

November 26, 2009

Pakistan

Volumes at a 37 week low amid political uncertainty

WEEKLY REVIEW



The KSE 100 was down 1.1% WoW, closing at 9,206 level displaying a general lackluster performance. The week had started off on a dull note owing to political uncertainty, and hence average daily volumes fell to 37 week low of 79mn shares, down 50%WoW. The 50bps cut in the discount rate was broadly in line with expectations and failed to cause a flurry at the bourse post the Nov 24th MPS announcement. Caution was the anthem played throughout, given the long weekend ahead.

Political uncertainty casts a shadow on volumes

Investors remained wary initially because of the NRO issue and the due revelation of the SBP monetary policy stance. Release of the list of those benefiting from the NRO including the President over the prior weekend, had created a sense of uncertainty on the political outlook. Further, a 50bps DR cut announced by the SBP on Tuesday failed to ignite investor interest as the majority had already anticipated the move.

Fertilizer, Banks & OMCs outperform

Despite broad based decline, the Fertilizer sector fared better on the back of impressive urea and DAP offtake figures. Investor interest was also witnessed in the Banking and OMC sectors, which outperformed the market by 0.7% and 0.3% respectively. A positive rally was witnessed in BoP, with news of possible NPL recovery from a major defaulter, which helped the stock rise 17.3%WoW. In contrast E&P and Power sectors were the major underperformers, as they lost 1.6% and 0.5% during the period. Rumours regarding the unfavourable decision on HUBCO's withholding tax case drove heavy selling in the scrip which lost 4.4% of its value.

Foreigners return as net buyers

Banks/DFI's were major net buyers of US\$ 4.1mn. Foreigners' net buying came to US\$ 1.3mn, while mutual funds and individuals were net sellers at US\$ 3.4mn and US\$ 3.6mn.*

* Data for the first 3 days of the week

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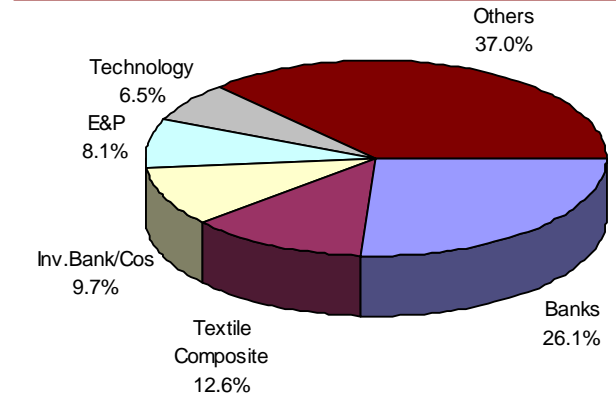
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,206.21	9,306.36	-1.1%
KSE Market Cap (Rs. bn)	2,658.29	2,686.55	-1.1%
KSE Market Cap (US\$ bn)	31.81	32.17	-1.1%
Avg daily vol during week (Sh mn)	79.48	158.22	-49.8%
Avg daily value during week(Rsbn)	3.69	8.38	-56.0%
Avg daily value during week(US\$m)	44.12	100.32	-56.0%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	4.36	3.36	29.9%
Avg. daily value (Rs. mn)	346.68	313.17	10.7%
KSE ready future spread (%)	6.24	2.14	410bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	3,170.98	3,308.35	-4.2%
India (BSESN)	16,854.93	17,021.85	-1.0%
Indonesia (JKSE)	2,393.52	2,487.36	-3.8%
Korea (KOSPI)	1,599.52	1,620.60	-1.3%
Malaysia (KLSE)	1,270.61	1,274.36	-0.3%
Philippines (PSI)	3,089.82	3,068.73	0.7%
Taiwan (TWII)	7,739.16	7,682.97	0.7%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Bank Of Punjab Limited.	17.50	14.92	17.3%
Indus Motor Company Limited	217.76	201.50	8.1%
Allied Bank Limited	63.84	60.42	5.7%
United Bank Ltd.	61.70	60.14	2.6%
Pak Suzuki Motor Co. Ltd.	93.17	90.91	2.5%
Lafarge Pakistan Cement Ltd	2.12	2.10	1.0%
Fauji Fertilizer Bin Qasim	26.00	25.77	0.9%
Pioneer Cement Limited	9.05	8.98	0.8%
Pak Petroleum Ltd.	182.36	181.02	0.7%
Fauji Fertilizer Co. Ltd.	107.02	106.31	0.7%
WorldCall Telecom	3.36	3.34	0.6%

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
NML-DEC	0.73	0.45	49.29	30.22	8.77%	17.04%
OGDC-DEC	0.32	0.37	34.08	40.43	2.07%	-4.23%
MCB-DEC	0.07	0.01	14.54	2.28	14.80%	8.43%
ENGRO-DEC	0.05	0.05	9.38	8.82	-3.10%	11.21%
POL-DEC	0.04	0.11	7.74	23.69	2.60%	-0.23%
NBP-DEC	0.10	0.09	6.99	6.47	4.11%	4.92%
AICL-DEC	0.05	0.19	5.58	23.42	5.45%	1.70%
PPL-DEC	0.03	0.06	5.11	10.71	4.01%	-10.61%
PTC-DEC	0.24	0.14	4.28	2.52	7.34%	-2.85%
PSO-DEC	0.01	0.05	3.74	14.10	4.37%	-0.52%
TOTAL	1.89	2.30	147.77	176.69	6.24%	2.14%

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