2.3%WoW on expectations of funding to be announced for construction of the Diamer-Bhasha dam by the FoDP. The Oil & Gas sector also performed well mainly owing to foreign interest in OGDC which gained 2.2%WoW in value.

Foreigners remain net buyers

Foreign investment slowed down this week with US\$5.7mn purchased and companies turned sellers of US\$6mn.

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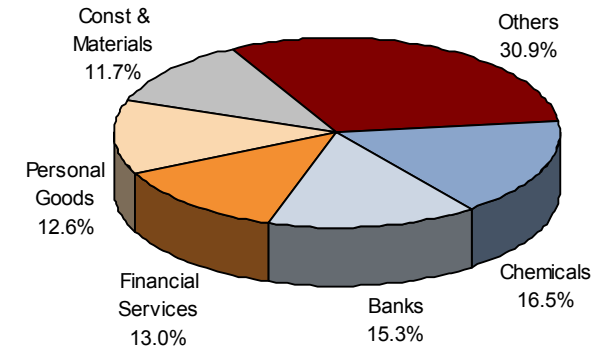
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	10,153.85	9,974.40	1.8%
KSE Market Cap (Rs. bn)	2,852.93	2,804.85	1.7%
KSE Market Cap (US\$ bn)	33.14	32.09	3.3%
Avg daily vol during week (Sh mn)	80.28	55.15	45.6%
Avg daily value during week(Rsbn)	3.18	2.00	58.5%
Avg daily value during week(US\$mn)	37.07	23.40	58.4%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	3.82	2.31	65.1%
Avg. daily value (Rs. mn)	351.64	238.73	47.3%
KSE ready future spread (%)	-0.09%	3.37%	-347bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,424.27	2,470.92	-1.9%
India (BSES)	17,955.82	17,833.54	0.7%
Indonesia (JKSE)	2,992.45	2,943.90	1.6%
Korea (KOSPI)	1,738.45	1,723.01	0.9%
Malaysia (KLSE)	1,336.65	1,324.31	0.9%
Philippines (PSI)	3,442.68	3,394.56	1.4%
Taiwan (TWII)	7,664.57	7,647.25	0.2%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Attock Refinery Ltd.	91.60	84.93	7.9%
Askari Bank Ltd.	16.61	15.46	7.4%
Maple Leaf Cement Factory Limited	3.63	3.39	7.1%
National Bank Of Pakistan	69.56	65.51	6.2%
Fauji Fertilizer Bin Qasim	29.35	27.72	5.9%
Engro Polymer	10.94	10.38	5.4%
Sui Southern Gas Co. Ltd.	17.48	16.76	4.3%
Pioneer Cement Limited	7.04	6.80	3.5%
Adamjee Insurance Co. Ltd.	84.03	81.37	3.3%
Fauji Cement Company Ltd.	5.13	4.98	3.0%
Fauji Fertilizer Co. Ltd.	109.34	106.57	2.6%

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
POL-JUL	0.29	0.53	65.27	116.54	3.57%	6.48%
MCB-JUL	0.24	0.43	47.38	86.26	3.50%	0.17%
NBP-JUL	0.48	0.11	33.34	7.28	6.34%	6.09%
ENGRO-JUL	0.11	0.18	19.54	31.80	5.95%	2.02%
DGKC-JUL	0.45	2.05	12.26	54.45	4.80%	5.25%
PSO-JUL	0.04	0.08	10.12	19.77	3.14%	7.42%
NML-JUL	0.21	0.43	10.09	20.15	-1.65%	10.09%
ANL-JUL	0.70	0.23	8.66	2.59	-18.88%	4.58%
PPL-JUL	0.04	0.06	7.14	11.84	6.82%	-3.30%
LUCK-JUL	0.08	0.13	5.69	8.95	-14.63%	-2.84%
TOTAL	2.97	5.13	247.77	444.87	-0.09%	3.37%

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