

Topline Market Review

Qadri's threats trigger profit taking
KSE-100: 42,814pts (-0.7%/297pts)

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Qadri's Threat of Public Agitation Triggers Profit Taking



KSE-100

Key Numbers

KSE-100 Index (Jan 9, 2018)	42,814.34
Change (Points)	(297.78)
Change (%)	-0.69%
YTD (Since Dec 29, 2017)	5.8%
KSE Mkt Cap. (Rs bn)	8,921
KSE Mkt Cap. (US\$ bn)	80.7
Total Volume (shares mn)	225.3
Total Value (Rs bn)	9.8
Total Value (US\$ mn)	88.3
Total Future Value (Rs bn)	2.8
Total Future Value (US\$ mn)	25.6

Source: PSX

Top 10 Traded Stocks

Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change
PAEL	7.8	16.0	53.9	2.2	4.3%
TRG	6.5	23.5	30.8	1.4	4.6%
FFC	5.4	6.6	90.2	1.4	1.6%
SSGC	4.8	15.7	33.8	1.0	2.9%
NML	3.5	2.3	165.8	5.1	3.1%
HBL	2.9	1.7	187.5	(4.6)	-2.4%
PSO	2.8	1.0	314.5	7.2	2.4%
OGDC	2.7	1.7	169.9	(1.8)	-1.0%
LUCK	2.6	0.5	570.6	(4.3)	-0.7%
UBL	2.6	1.4	210.4	(4.6)	-2.2%

Source: PSX

- After rallying hard for past 13 consecutive sessions where Pakistan equities gained 14%/5,193pts, some profit taking was witnessed today as Pakistan Awami Tehreek (PAT) chief Dr Tahir-ul-Qadri announced a countrywide protest movement against the Pakistan Muslim League – Nawaz (PML-N) government which will commence from January 17.
- At the close KSE-100 index shed 298pts/0.7% to close at 42,814 points level, volumes fell 17% d/d, while value lost 16%.
- Sui Gas companies (SNGP +5% & SSGC +3%) continued to sky rocket on the back of third LNG pipeline financing.
- Top 5 Index point decliners were HBL (-2.4%), UBL (-2.2%), OGDC (-1%), PPL (-1.1%) & HUBC (-1.5%) that withheld 184 points from the index gain whereas gainers included SNGP (+5%), PSO (+2.4%), FFC (+1.6%), BAHF (+2.1%) & NML (+3.1%) withholding 108pts.
- On the sector front; Commercial Banks took away 155points, E&Ps held back 68points, Power 40pts, Auto's 36pts, Pharmaceuticals 23pts, Cements 21pts, while on the flip side OMCs added 63pts, Textile 15pts & Cable 11pts.

- The alliance of opposition parties headed by Pakistan Awami Tehreek (PAT) chief Dr Tahirul Qadri has announced launching of a countrywide agitation movement against the PML-N government from the 17th of this month after the deadline given to the government ended.
- Balochistan Chief Minister Sanaullah Zehri resigned on Tuesday prior to a no-confidence motion being taken up against him in the provincial assembly. The resignation tendered to Governor Mohammad Khan Achakzai has been accepted. In a statement following his resignation, Zehri said that he did not wish to cause problems in the political setup of the province. He added that he was not in the habit of hanging onto power at any cost. Zehri's decision came after he was advised by Prime Minister Shahid Khaqan Abbasi to resign in light of the no-confidence motion. According to sources, Abbasi advised the chief minister to resign to control the political situation in the province following his visit to Quetta.
- Further depreciation in the Pakistani rupee against the US dollar is likely, given the likely evolution of the current account, which would raise financing costs and inflation short term, Moody's Investors Service warns in its recently-released report. However, over the longer term, allowing the PKR to reflect currency fundamentals would reduce the drain on Pakistan's (B3 stable) foreign exchange reserves and enhance the sovereign's capacity to absorb shocks to trade and/or capital flows, the report states. According to the report, in the short run the country's central bank will face the difficult challenge of anchoring inflation expectations at moderate levels and the government's debt affordability will also likely weaken further. However, if inflation expectations are anchored and the government's liquidity risks do not rise sharply, currency flexibility would enhance Pakistan's price competitiveness in the longer run, given the current overvaluation of the PKR. Greater exchange rate flexibility would also improve the economy's shock absorption capacity by incentivizing the reallocation of resources between the tradable and non-tradable sectors of the economy.
- Attock Cement Pakistan (ACPL) notified the commencement of its 4000TPD (1.2mn tons per annum) new cement plant.

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