

August 20, 2010

## Pakistan

## Volatile week ends on a positive note; Index up 0.4%WoW

WEEKLY REVIEW



The widespread flood crisis prevailing in the country kept the local bourse volatile throughout the week. Key highlights of the week were ADB's emergency loan of US\$2bn along with the World Bank's redirected loan of US\$900mn to Pakistan for flood relief efforts. Moreover, this week's PIB auction came under the limelight as the market was expecting a hike in yields but the Ministry of Finance scrapped the entire auction instead. As a result, in the secondary market the PIB yields came down by 40-50bps. Overall, the week concluded with the market gaining a mere 37 points, closing at 9,860 level (up 0.4%WoW) with average daily volumes of 57mn shares (down 2.3%WoW).

## Economic data roundup

Pakistan's Current Account deficit for July shrunk slightly to US\$635mn compared to US\$645mn recorded in the same period last year, as rising exports and strong remittances helped the deficit remain at a manageable level. Moreover, PKR continued to remain strong (appreciated 0.2%MTD against the US\$) as funds came in from various international donors for flood relief efforts and also on the back of increased remittances during the month of Ramadan.

## Selective investor interest witnessed

Selective investor interest was observed in fundamentally attractive scrips like MCB, OGDC and ABL. However, the week remained muted as far as corporate results were concerned with the exception of SHEL, announcing below than expected earnings which led the scrip to fall 3.3% since the result. Furthermore, key companies from the banking, auto and telecom sectors are scheduled to announce earnings next week which could dictate the market's direction.

## Foreigners continue to be net buyers

Foreigners remained net buyers of worth US\$6.1mn, whereas Individuals came out as net sellers of US\$2.4mn.

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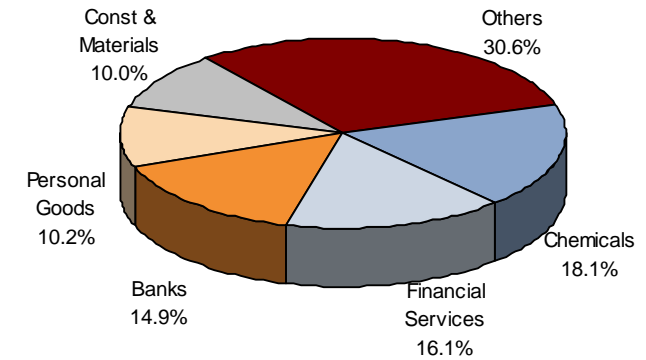
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,860.36	9,823.37	0.4%
KSE Market Cap (Rs. bn)	2,760.56	2,759.30	0.0%
KSE Market Cap (US\$ bn)	31.82	32.38	-1.7%
Avg daily vol during week (Sh mn)	57.36	58.69	-2.3%
Avg daily value during week (Rsbn)	1.85	2.41	-23.1%
Avg daily value during week (US\$mn)	21.61	28.10	-23.1%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.04	2.35	-13.4%
Avg. daily value (Rs. mn)	210.17	267.14	-21.3%
KSE ready future spread (%)	-2.61%	-1.30%	-131bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,642.31	2,606.70	1.4%
India (BSES)	18,385.80	18,167.03	1.2%
Indonesia (JKSE)	3,117.72	3,053.01	2.1%
Korea (KOSPI)	1,775.54	1,746.24	1.7%
Malaysia (KLSE)	1,395.02	1,360.15	2.6%
Philippines (PSI)	3,593.60	3,469.52	3.6%
Taiwan (TWII)	7,927.31	7,891.58	0.5%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Fauji Cement Company Ltd.	5.22	4.72	10.6%
Lotte Pakistan PTA Ltd.	8.10	7.53	7.6%
Allied Bank Limited	55.69	53.24	4.6%
Lafarge Pakistan Cement Ltd	2.99	2.86	4.5%
NIB Bank Limited	2.85	2.75	3.6%
MCB Bank Limited	195.59	189.68	3.1%
Pioneer Cement Limited	7.44	7.27	2.3%
Oil & Gas Dev.Co	141.21	138.00	2.3%
Engro Polymer	11.80	11.54	2.3%
I.C.I Pakistan Ltd.	117.98	115.52	2.1%
Attock Petroleum Ltd	317.06	312.48	1.5%

## 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
MCB-AUG	0.26	0.07	51.69	13.58	-0.53%	4.54%
PSO-AUG	0.08	0.02	20.23	6.24	6.85%	2.01%
POL-AUG	0.07	0.06	15.99	14.14	-3.52%	0.82%
NBP-AUG	0.12	0.27	8.08	18.04	-10.29%	-8.56%
OGDC-AUG	0.05	0.04	7.57	4.94	-29.94%	-17.18%
LUCK-AUG	0.08	0.13	5.38	8.45	10.16%	2.79%
PPL-AUG	0.02	0.05	4.99	9.73	-3.07%	3.31%
NML-AUG	0.09	0.09	4.10	3.96	-2.33%	2.85%
DGKC-AUG	0.15	0.16	3.65	4.11	-12.41%	4.08%
ANL-AUG	0.12	0.12	1.17	1.16	25.66%	13.04%
<b>TOTAL</b>	<b>1.16</b>	<b>1.10</b>	<b>136.47</b>	<b>92.50</b>	<b>-2.61%</b>	<b>-1.30%</b>

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