

January 22, 2010

## Pakistan

## Market fails to sustain above 10,000 levels

The local bourse opened on a positive note this week and crossed the psychological 10,000 level but could not sustain it for long. Telecom scrips (excl. PTC) and remained outperformers as they were up 19%. NIT has finally begun the transfer of shares in the LOC fund to its unit holders. In anticipation of over supply of shares, selling pressure was witnessed in the last 2 days. Banks in particular, remained major sellers with net selling of US\$13.3mn. Resultantly, the KSE 100 index closed down 1.5%WoW. Average daily volumes were, however, up 46% to 229mn shares.

## NIT- LOC taken over by banks

NIT has finally started transferring shares from the LOC fund to unit holders namely NBP (59%), BOP (21%), FABL (17%) and BOK (2%). In replacement of units, overall 430 scrips are to be transferred to the banks in the above mentioned proportions. We believe the above banks would carry out a massive rebalancing of the transferred portfolio in the coming weeks. Due to the limits on exposure to equities, barring NBP, the other banks would need special exemption from SBP.

## Telecom scrips remain star performers

The telecom sector scrips excl. PTCL remained in the limelight on the back of positive news flow regarding reduction in mobile termination rates. Resultantly, their market cap rose by an impressive 19%. Moreover, in anticipation of strong results, fertilizer scrips remained in the limelight and were up 0.2%. The above expectation Engro result has set the tone for the two big fertilizer results scheduled next week.

## Banks/DFIs and Mutual Funds turn out net sellers

Banks/DFIs and mutual funds were the net sellers during the week of US\$13.3mn & US\$1.3mn, respectively. In contrast, companies and NBFCs were the net buyers of US\$6.0mn and US\$2.4mn, respectively.

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| KSE Ready Market                   | This Weekend | Last Weekend | % Δ   |
|------------------------------------|--------------|--------------|-------|
| KSE-100 Index                      | 9,777.59     | 9,923.14     | -1.5% |
| KSE Market Cap (Rs. bn)            | 2,813.03     | 2,850.67     | -1.3% |
| KSE Market Cap (US\$ bn)           | 33.28        | 33.82        | -1.6% |
| Avg daily vol during week (Sh mn)  | 228.52       | 157.02       | 45.5% |
| Avg daily value during week(Rsbn)  | 8.18         | 8.34         | -1.9% |
| Avg daily value during week(US\$m) | 96.73        | 98.43        | -1.7% |

| KSE Futures Market            | This Weekend | Last Weekend | % Δ    |
|-------------------------------|--------------|--------------|--------|
| Avg. daily volume (Shares mn) | 2.22         | 2.32         | -4.2%  |
| Avg. daily value (Rs. mn)     | 236.90       | 261.52       | -9.4%  |
| KSE ready future spread (%)   | 12.31        | 5.72         | 659bps |

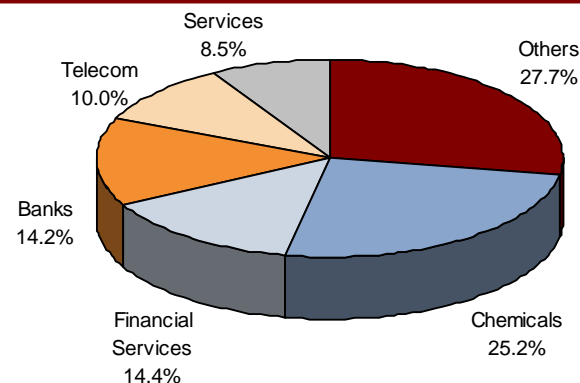
| Regional Markets  | This Weekend | Last Weekend | %Δ    |
|-------------------|--------------|--------------|-------|
| China (SSEA)      | 3,128.59     | 3,224.15     | -3.0% |
| India (BSESN)     | 16,859.68    | 17,554.30    | -4.0% |
| Indonesia (JKSE)  | 2,610.34     | 2,647.09     | -1.4% |
| Korea (KOSPI)     | 1,684.35     | 1,701.80     | -1.0% |
| Malaysia (KLSE)   | 1,300.45     | 1,298.58     | 0.1%  |
| Philippines (PSI) | 3,023.47     | 3,118.47     | -3.0% |
| Taiwan (TWII)     | 7,927.31     | 8,356.89     | -5.1% |

| Top performers of JS Universe     | This Weekend | Last Weekend | %Δ    |
|-----------------------------------|--------------|--------------|-------|
| WorldCall Telecom                 | 4.21         | 3.76         | 12.0% |
| Fauji Fertilizer Bin Qasim        | 31.43        | 30.07        | 4.5%  |
| Sui Southern Gas Co. Ltd.         | 14.55        | 14.00        | 3.9%  |
| I.C.I Pakistan Ltd.               | 183.50       | 179.29       | 2.3%  |
| Pakistan State Oil Co. Ltd.       | 312.00       | 308.96       | 1.0%  |
| Allied Bank Limited               | 63.72        | 63.18        | 0.9%  |
| United Bank Ltd.                  | 66.10        | 65.73        | 0.6%  |
| Lafarge Pakistan Cement Ltd       | 2.20         | 2.20         | 0.0%  |
| Bank Al-Falah Limited             | 13.98        | 13.99        | -0.1% |
| Engro Corporation (Pak) Ltd.      | 193.98       | 194.72       | -0.4% |
| Maple Leaf Cement Factory Limited | 3.69         | 3.71         | -0.5% |

## WEEKLY REVIEW



## 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 |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| ENGRO-JAN          | 0.33                  | 0.06                  | 63.84                 | 12.26                 | 16.42%              | 8.13%               |
| AICL-JAN           | 0.17                  | 0.83                  | 21.22                 | 111.45                | 16.66%              | 18.94%              |
| MCB-JAN            | 0.07                  | 0.22                  | 15.02                 | 50.36                 | 7.45%               | -3.38%              |
| PSO-JAN            | 0.05                  | 0.05                  | 14.56                 | 15.60                 | 15.36%              | 12.17%              |
| NBP-JAN            | 0.17                  | 0.29                  | 13.51                 | 23.82                 | 7.08%               | 4.11%               |
| POL-JAN            | 0.04                  | 0.84                  | 10.39                 | 209.24                | 10.50%              | 1.15%               |
| NML-JAN            | 0.12                  | 0.36                  | 8.11                  | 24.16                 | 8.64%               | 7.70%               |
| OGDC-JAN           | 0.07                  | 0.12                  | 7.67                  | 14.34                 | 16.07%              | 1.33%               |
| PPL-JAN            | 0.04                  | 0.10                  | 7.41                  | 20.46                 | 9.51%               | 5.65%               |
| FFBL-JAN           | 0.09                  | 0.15                  | 2.77                  | 4.46                  | -3.37%              | -8.76%              |
| <b>TOTAL</b>       | <b>1.51</b>           | <b>4.06</b>           | <b>175.07</b>         | <b>517.43</b>         | <b>12.31%</b>       | <b>5.72%</b>        |

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