

# Topline Market Review

**KSE-100 Index: 43,557 (770 pts/1.8%)**

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# KSE-100 index gains 770 points as PKR appreciates against USD



KSE-100	
Key Numbers	
KSE-100 Index (Jul 30, 2018)	43,556.63
Change (Points)	770.18
Change (%)	1.80%
YTD (Since Dec 29, 2017)	7.6%
KSE Mkt Cap. (Rs bn)	8,861
KSE Mkt Cap. (US\$ bn)	69.3
Total Volume (shares mn)	377.9
Total Value (Rs bn)	15.0
Total Value (US\$ mn)	117.2
Total Future Value (Rs bn)	3.9
Total Future Value (US\$ mn)	30.6

Source: PSX

Top 10 Traded Stocks						
Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change	
OGDC	8.2	6.9	152.4	0.9	0.6%	
PSO	6.2	2.4	332.7	10.4	3.2%	
LUCK	6.1	1.3	576.5	27.5	5.0%	
HBL	4.3	2.9	185.5	5.8	3.2%	
ISL	4.0	4.7	110.1	5.5	5.0%	
SNGP	3.9	4.9	102.8	2.7	2.7%	
EPCL	3.5	13.0	35.0	1.5	4.3%	
DGKC	3.3	3.5	120.4	5.7	5.0%	
ATRL	3.2	1.8	232.0	10.2	4.6%	
PAEL	3.2	10.2	40.2	1.9	5.0%	

Source: PSX

- KSE-100 index gained 770 points during the trading session as positive news on the economic front in the shape of arrangement of external account financing through multiple sources surfaced over the weekend and led to strengthening of PKR against the greenback by 3-4%. Since the election last week, Pakistan equity markets have gained 2,218 points as investors cheered political clarity. The market closed at 43,557 level, up by 1.8%.
- Cement sector remained in limelight as market participants were attracted by cheap valuations, while Commercial Banks continue to gain as further interest rate hikes are expected to provide considerable upside. Similarly, Oil & Gas Exploration sector was also in the top performers. Cumulatively, the three sectors added 338 points to the index.
- Market participation remained flattish as volumes fell by 2% and value traded rose by 7%.

- Hino Pak Motor (HINO) announced its financial result for the 1QMY19, wherein the company reported EPS of Rs9.61 compared to Rs30.79 in the same period last year. The decline in earnings can be attributed to gross margin erosion by 6ppts to 7.4%.
- Exide Pakistan (EXIDE) announced its financial result for the 1QMY19, wherein the company reported LPS of Rs4.72 compared to an EPS of Rs8.93 in the same period last year. Gross margins declined by 0.8ppts to 11.4% in 1QMY19 and was the primary reason for the fall in profitability.
- Honda Atlas Cars (HCAR) reported its 1QMY19 earnings, with EPS clocking in at Rs7.4 compared to Rs14.6/share in 1QMY18, down 50% YoY. The primary reason for the drop in earnings was the fall in gross margins by 5.2ppts to 9.0% as well as 37% increase in other cost due to significant exchange losses.
- The country's two major parties — Pakistan Muslim League-Nawaz and Pakistan Peoples Party — are set to play an ARD-like opposition role in parliament as they have agreed on formulation of a “coordinated joint strategy”, if the Pakistan Tehreek-i-Insaf manages to form its government at the Centre. The broad-based understanding on cooperation was reached during the first direct meeting between the leaders of the PML-N and PPP after the July 25 general elections.
- The Pakistani rupee surged by 4.3% to 122.24/123.86 per dollar, following domestic media reports over the weekend on the back of Chinese (up to US\$2bn) and IDB (up to US\$4.5bn credit facility) support packages.
- The Islamic Development Bank (IDB) has activated its three-year \$4.5-billion oil financing facility for Pakistan that will give stability to rupee-dollar exchange rate in the interbank market that has largely remained under pressure. The International Islamic Trade Finance Corporation (ITFC), a member of the IDB Group, rolled over a loan of \$100 million this week, said sources in the Ministry of Finance and Economic Affairs. The Economic Affairs Division (EAD) secretary signed the Letter of Amendment for the credit facility.

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Neutral	Stock will perform in line with the average total return of stocks in universe
Sell	Stock will underperform the average total return of stocks in universe

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Rating	Sector’s Proposed Weight in Portfolio
Over Weight	> Weight in KSE-100 Index
Market Weight	= Weight in KSE-100 Index
Under Weight	< Weight in KSE-100 Index

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