

November 20, 2009

## Pakistan

## Economic numbers and expected rate cut drive market up 2%

## WEEKLY REVIEW



In the preceding week, the benchmark KSE 100 Index closed at 9306 level, up 2.6%WoW. The increase was predominantly led by improved economic indicators, expected interest rate cut and foreign buying. Positive market behaviour was also supported by improvement in overall activity levels as average daily volumes rose by 20%WoW to 158mn shares. All eyes are now focused on 24<sup>th</sup> November Monetary Policy Statement.

## Positive economic numbers; all eyes on MPS

SBP on Tuesday set Nov 24, 2009 as the release date of next Monetary Policy Statement (MPS). With a 50-100bps decline anticipated by the industry experts supported by 5-31bps reduction in cut off T-bill rates, interest was revived in the market. Moreover, positive economic news flow such as 22.3% reduction in July-October (2009) trade deficit and 84% decline in the current account deficit to \$1.071 contributed to the improved investor confidence.

## E&amp;P and Textile outperform the market

E&P sector was the predominant performer this week posting returns of 6.4% on the back of news flow regarding the incremental oil and gas production from some of the oil and gas fields. Moreover, renewed interest was witnessed in the textile sector (up 3.8%WoW) at the back of higher cotton arrivals and improved yarn export numbers. On the contrary, cement, fertilizer and banks underperformed the market.

## Foreigners return as net buyers

Foreigners and mutual funds were amongst the major buyers as they bought shares worth US\$35.4mn and US\$32.5mn while offloading shares worth US\$17.5mn and US\$28.1mn, respectively. Resultantly, they were net buyers of US\$17.9mn and US\$4.4mn, respectively. On the contrary, individuals and banks came out as net sellers, with cumulative net selling of US\$19mn.

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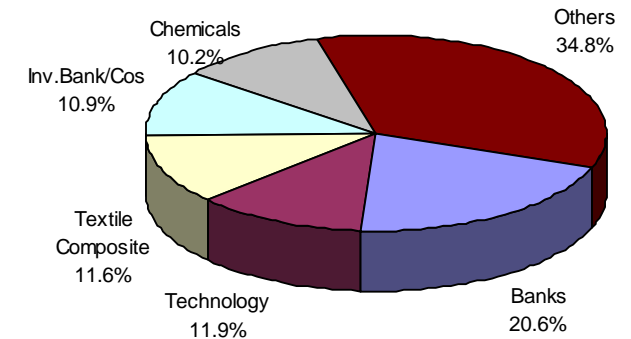
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,306.36	9,067.17	2.6%
KSE Market Cap (Rs. bn)	2,686.55	2,623.18	2.4%
KSE Market Cap (US\$ bn)	32.17	31.45	2.3%
Avg daily vol during week (Sh mn)	158.22	131.61	20.2%
Avg daily value during week(Rsbn)	8.38	7.06	18.7%
Avg daily value during week(US\$m)	100.32	84.56	18.6%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	3.36	2.29	46.4%
Avg. daily value (Rs. mn)	313.17	277.74	12.8%
KSE ready future spread (%)	2.14	(3.16)	530bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,308.35	3,187.65	3.8%
India (BSESN)	17,021.85	16,848.83	1.0%
Indonesia (JKSE)	2,487.36	2,426.80	2.5%
Korea (KOSPI)	1,620.60	1,571.99	3.1%
Malaysia (KLSE)	1,274.36	1,270.96	0.3%
Philippines (PSI)	3,068.73	3,034.32	1.1%
Taiwan (TWII)	7,682.97	7,665.63	0.2%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Askari Bank Ltd.	26.97	24.35	10.8%
Nishat Mills Ltd.	66.49	60.21	10.4%
Oil & Gas Dev.Co	110.98	102.74	8.0%
Bank Of Punjab Limited.	14.92	13.83	7.9%
Bank Al-Falah Limited	14.27	13.28	7.5%
Attock Refinery Ltd.	156.40	145.96	7.2%
Sui Southern Gas Co. Ltd.	13.77	13.00	5.9%
Attock Petroleum Ltd	340.84	322.49	5.7%
Hub Power Company Limited	31.49	29.91	5.3%
Pak Suzuki Motor Co. Ltd.	90.91	86.43	5.2%
Pakistan Refinery Ltd.	104.16	99.61	4.6%

## 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-NOV	0.37	0.19	40.43	19.40	-4.23%	-10.51%
NML-NOV	0.45	0.14	30.22	7.99	17.04%	-14.45%
POL-NOV	0.11	0.12	23.69	27.11	-0.23%	-14.88%
AICL-NOV	0.19	0.26	23.42	31.31	1.70%	23.29%
PSO-NOV	0.05	0.05	14.10	15.12	-0.52%	0.53%
PPL-NOV	0.06	0.09	10.71	15.95	-10.61%	-3.58%
BAFL-NOV	0.71	0.11	9.92	1.48	0.00%	-15.93%
ENGRO-NOV	0.05	0.08	8.82	14.02	11.21%	-15.55%
NBP-NOV	0.09	0.03	6.47	2.22	4.92%	-1.04%
PTC-NOV	0.14	0.10	2.52	1.77	-2.85%	5.88%
<b>TOTAL</b>	<b>2.30</b>	<b>1.64</b>	<b>176.69</b>	<b>170.17</b>	<b>2.14%</b>	<b>-3.16%</b>

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