

# Topline Market Review

**KSE-100 Index: 38,398 (-394pts/-1.02%)**

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# Pakistan Investors get Jittery amid Global Sell-off

## KSE-100

### Key Numbers

KSE-100 Index (Oct 11, 2018)	38,398.30
Change (Points)	(393.79)
Change (%)	-1.02%
YTD (Since Dec 29, 2017)	-5.1%
KSE Mkt Cap. (Rs bn)	7,886
KSE Mkt Cap. (US\$ bn)	58.9
Total Volume (shares mn)	134.6
Total Value (Rs bn)	5.3
Total Value (US\$ mn)	39.6
Total Future Value (Rs bn)	2.1
Total Future Value (US\$ mn)	15.6

Source: PSX

## Top 10 Traded Stocks

Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change
MEBL	5.8	8.5	91.1	0.4	0.5%
UBL	3.0	2.9	139.6	(2.2)	-1.5%
DGKC	2.6	4.1	85.4	(0.6)	-0.7%
TRG	2.1	12.0	23.7	(0.8)	-3.4%
ATRL	1.6	1.7	130.5	2.2	1.8%
LUCK	1.5	0.5	448.3	(21.2)	-4.5%
UNITY	1.5	7.5	26.2	(0.3)	-1.1%
EPCL	1.3	5.9	30.1	(0.3)	-0.9%
BAFL	1.0	2.8	48.8	(0.3)	-0.5%
PAEL	1.0	5.4	25.2	(0.1)	-0.3%

Source: PSX

- Pakistan equities succumbed to global sell-off as KSE-100 index fell by 394 points. Investors even failed to respond positively to IMF's confirmation that Pakistan had approached it for a bailout. Further, Country's status in the MSCI EM Index also raised investors' eyebrows as in its next semi annual review of Nov 2018, it is feared that the few stocks may be removed from the Index. To note, under their current market cap requirements of MSCI global investable index, none of the existing five companies of Pakistan meet the free float requirement.
- KEL was one of the volume leaders with 12m traded shares, as investors expect a decision on Shanghai Electric's takeover bid by 25<sup>th</sup> October, in our view. Auto sector continued to fall, marking the 10<sup>th</sup> consecutive day of sector decline. Cumulatively, Auto sector has contributed 227 points to the index decline in the last 10 trading sessions.
- Market participation remained thin, as volumes declined by 32% to 135mn shares and value traded fell by 36% to US\$ 40mn.

- Pakistan Telecommunication (PTC) announced its 3Q2018 results posting EPS of Rs0.35 up 22% YoY. Sales for the quarter increased 11% YoY, and taxation was down by 50% YoY, while finance cost increased 47% YoY.
- TRG Pakistan Limited (TRG) released its financial results for the year end 2018; it recorded an LPS of Rs5.38 lower than last year's LPS of Rs8.03. This can be attributed to 36% YoY increase in sales. However, 22% YoY rise in operating expenses, and a 15% YoY increase in Finance cost kept the bottom-line negative.
- In a notice to the exchange Unity Foods Limited corrected its August 31st material information. Originally it had stated that its current refining capacity is 150,000 metric tons per year and the under consideration plant's capacity is 500,000 metric tons per year. Now it is stating its current annual refining capacity is 54,000 metric tons, while the under consideration plant's capacity is 180,000 metric tons per year.
- The country received 13% more remittances in the first quarter of the current fiscal year, as inflows were higher from almost all sources except the Gulf Cooperation Council (GCC) countries. Overseas Pakistanis remitted US\$5.4bn in the first quarter of FY19. However, according to a State Bank's report issued on Wednesday, remittances in Sep 2018 dropped to US\$1.5bn compared to US\$2.0bn in Aug 2018.
- Pakistan has formally requested the International Monetary Fund for the financial assistance to help address country's economic challenges, Christine Lagarde, Managing Director IMF said in a statement. An IMF team will visit Islamabad in the coming weeks to initiate discussions for a possible IMF-supported economic program.
- Prime Minister Imran Khan while chairing a meeting of the federal cabinet instructed the Finance Ministry to conduct an analysis of how Pakistan's debt increased from Rs6tn to Rs30tn in the span of 10 years.

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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

Ratings are updated daily to account for the latest developments in the economy/sector/company, changes in stock prices and changes in analyst’s assumptions or a combination of any of these factors.

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