

March 26, 2010

Pakistan

Positive sentiments pull market up by 1.4%

The market was surrounded with positive news flow during the week as the KSE-100 index closed at 10,138, up 1.4% with average daily volumes reported at 150mn shares. The strategic dialogue between the US and Pakistan, and initial consensus amongst the ruling and opposition parties over the amendments in the constitutional package were key developments on the political front. Further, expectation of disbursement of IMF's fifth tranche (US\$1.2bn) was a positive factor for the market. On the company specific note, the SBP passed down mark up facility on the textile sector, while the long awaited cement freight subsidy notification was released. This created positive sentiments at the local bourse, reflected from another healthy US\$9.5mn inflow from foreigners.

Politics at the forefront

A strategic dialogue was conducted for the first time between Pakistan and US where the US announced US\$125mn support for the energy sector and provided assurance to the government for the disbursement of CSF worth US\$2bn. This combined with expectation of IMF inflows of US\$1.2bn led to Rupee appreciation by 0.7% to Rs83.79 in the outgoing week.

Cement and textile sector outperform the market

Cement sector was the best performer during week led by notification of freight subsidy by Commerce Ministry. Moreover, SBP's announcement of 2.5% markup facility on outstanding loans under EFS and 5% for loans obtained from banks prompted investors to take fresh positions in textile sector. SNGPL and SSGC also rallied on rumors regarding relaxation of UFG targets.

Foreigners yet again net buyers

The continued confidence of foreigners in the local market was reflected from net buying of US\$9.5mn during the week. Companies also accumulated shares worth US\$2.9mn, where as individuals came out as net sellers of US\$12.8mn.

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KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	10,137.93	10,000.93	1.4%
KSE Market Cap (Rs. bn)	2,879.20	2,847.15	1.1%
KSE Market Cap (US\$ bn)	34.36	33.83	1.6%
Avg daily vol during week (Sh mn)	150.47	162.81	-7.6%
Avg daily value during week(Rsbn)	5.88	5.95	-1.1%
Avg daily value during week(US\$mn)	69.99	70.53	-0.8%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	12.29	4.60	167.0%
Avg. daily value (Rs. mn)	755.10	411.90	83.3%
KSE ready future spread (%)	2.74	51.47	-4873bps

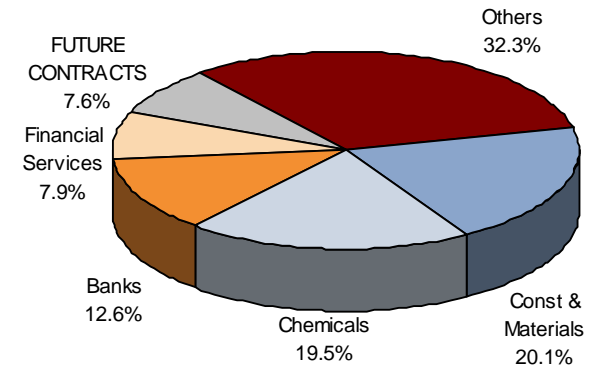
Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,059.72	3,067.75	-0.3%
India (BSESN)	17,644.76	17,578.23	0.4%
Indonesia (JKSE)	2,813.08	2,742.97	2.6%
Korea (KOSPI)	1,697.72	1,686.11	0.7%
Malaysia (KLSE)	1,315.14	1,296.60	1.4%
Philippines (PSI)	3,180.68	3,097.23	2.7%
Taiwan (TWII)	7,876.86	7,897.91	-0.3%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Maple Leaf Cement Factory Limited	5.00	4.02	24.4%
Pakistan Refinery Ltd.	111.98	97.85	14.4%
Fauji Cement Company Ltd.	6.89	6.10	13.0%
Nishat (Chunian) Limited.	21.23	18.82	12.8%
Sui Southern Gas Co. Ltd.	21.72	19.67	10.4%
Lafarge Pakistan Cement Ltd	5.26	4.79	9.8%
D. G. Khan Cement Co.	32.38	29.62	9.3%
Sui Northern Gas Ltd.	35.97	33.41	7.7%
Lotte Pakistan PTA Ltd.	11.31	10.64	6.3%
Hub Power Company Limited	34.99	32.98	6.1%
Pioneer Cement Limited	10.90	10.28	6.0%

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
DGKC-APR	4.76	1.15	152.00	34.97	1.63%	50.46%
BAFL-APR	7.14	0.18	83.43	2.19	10.15%	0.00%
PSO-APR	0.18	0.02	56.03	4.92	0.76%	9.31%
POL-APR	0.11	0.08	26.32	19.70	4.70%	0.26%
LUCK-APR	0.23	0.18	18.65	14.12	-1.04%	3.85%
NBP-APR	0.26	0.74	17.87	52.91	4.72%	156.12%
ANL-APR	0.94	0.06	15.19	0.93	9.80%	32.73%
AICL-APR	0.10	0.07	13.43	8.77	5.79%	3.89%
MCB-APR	0.05	0.03	11.42	7.07	3.26%	8.32%
PPL-APR	0.05	0.02	10.57	3.78	-1.97%	13.53%
TOTAL	14.55	2.99	465.40	203.09	2.74%	51.47%

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