

February 19, 2010

Pakistan

Politics and corporate results kept market in check

WEEKLY REVIEW



The week started off on a negative note amid political tension between the judiciary and the government. However, resolution of the issue later in the week along with positive news flow on IMF's review on Pakistan's economy provided relief to the market. In addition, the result season continued with NML, DGKC, PSO, and HBL announcing their earnings during the week. The KSE-100 index closed at 9,903 level, up 1%WoW whilst volumes shrunk by 11% to 153mn shares.

Politics at the forefront

Confrontation between judiciary and the government over the appointment of judges caused investors to remain on sidelines in the first trading session of the week. However, subsequent resolution of the issue reignited investor confidence in the market. In addition, IMF in its press release issued on Wednesday expressed its satisfaction over Pakistan's macro performance, further leading to positive activity at the bourse.

Corporate Results– a mixed bag

Corporate results during the week kept market in check with unexpected payouts. Despite registering higher than expected earnings of Rs29.64, investor interest was short lived in PSO primarily due to absence of a widely anticipated cash dividend announcement. Moreover, DGKC and NML's right issue diluted investor interest in the scrips. However, higher than expected HBL's payout of 60% cash and 10% bonus helped the stock to close up by 2.4% on the last trading day of the week. Moving ahead, heavy weight stocks such as OGDC, MCB and HUBCO are scheduled to announce their results next week which could propel the market to cross the psychological barrier of 10,000.

Foreigners return as net buyers

On four day basis, foreigners and companies were amongst the major net buyers, jointly at US\$16.1mn where as individuals and banks came out as net sellers at US\$14.9mn.

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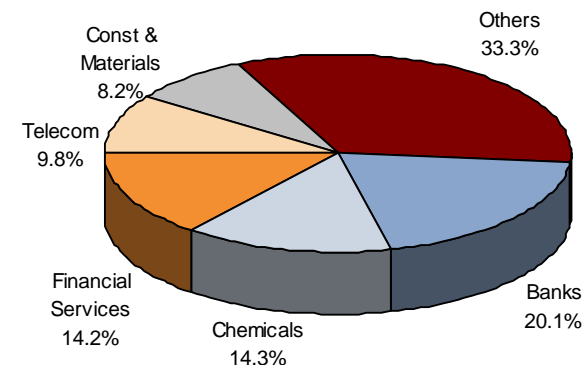
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,902.62	9,805.87	1.0%
KSE Market Cap (Rs. bn)	2,847.64	2,820.53	1.0%
KSE Market Cap (US\$ bn)	33.53	33.25	0.9%
Avg daily vol during week (Sh mn)	153.19	172.20	-11.0%
Avg daily value during week(Rsbn)	5.49	4.80	14.4%
Avg daily value during week(US\$m)	64.66	56.54	14.4%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.18	1.86	17.3%
Avg. daily value (Rs. mn)	274.71	249.97	9.9%
KSE ready future spread (%)	4.62	12.70	-809bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,018.13	3,018.13	0.0%
India (BSESN)	16,191.63	16,152.59	0.2%
Indonesia (JKSE)	2,554.38	2,534.14	0.8%
Korea (KOSPI)	1,593.90	1,593.66	0.0%
Malaysia (KLSE)	1,257.67	1,253.39	0.3%
Philippines (PSI)	2,978.53	2,949.65	1.0%
Taiwan (TWII)	7,441.84	7,441.84	0.0%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
WorldCall Telecom	5.16	4.71	9.6%
Sui Southern Gas Co. Ltd.	16.94	15.75	7.6%
Adamjee Insurance Co. Ltd.	125.44	119.11	5.3%
Sui Northern Gas Ltd.	27.99	26.72	4.8%
Habib Bank Ltd	126.83	121.82	4.1%
National Bank Of Pakistan	83.75	80.58	3.9%
Pakistan Oilfields Ltd.	238.35	230.93	3.2%
MCB Bank Limited	222.65	216.01	3.1%
Pak Suzuki Motor Co. Ltd.	94.40	92.30	2.3%
Oil & Gas Dev.Co	119.42	117.03	2.0%
Hub Power Company Limited	32.05	31.50	1.7%

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
NBP-FEB	0.42	0.09	34.77	7.18	-0.62%	4.83%
AICL-FEB	0.26	0.06	32.61	6.62	28.65%	19.20%
POL-FEB	0.12	1.86	27.92	435.12	-8.47%	15.25%
MCB-FEB	0.10	0.11	21.16	24.96	4.45%	8.52%
DGKC-FEB	0.46	0.02	13.25	0.63	-1.81%	12.00%
OGDC-FEB	0.10	0.29	11.66	34.20	-9.10%	-7.31%
PSO-FEB	0.03	0.06	10.22	19.52	5.13%	5.87%
LUCK-FEB	0.11	0.03	7.62	2.00	11.57%	11.73%
ENGRO-FEB	0.03	0.09	6.37	17.31	4.67%	9.57%
NML-FEB	0.11	0.11	6.29	7.17	3.55%	19.30%
TOTAL	2.01	3.08	180.97	566.40	4.62%	12.70%

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