

April 30, 2010

Pakistan

Market down 1.7%WoW; ignores strong corporate results

WEEKLY REVIEW



Corporate result releases for the outgoing quarter concluded this week, failing to contribute much to the market's performance. IMF's 5th tranche's issue finally saw progress as the Finance Advisor confirmed the review meeting is set for May 14th and disbursement likely to follow soon after. Offshore inflows were encouraging initially but foreigners had begun selling in the last 2 days. That and global concerns felt over Greece's economic standing and the Goldman Sachs fraud, spilled over in the local market numbing investor interest as the index slid 1.7% WoW to 10,428 points.

Foreign funds scenario brightens up

Mr. Hafeez Shaikh and later IMF's representative, Mr. Adnan Mazarei expressed, an understanding has been reached between the IMF and Pakistan, implying the US\$1.3bn tranche is likely to be released post 14th May. This alongside the US\$600mn CSF payment, when disbursed will shore up the reserves considerably, from the current US\$14.98bn.

Corporate result season comes to an end

ENGRO announced an EPS of Rs5.76, beating analyst expectations by a large margin. The scrip however, lost ~6% since, in response to news of significant curtailment in its gas supply by the GoP. OGDC's result was slightly higher whereas PTC, NBP and PPL were inline with expectations, but the stocks failed to hold charm. Greece's debt situation and Goldman Sachs legal issues appear to have overshadowed investor confidence, dulling volumes to 113mn shares. Overall corporate profitability though has risen 8% YoY signaling improving economics and is reason enough for investor interest to be restored, going forward.

Foreigners may have changed route

Foreigners bought a net US\$13.9mn, but notably had begun to sell in the week's last 2 days. Mutual Funds with US\$4.1mn and Companies and Banks US\$3.4mn each were lead sellers.

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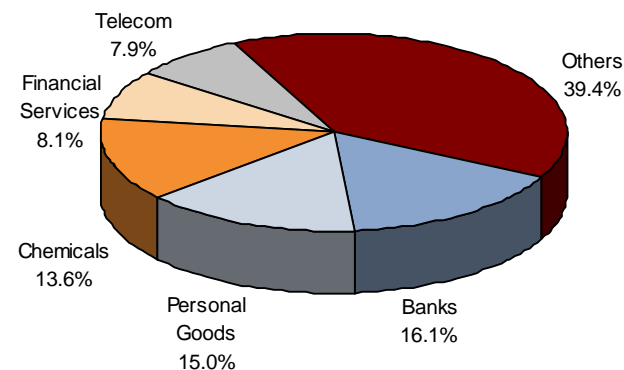
KSE Ready Market	This Weekend	Last Weekend	% Δ
KSE-100 Index	10,428.12	10,607.03	-1.7%
KSE Market Cap (Rs. bn)	2,947.71	3,007.82	-2.0%
KSE Market Cap (US\$ bn)	35.10	35.83	-2.0%
Avg daily vol during week (Sh mn)	113.21	157.81	-28.3%
Avg daily value during week(Rsbn)	3.87	4.55	-15.1%
Avg daily value during week(US\$m)	46.02	54.16	-15.0%

KSE Futures Market	This Weekend	Last Weekend	% Δ
Avg. daily volume (Shares mn)	8.19	2.86	186.2%
Avg. daily value (Rs. mn)	474.87	331.66	43.2%
KSE ready future spread (%)	2.96	(0.39)	335bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,870.61	2,983.54	-3.8%
India (BSESN)	17,558.71	17,694.20	-0.8%
Indonesia (JKSE)	2,971.25	2,924.73	1.6%
Korea (KOSPI)	1,741.56	1,737.03	0.3%
Malaysia (KLSE)	1,346.38	1,336.78	0.7%
Philippines (PSI)	3,290.09	3,244.45	1.4%
Taiwan (TWII)	8,004.25	8,004.89	0.0%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Indus Motor Company Limited	235.19	233.95	0.5%
Pak Petroleum Ltd.	198.74	198.06	0.3%
Pakistan State Oil Co. Ltd.	315.40	315.51	0.0%
Pakistan Telecommunication	21.49	21.50	0.0%
Oil & Gas Dev.Co	133.13	133.61	-0.4%
Hub Power Company Limited	35.01	35.22	-0.6%
Stand.Chart.Bank	8.29	8.35	-0.7%
Pakistan Oilfields Ltd.	243.30	245.55	-0.9%
National Bank Of Pakistan	74.02	74.72	-0.9%
Attock Petroleum Ltd	358.81	362.42	-1.0%
Habib Bank Ltd	109.25	110.42	-1.1%

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-MAY	0.82	0.22	161.54	44.91	-1.45%	3.75%
BAFL-MAY	9.10	0.02	104.30	0.20	11.47%	17.89%
PSO-MAY	0.22	0.03	70.05	8.24	4.11%	4.28%
POL-MAY	0.17	0.14	40.50	33.36	4.50%	4.88%
UBL-MAY	0.60	0.02	36.99	0.92	22.80%	0.85%
NBP-MAY	0.39	0.18	29.03	13.14	-1.24%	1.39%
PPL-MAY	0.14	0.02	26.99	4.57	0.46%	25.33%
AICL-MAY	0.17	0.04	17.30	4.07	-3.17%	0.47%
NML-MAY	0.29	0.14	15.56	7.86	-12.10%	-58.82%
MCB-MAY	0.05	0.06	11.38	11.85	5.99%	-10.39%
TOTAL	13.32	1.34	582.97	145.98	2.96%	-0.39%

Previous future statistics are for the month of April, 2010

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