

Topline Market Review

Market takes a breather

KSE-100 Index: 44,817 (246pts/-0.55%)

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Market facing resistance at around 45k levels

KSE-100		Top 10 Traded Stocks					
Key Numbers		Symbol	Value (US\$m)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change
KSE-100 Index (Jan 25, 2018)	44,816.71	POL	9.8	1.9	569.1	(27.7)	-4.6%
Change (Points)	(246.50)	OGDC	4.7	3.0	169.5	(2.1)	-1.2%
Change (%)	-0.55%	ATRL	4.5	2.0	250.4	(1.2)	-0.5%
YTD (Since Dec 29, 2017)	10.7%	PAEL	3.8	6.7	61.6	1.7	2.8%
KSE Mkt Cap. (Rs bn)	9,245	SEARL	3.6	1.0	380.2	8.6	2.3%
KSE Mkt Cap. (US\$ bn)	83.6	DSL	2.9	24.8	12.8	0.6	5.0%
Total Volume (shares mn)	245.7	INIL	2.7	1.0	294.8	(2.9)	-1.0%
Total Value (Rs bn)	9.9	TRG	2.6	8.3	34.8	0.1	0.4%
Total Value (US\$ mn)	89.9	DGKC	2.4	1.6	167.1	(1.0)	-0.6%
Total Future Value (Rs bn)	4.7	LUCK	2.3	0.4	666.6	(14.5)	-2.1%
Total Future Value (US\$ mn)	42.8						

Source: PSX

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- Market finally succumbed to profit taking after seven successive positive sessions to close in red at 44,817, down 246 points. Market has gained 6.4% since last negative close. The benchmark index from its 19th December low of 37,991 level, has gained 18.8% (+11.3% YTD). Investors err on the side of caution and resorted to either booking profits or remaining on side lines on increased prospect of escalation in PAK –US tensions following unilateral US drone strike.
- Participation declined as trade volumes dropped by 28% whereas traded value was down 45%.
- Despite WTI popping over US\$66 a barrel for the first time in more than three years after, E&P sector exhibited mix performance.
- Top 5 Index point detractors included POL (-4.6%), HBL (-1.3%), LUCK (-2.1%), OGDC (-1.2%) & UBL (-1.4%) which withheld 177 points from the index while PIBTL (+5.7%), SEARL (+2.3%), KEL (+2.3%), MARI (+2%) & PPL (+0.2%) added 65 points. Cements after rallying for a past few days closed lower today.

- US Embassy Spokesperson Rick Sinelsine rejected Pakistan's claim that United States forces struck an Afghan refugee camp in Kurram Agency on Wednesday is false, The spokesperson, however, did not confirm or deny whether the US army had carried out a drone attack in the region. Pakistan had condemned an alleged US drone strike deep inside its territory, saying: "Pakistan condemns a drone strike in Kurram Agency carried out by the Resolute Support Mission (RSM), which targeted an Afghan refugee camp." Islamabad had also warned Washington that such 'unilateral' steps would be detrimental to cooperation between the two countries in fight against terrorism. The Foreign Office (FO) responding to the US Embassy spokesperson's remarks, said that Pakistan stands by its initial statement.
- International Industries (INIL) reported consolidated 2QFY18 EPS of Rs8.5, up 69% YoY. Sales were up 41% (Rs17bn vs.Rs12bn) however gross margins declined from 22% to 18% in the outgoing quarter. Bottom-line of the company was supported by lower tax incidence (28% vs 51% last year). INIL earning were also propped by higher other income of Rs114mn, up 10x YoY. Along with the result, the company announced cash dividend of Rs2/share.
- International Industries (INIL) intimated the exchange that it BoD has approved scheme of amalgamation, to merge its wholly owned subsidiary IIL Stainless steel with and into the company . The company is to complete this undertaking of IIL Stainless Steel (Pvt) merger into INIL by 31, March 2018.
- TPL Corp (TPL) informed the bourse that the company has acquired a total of 4.9mn shares of TPL properties (TPLP) in two separate lots, this transaction constitute ~1.8% of issued and paid up capital of TPLP. As a result TPL now hold 59mn ~22% in TPLP.
- According to WSJ after President Trump bluntly accused Pakistan of "lies and deceit" on New Year's Day, then suspended all security aid to the longtime U.S. military ally. A flurry of quieter military and diplomatic contacts over the past two weeks has partly patched things up, but only to a point. At a deeper level, analysts here say, both partners now acknowledge that their relationship is beset by irreconcilable differences but that neither can afford a divorce.

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