

Topline Market Review

KSE-100 Index: 42,746 (157 pts/+0.37%)

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Market gains 157 points despite external account challenges

KSE-100	
Key Numbers	
KSE-100 Index (Aug 27, 2018)	42,745.78
Change (Points)	157.49
Change (%)	0.37%
YTD (Since Dec 29, 2017)	5.6%
KSE Mkt Cap. (Rs bn)	8,777
KSE Mkt Cap. (US\$ bn)	70.6
Total Volume (shares mn)	217.6
Total Value (Rs bn)	9.0
Total Value (US\$ mn)	72.6
Total Future Value (Rs bn)	7.4
Total Future Value (US\$ mn)	59.3

Source: PSX

Top 10 Traded Stocks						
Symbol	Value (US\$m)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change	
EPCL	5.6	20.3	34.3	1.3	3.7%	
ATRL	4.8	2.7	223.2	8.2	3.8%	
UNITY	4.1	11.4	44.9	1.1	2.4%	
TRG	3.1	11.8	32.4	0.5	1.4%	
OGDC	3.1	2.4	154.8	1.0	0.7%	
STPL	2.9	17.8	20.5	1.0	5.1%	
FFL	2.6	8.4	39.0	1.3	3.5%	
PPL	2.5	1.5	212.0	1.3	0.6%	
FCCL	2.1	10.1	26.3	0.3	1.2%	
POL	1.9	0.4	640.7	3.5	0.6%	

Source: PSX

- Overlooking concerns on macroeconomic front, depicted by ballooning Current Account Deficit (CAD) which clocked-in at US\$2.2bn in Jul 2018 last week, Pakistan equities managed to close +157 points in today's trading session. We believe that investors cheered the recent foreign exchange reserves figure which depicted a WoW growth of US\$82mn as of 17 Aug, 2018, contrary to expectation of a decline.
- Top performing sectors included Commercial Banks, adding 67 points to the index, with BAFL contributing 23 points as market rewarded the stock for a good earnings show. The over all positive sentiment in the Banking sector can be attributed to the recently published data on fiscal deficit which indicates heightened need of borrowing by the government. Similarly, Oil & Gas Exploration Companies added 36 points to the index based on increase in oil prices, we believe.
- Market participation came back to life as dull activity in the post Eid ul adha session rebounded. Resultantly, volumes rose by 88% to 218mn shares and value traded climbed by 101% to US\$ 73mn.

- Pakistan Oxygen (PAKOXY), formerly Linde Pakistan, announced its 2Q2018 result with EPS of Rs4.47, up 65% YoY. Sales were up by 11% YoY, distribution & marketing expenses were down 47% YoY and admin expenses were down 16% YoY, all of which contributed to the improved bottom-line of the company.
- Highnoon Laboratories (HINOON) disclosed its consolidated 2Q2018 result, posting EPS of Rs6.04, up 14% YoY, vs. EPS of Rs5.30 in the similar period last year. Increase in earnings was a result of improved sales, up 28.7% YoY, and increased other income, up by 2.6x times YoY.
- Faysal Bank (FABL) posted its 2Q2018 result with EPS of Rs0.79 up 20% YoY. Interest income was up by 9% while non-interest income was up 15.8% YoY for the Bank.
- Service Industries (SRVI) disclosed 2Q2018 result posting consolidated EPS of Rs33.2, down 5.7% YoY. Financial charges were up by 91% YoY while margins declined by 1.2ppts YoY to 15.9% vs. 17% in the similar period last year, all of which pulled down the bottom-line of the company.
- Fauji Cement Company (FCCL) announced its 4QFY18 result posting EPS of Rs0.95, up 104% YoY. Better earnings are attributed to 1) increased sales, up 15% YoY, 2) higher margins, up 5ppts to 26% and 3) tax credit. The company also declared a dividend of Rs1 per share.
- The Federal Investigation Agency (FIA) yesterday, raided a sugar mill belonging to Omni Group in Badin and confiscated the record of all the 16 sugar mills belonging to the group besides arresting three people a day ahead of former president Asif Ali Zardari and Faryal Talpur's appearance before the agency in the multi-billion money laundering scam.
- Foreign exchange reserves held by the State Bank of Pakistan (SBP) rose by US\$82mn to US\$10.235bn during the week ended on August 17, 2018. The SBP press release reported the total foreign liquid reserves of the country at US\$16.72bn while holdings of the commercial banks decreased from US\$6.56bn to US\$6.49bn.
- Pakistan's budget deficit has widened to a whopping Rs2.26tn or 6.6% of gross domestic product (GDP) in the outgoing FY18, the highest in five year term of PML-N government.

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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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