

Topline Market Review

KSE-100 Index: 43,573 (-54pts/-0.12%)

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Advent of roll over week forces market to stay flat

KSE-100

Key Numbers

KSE-100 Index (Feb 19, 2018)	43,572.67
Change (Points)	(54.43)
Change (%)	-0.12%
YTD (Since Dec 29, 2017)	7.7%
KSE Mkt Cap. (Rs bn)	9,006
KSE Mkt Cap. (US\$ bn)	81.5
Total Volume (shares mn)	126.7
Total Value (Rs bn)	5.1
Total Value (US\$ mn)	46.4
Total Future Value (Rs bn)	6.5
Total Future Value (US\$ mn)	58.4

Source: PSX

Top 10 Traded Stocks

Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change
SEARL	2.8	0.8	368.5	8.8	2.4%
TRG	2.5	7.5	36.4	(1.1)	-2.9%
FFL	2.4	9.8	27.4	1.3	5.0%
DGKC	2.3	1.8	140.1	(1.4)	-1.0%
DFML	2.0	4.9	44.2	1.5	3.5%
HBL	1.8	0.9	212.3	0.6	0.3%
MFL	1.7	6.8	27.5	0.9	3.2%
PSO	1.6	0.6	307.3	5.3	1.8%
ATRL	1.6	0.7	261.8	5.7	2.2%
DCL	1.4	5.9	25.9	(0.8)	-2.9%

Source: PSX

- Pakistani equities after a promising start, exhibited volatile behavior today. The market steadily lost ground as selling pressure exacerbated on account of sizable position in future contracts of Rs10.9bn requiring settlement by end of this week. Investors even did not pay heed to the US\$0.60 rise in WTI oil price to touch US\$62/barrel. Resultantly, market closed lower at 43,573 level, down (54pts/0.12%).
- Investors treaded cautiously ahead of the Financial Action Task Force's (FATF) key meeting in Paris next week (Feb 21-23, 2018) as USA and few European countries plan to table a motion with FATF, to put Pakistan back on its watch list where it was last put from 2012-2015. Resultantly, traded volumes d/d were down 15% while value was down 12%.
- Decent financial results of index names such as ASTL, HUBC, FCCL, UBL and OGDC failed to boost investor sentiments.
- Top 5 Index point decliners were PAKT (-5%), PPL (-0.9%), FCCL (-3.2%), UBL (-0.6%) & TRG (-2.9%) withholding 81pts, while LUCK (+1.9%), PSO (+1.8%), SEARL (+2.4%), BAHF (+0.7%) & KAPCO (+2%) added 80pts to the index.

- Foreign Minister Khawaja Asif left for Russia on a four-day visit at the invitation of his Russian counterpart, Sergei Lavrov. Asif is expected to hold official talks with Lavrov during his stay in Moscow. The two sides will deliberate upon the entire spectrum of bilateral relations as well as regional and international issues of mutual interest.
- Fauji Cement (FCCL) announced its 2QFY18 earnings of Rs0.6/share, up 19% YoY which was in-line with our expectations. However, sales were down by 6% YoY to touch Rs 5.5bn. Earnings improved mainly on the back of increase in gross margins, up 4ppts YoY to 26%. Margins were improved as FCCL's damaged line became operational in the outgoing quarter. To recall, FCCL's silo incident (in May 2016) severely dented the company's cost of production as FCCL started procuring clinker from the market.
- The Supreme Court issued a show-cause notice to Federal Privatization Minister Daniyal Aziz in the contempt of court case against him. On Feb 2, 2018 the apex court had issued Aziz a contempt of court notice over his controversial speeches and statements made during various TV talk shows. A three-member bench headed by Justice Sheikh Azmat Saeed conducted today's proceedings. As Aziz appeared in court, the bench observed that contempt of court by the minister can be construed after perusing transcripts of his speeches from three TV channels. The court then adjourned the hearing for Friday and directed the attorney general to be present in court so the case may move forward.
- Hub Power (HUBC) HUBC reported 2QFY18 consolidated earnings of PKR2.5/share up 12% YoY. Turnover was higher by 11% YoY due to higher FO prices which are up by 21% YoY. Gross margins rose slightly from 16.8% to 17% YoY. We attribute this to lower O&M expenses related to Narowal plant in outgoing quarter. Along with the result the company announced cash dividend of 1.5/share which was in-line with our expectations.
- Two Afghan-based Tehreek-i-Taliban (TTP) militants were tracked down and killed by security forces in Bajaur Agency during an intelligence-based operation (IBO) accordingly to Inter-Services Public Relations (ISPR) press release.

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Market Weight	= Weight in KSE-100 Index
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