

Topline Market Review

KSE-100 Index: 44,310 (+770pts/+1.8%)

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Pakistan equities rally on surprise PKR devaluation



KSE-100	
Key Numbers	
KSE-100 Index (Mar 20, 2018)	44,309.74
Change (Points)	770.14
Change (%)	1.77%
YTD (Since Dec 29, 2017)	9.5%
KSE Mkt Cap. (Rs bn)	9,161
KSE Mkt Cap. (US\$ bn)	82.9
Total Volume (shares mn)	219.9
Total Value (Rs bn)	11.0
Total Value (US\$ mn)	99.3
Total Future Value (Rs bn)	2.8
Total Future Value (US\$ mn)	25.5

Source: PSX

Top 10 Traded Stocks						
Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change (%)	
PSO	5.6	2.1	306.8	4.7	1.6%	
UBL	4.4	2.5	197.8	8.9	4.7%	
TRG	4.3	13.4	36.8	1.4	4.0%	
ENGRO	3.9	1.5	302.0	1.4	0.5%	
PPL	3.7	2.0	208.9	7.3	3.6%	
DGKC	3.2	2.4	153.1	1.8	1.2%	
OGDC	3.1	2.1	170.9	1.5	0.9%	
POL	3.0	0.5	639.0	6.8	1.1%	
MCB	2.8	1.4	219.7	9.4	4.5%	
UNITY	2.6	10.5	28.2	0.7	2.6%	

Source: PSX

- Stocks rebounded in the backdrop of 3% PKR depreciation against US\$ today to close at Rs114. To recall, the Govt. had devalued Pak Rupee by around 5% on Dec 8, 2017. During the last 10 years, Pak Rupee has devalued annually by ~5%. Though today's devaluation came with a surprise, it should provide some respite to ailing Balance of Payment (BoP) situation.
- Consequently, investors jumped into dollar hedged sectors in expectations of better returns in coming sessions; E&Ps, Textile and IPPs contributed 217 points to index. Similarly, Banks emerged as top performer in market and added 413 points to index in anticipation of rise in policy rate.
- The cement manufactures further increased cement prices by Rs10/bag, taking cumulative price increase to Rs40/bag in last few weeks. Resultantly, most of the scrips in cement sector closed green and contributed 57 points to index. Market participation recovered 90% in terms of volumes, while, traded value was up by 110%.
- Top five stocks including UBL (+4.7%), HBL (+3%), MCB (+4.5%), PPL (+3.6%) & BAML (+5%) added 390 points to the index gain, whereas stocks including PMPK (-5%), PSMC (-3.7%), BATA (-5%), HCAR (-1.6%) & EFERT (-0.5%) , withheld 32 points from the index.

- Dawood Lawrancepur Limited (DLL) announced financial results for 2017, where company reported profit after tax of Rs292mn against Rs3.1bn last year, down by 91% YoY due to decline in other income by 86% YoY. Moreover, the company also announced DPS of Rs1. The company also notified exchange in its second notice about renewal of subordinated loan to its subsidiary Tenaga Generasi Limited (TGL) for the period of three years.
- Engro Corporation (ENGRO) notified exchange regarding its declaration of close period from Mar 21, 2018 to Mar 28, 2018 to consider certain corporate actions in a board meeting to be held on Mar 28, 2018.
- Islamabad High Court (IHC) has sent out notices to the federal secretary for Ministry of Information as well as the Pakistan Electronic Media Regulatory Authority (Pemra) and other organizations over airing anti-judiciary speeches by former premier Nawaz Sharif and his daughter Maryam Nawaz.
- Cloud storage company Dropbox Inc's Initial Public Offering (IPO) was oversubscribed, two people familiar with the matter said, indicating healthy demand for the first big tech IPO this year even as tech stocks opened the week on a sour note.
- Unilever has announced an investment of US\$120mn (Rs11bn) in Pakistan acknowledging the country's high potential for long-term growth.
- Pakistan approved the construction of Diamer-Basha Dam at an initial estimated cost of Rs625bn. It will mostly be funded through local resources after international financial institutions and China showed reluctance to help the country build the reservoir.
- The Federal Reserve's meeting of Federal Open Market Committee (FOMC) is set to take place on Tuesday and Wednesday of this week, with the central bank widely expected to raise interest rates upon the meeting's conclusion.
- Asia-Pacific stock markets pared early losses today as investors took a more measured view of the overnight slump in tech shares sparked by concerns about whether Facebook Inc. did enough to stop improper access and handling of user data.

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Neutral	Stock will perform in line with the average total return of stocks in universe
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Market Weight	= Weight in KSE-100 Index
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