

# Topline Market Review

**KSE-100 Index: 41,050 (+528 pts/+1.30%)**

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# Stock market bounces back as Cabinet meeting resumes



KSE-100	
Key Numbers	
KSE-100 Index (Sep 13, 2018)	41,049.91
Change (Points)	527.87
Change (%)	1.30%
YTD (Since Dec 29, 2017)	1.4%
KSE Mkt Cap. (Rs bn)	8,495
KSE Mkt Cap. (US\$ bn)	68.4
Total Volume (shares mn)	149.0
Total Value (Rs bn)	6.7
Total Value (US\$ mn)	53.6
Total Future Value (Rs bn)	2.6
Total Future Value (US\$ mn)	20.9

Source: PSX

Top 10 Traded Stocks						
Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change	
MLCF	9.0	21.9	51.1	(0.1)	-0.2%	
DGKC	3.6	4.3	103.7	5.0	5.0%	
UNITY	3.6	11.0	40.2	(2.0)	-5.0%	
DOL	1.7	7.1	29.3	1.3	4.7%	
OGDC	1.6	1.3	153.8	1.9	1.3%	
LUCK	1.6	0.4	485.3	17.7	3.7%	
HBL	1.5	1.3	147.5	1.0	0.7%	
SNGP	1.5	2.0	91.6	4.6	5.0%	
TRG	1.4	5.9	29.7	0.6	2.1%	
EPCL	1.4	5.2	32.6	0.4	1.1%	

Source: PSX

- Pakistan equities climbed upwards as the long-awaited Cabinet meeting resumed today to take decisions on measures to narrow Current Account Deficit (CAD) and reverse reduction in income tax implemented by the previous government (though no major decision has come out as yet). As a result, market turned positive with expectations of remedial measures on the external front. To note, market has gained 500+ points for the first time after Jul 30, 2018.
- Commercial banks, Fertilizer and Oil & Gas Exploration Companies contributed the most to the index's gains, adding 262 points due to attractive valuation levels, in our view. MLCF grabbed investors' attention (expectations of poor earnings show) with volumes traded at 21.9mn shares, closing down by 0.23%.
- Market participation improved in today's session as indicated by 9% higher volumes at 149mn shares and 25% higher value traded to record US\$53.6mn.

- Thall Limited (THALL) announced its 4QFY18 result posting consolidated EPS of Rs9.43 down 8% YoY vs. EPS of Rs10.26 in the similar period last year. Despite 1) sales being up by 22% YoY, 2) improvement in margins by 2ppts YoY to 21% and 3) lower other charges by 67% YoY in the out-going quarter, earnings could not sustain as a result of 1) higher administrative expenses by 75% YoY, 2) increase in finance cost by 48% YoY and 3) higher tax rate charged by 20ppts YoY to 41%. THALL also announced a cash dividend per share of Rs8.50.
- Thatta Cement Company (THCCL) posted its 4QFY18 result with consolidated EPS of Rs1.27 up 100% YoY. To note, the full year EPS was posted at Rs5.99 down by 10.5% YoY. Higher bottom-line was a result of improved sales by 9% YoY and lower tax rate by 38% YoY to 10% in the out-going quarter. Other expenses were by up by 106% YoY, while finance cost and other income were down by 14% YoY and 134% YoY respectively.
- Murree Brewery Company (MUREB) disclosed its 4QFY18 result announcing EPS of Rs15.67 up 40% YoY. Sales were up by 13% YoY, while other expenses declined by 28% YoY. The company was charged tax rate of 20% down 10% YoY. The company recorded a finance income of ~Rs192mn in the 4QFY18. MUREB also announced a bonus issue of 20%.
- The federal government raised Rs26bn through auction for short-term government papers. The State Bank of Pakistan (SBP), on September 12, 2018, conducted the auction for the sale of 3-month, 6-month and 12-month Market Treasury Bills (MTBs). Overall, bids worth Rs27.91bn were received with a realized amount of Rs27.420bn for the sale of 3-month MTBs. No bid was received for the sale of 6-month and 12-month T-bills.
- The export of services shrank by 1.4% to US\$405mn in the first month of this fiscal year, as per the Pakistan Bureau of Statistics (PBS). The new fiscal year started with negative growth in exports of services after witnessing a positive trend in the previous months. In 2017-18, it contracted by 7% YoY to US\$5.4mn.
- The National Power Regulatory Authority (NEPRA) has suggested an increase in power tariff by Rs4 per unit in a summary forwarded to the power division. However, the final decision pertaining to the increase rests with the Ministry of Water, Power and Energy and a notification will be issued in this regard. The summary also include arrears to be collected from customers amounting to Rs18bn.

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Buy	Stock will outperform the average total return of stocks in universe
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
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Market Weight	= Weight in KSE-100 Index
Under Weight	< Weight in KSE-100 Index

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