

July 30, 2010

Pakistan

Key results excite investors; Market up 2.2%WoW

WEEKLY REVIEW



The result season began in full swing this week with key fertilizer companies (ENGRO, FFBL and FFC) amongst many others announcing their quarterly results. Market responded positively to these announcements as the local bourse managed to close at 10,519 level, up 223 points (or 2.2%WoW). Moreover, average daily volumes also improved during the week by 1.1% to 80mn shares. The week concluded with the SBP announcing 50bps rise in the Discount Rate to 13% for the next two months.

Result season gathering momentum

Key fertilizer companies were amongst the few blue chip companies which announced their 1H2010 results during the week. High urea & DAP prices led to better than expected earnings for the fertilizer sector. Post the result announcement, investor interest was witnessed in FFC and Engro which managed to close up 3.5% and 1.5%, respectively on weekly basis. Amongst other key results, HBL managed to beat market expectations, while UBL's result came slightly below market's anticipation, although witnessing a growth of 21% on yearly basis. Lower provisioning charge against NPLs and uptick in Net Interest Income were the key growth propellers for the bottomline. Despite, posting decent results, the two stocks failed to attract investor interest.

Furthermore, lapse of 15% Regulatory Duty on export of yarn led to improved activity in the textile sector as it outperformed the market by 1.4%WoW. PSO also outperformed the market by 2.2% on the back of better result expectations and rumor regarding receipt of Rs15bn from the Ministry of Finance on account of circular debt issue.

Foreigners remain net buyers

Foreigners remained net buyers of shares worth US\$12.6mn while other organizations and individuals came out as net sellers of shares worth US\$7.3nm & US\$5.7mn, respectively.

rabia.tariq@js.com
92 21 111-574-111 (Ext. 3119)

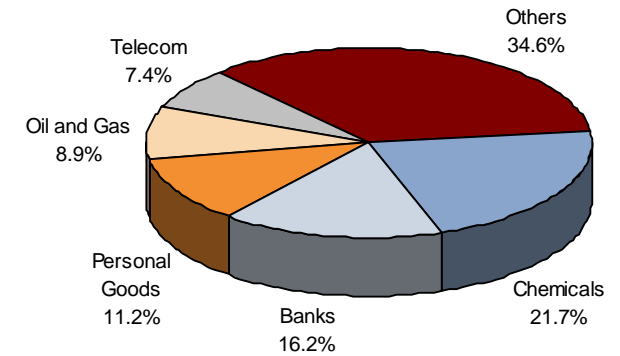
KSE Ready Market	This Weekend	Last Weekend	%Δ
KSE-100 Index	10,519.02	10,296.04	2.2%
KSE Market Cap (Rs. bn)	2,948.88	2,889.57	2.1%
KSE Market Cap (US\$ bn)	34.10	33.62	1.4%
Avg daily vol during week (Sh mn)	79.81	78.97	1.1%
Avg daily value during week(Rsbn)	3.60	3.18	13.0%
Avg daily value during week(US\$m)	41.99	37.19	12.9%

KSE Futures Market	This Weekend	Last Weekend	%Δ
Avg. daily volume (Shares mn)	5.29	3.11	70.1%
Avg. daily value (Rs. mn)	437.55	358.11	22.2%
KSE ready future spread (%)	-2.36%	2.36%	-472bps

Regional Markets	This Weekend	Last Weekend	%Δ
China (SSEA)	2,637.50	2,572.03	2.5%
India (BSESN)	17,868.29	18,130.98	-1.4%
Indonesia (JKSE)	3,069.28	3,042.02	0.9%
Korea (KOSPI)	1,759.33	1,758.06	0.1%
Malaysia (KLSE)	1,360.92	1,345.68	1.1%
Philippines (PSI)	3,426.95	3,416.10	0.3%
Taiwan (TWII)	7,760.63	7,761.22	0.0%

Top performers of JS Universe	This Weekend	Last Weekend	%Δ
Engro Polymer	11.76	10.57	11.3%
Bank Al-Falah Limited	10.20	9.34	9.2%
Sui Southern Gas Co. Ltd.	18.38	16.92	8.6%
Indus Motor Company Limited	273.10	252.08	8.3%
Pakistan Telecommunication	20.10	18.64	7.8%
I.C.I Pakistan Ltd.	127.66	118.50	7.7%
National Refinery Ltd.	206.36	194.25	6.2%
Allied Bank Limited	59.33	56.02	5.9%
Nishat (Chunian) Limited.	19.10	18.08	5.6%
Hub Power Company Limited	36.02	34.28	5.1%
WorldCall Telecom	3.06	2.93	4.4%

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
OGDC-AUG	0.44	0.41	66.47	61.45	-15.77%	29.35%
PSO-AUG	0.20	0.08	57.95	22.97	8.67%	2.28%
ENGRO-AUG	0.30	0.09	56.65	16.64	-4.79%	3.03%
POL-AUG	0.17	0.84	40.33	195.09	2.15%	-5.15%
PPL-AUG	0.18	0.09	37.23	18.68	-0.57%	-3.43%
NBP-AUG	0.24	0.14	17.59	9.60	11.05%	14.98%
NML-AUG	0.27	0.33	14.09	16.80	1.50%	7.17%
DGKC-AUG	0.34	0.07	9.57	1.84	8.39%	-9.41%
ANL-AUG	0.41	0.12	5.12	1.52	2.06%	0.00%
BAFL-AUG	0.18	-	1.82	-	-10.30%	0.00%
TOTAL	3.09	2.61	355.68	402.25	-2.36%	2.36%

JS Global Capital Limited

6th Floor, Faysal House, Main Shahrah-e-Faisal, Karachi

Research:
Email: js_research@js.com
Fax: +9221 3280 0163

Report compiled by:
Email: adeel.jafri@js.com
Tel: +9221 111.574.111

JS RESEARCH IS AVAILABLE ON BLOOMBERG, THOMSON
REUTERS & CAPITAL IQ