

August 27, 2010

Pakistan

Index down 3%WoW; IMF review, a likely silver lining

A lacklustre opening to the week was down to the ongoing assessment of flood related damage and fears of losses being higher than initial estimates. Another sentiment dampener was cancellation of the meeting with KSE's chairman to resolve differences on the proposed Margin Trading System (MTS) thereby further delaying the product's introduction.

Further, with (1) the IMF willing to reconsider its imposed conditionalities as part of the standby agreement, (2) the international community committing more aid, (3) the WB & ADB keen to assist in the reconstruction and rehabilitation activities post the floods and (4) Moody's and S&P stating that their rating for Pakistan will not be immediately affected, playing in the investors' minds offered some hope for recovery in the future. The market closed down 290pts (-2.9%) WoW with average daily volumes of 47mn shares, (↓ 18%WoW).

IMF willing to consider relaxation in loan terms

Following extensively damaging floods, the IMF is reconsidering its loan's terms and is expected to release the next tranche due, with the conclusion of the ongoing review. It might also offer additional funds using an emergency instrument for natural disasters. Foreign aid commitments kept the Rupee stable throughout the week (↑ 0.02% WoW).

ICI and LOTPTA; pleasant surprises

The week was busy with corporate result releases, notables including; NBP, PTCL, BAFL, FABL, ICI & LOTPTA. PTCL, FABL and NBP ended up disappointing investors, whereas ICI and LOTPTA turned out major upside surprises with ICI's scrip gaining 5% and LOTPTA's, 9.8%, right after announcing an EPS of Rs8.39 & an interim dividend of Rs.5.50/share in the case of ICI and an EPS: Rs1.44 from LOTPTA.

Mutual funds net sellers of US\$9.3mn

Mutual Funds came out as net sellers of US\$9.3mn, whereas Foreigners remained net buyers of worth US\$6.1mn.

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KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	9,598.71	9,860.36	-2.7%
KSE Market Cap (Rs. bn)	2,685.48	2,760.56	-2.7%
KSE Market Cap (US\$ bn)	31.51	31.82	-1.0%
Avg daily vol during week (Sh mn)	47.07	57.36	-17.9%
Avg daily value during week(Rsbn)	1.50	1.85	-18.8%
Avg daily value during week(US\$mn)	17.55	21.61	-18.8%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	2.63	2.04	29.0%
Avg. daily value (Rs. mn)	259.13	210.17	23.3%
KSE ready future spread (%)	-3.20%	-2.61%	-58bps

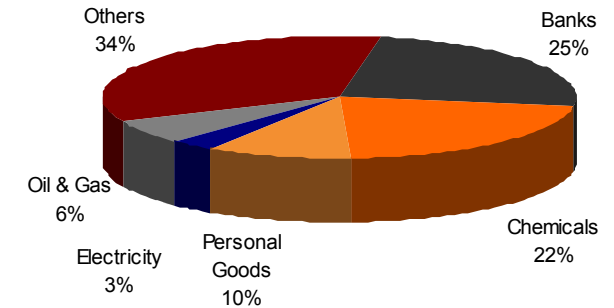
Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,610.74	2,642.31	-1.2%
India (BSES)	17,988.83	18,401.82	-2.2%
Indonesia (JKSE)	3,104.73	3,117.72	-0.4%
Korea (KOSPI)	1,729.56	1,775.54	-2.6%
Malaysia (KLSE)	1,411.05	1,395.02	1.1%
Philippines (PSI)	3,558.67	3,593.60	-1.0%
Taiwan (TWII)	7,722.91	7,927.31	-2.6%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Sui Southern Gas Co. Ltd.	19.28	17.00	13.4%
Sui Northern Gas Pipelines Ltd.	26.97	25.98	3.8%
National Refinery Ltd.	195.86	190.81	2.6%
Lotte Pakistan PTA Ltd.	8.31	8.10	2.6%
I.C.I Pakistan Ltd.	120.60	117.98	2.2%
Faysal Bank Limited	13.98	13.82	1.2%
Pioneer Cement Limited	7.50	7.44	0.8%
Kot Addu Power	41.50	41.38	0.3%
Lucky Cement Limited	66.46	66.79	-0.5%
Pak Petroleum Ltd.	202.45	203.70	-0.6%
Nishat (Chunian) Limited.	16.25	16.36	-0.7%

WEEKLY REVIEW



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-SEP	0.22	0.08	40.19	5.38	-12.96%	10.16%
ENGRO-SEP	0.14	0.15	23.86	3.65	-2.69%	-12.41%
PSO-SEP	0.09	0.08	21.17	20.23	11.39%	6.85%
POL-SEP	0.06	0.07	12.62	15.99	-1.75%	-3.52%
NBP-SEP	0.18	0.26	11.36	51.69	8.50%	-0.53%
PPL-SEP	0.02	0.02	3.34	4.99	18.36%	-3.07%
NML-SEP	0.07	0.09	3.06	4.10	6.99%	-2.33%
DGKC-SEP	0.11	0.01	2.67	0.05	10.26%	-51.31%
AICL-SEP	0.03	0.01	2.04	0.82	-12.95%	26.98%
ANL-SEP	0.17	0.12	1.71	1.17	9.33%	25.66%
TOTAL	1.28	1.16	141.42	136.47	-3.20%	-2.61%

Previous future statistics are for the month of August 2010

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