

Topline Market Review

KSE-100 Index: 41,621 (-133 pts/-0.32%)

Topline Research
research@topline.com.pk
Tel: +9221-35303330
Topline Securities, Pakistan



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Market slips as hike in gas tariff shakes confidence

KSE-100	
Key Numbers	
KSE-100 Index (Sep 5, 2018)	41,620.96
Change (Points)	(132.93)
Change (%)	-0.32%
YTD (Since Dec 29, 2017)	2.8%
KSE Mkt Cap. (Rs bn)	8,662
KSE Mkt Cap. (US\$ bn)	69.7
Total Volume (shares mn)	126.9
Total Value (Rs bn)	5.5
Total Value (US\$ mn)	44.2
Total Future Value (Rs bn)	1.5
Total Future Value (US\$ mn)	12.0

Source: PSX

Top 10 Traded Stocks						
Symbol	Value (US\$mn)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change	
UBL	3.3	2.6	158.2	0.5	0.3%	
MLCF	3.2	7.2	55.9	0.7	1.3%	
SNGP	2.2	2.8	98.4	1.5	1.5%	
EPCL	2.1	7.9	33.1	(1.5)	-4.3%	
BAFL	1.4	3.0	56.9	(0.3)	-0.5%	
HBL	1.2	1.0	152.3	0.3	0.2%	
POL	1.2	0.2	647.7	(8.7)	-1.3%	
DGKC	1.1	1.2	112.5	(1.4)	-1.3%	
LUCK	1.1	0.3	539.2	(4.3)	-0.8%	
BAHL	0.9	1.4	81.9	(0.6)	-0.8%	

Source: PSX

- In a much awaited decision, Prime Minister Imran Khan gave the nod to raise gas prices by average 46% (pending ECC approval). Though gas price increase is a bold step by the new government and is largely positive for the overall economy, investors' sentiments turned sour as select sectors (Fertilizers, Cement and Oil & Gas Exploration Companies) will likely see the brunt of higher gas prices on their margins.
- Pressure was seen in aforesaid sectors, dragging the index down by 102 points. PIBTL remained volume leader today trading 8.23mn shares while the stock was down 1.3%; next in line was EPCL (-2%) with 7.86mn shares traded.
- Gas utility companies SNGP and SSGC closed + 1.53% and +1.52%, respectively as higher gas price is expected to address oil & gas sector woes.
- Trading activity increased marginally compared to yesterday as seen by traded volumes up by 0.3% while value traded witnessed a larger increase by 34%.

- Kot Addu Power Company (KAPCO) announced its 4QFY18 result posting EPS of Rs4.56 up 49% YoY. Sales for the outgoing quarter improved by 10% YoY, and other income was up by 3.3x times YoY, while finance cost for the company increased by 9% YoY. KAPCO also announced a cash dividend of Rs4.80 per share.
- US Secretary of State Mike Pompeo reached Pakistan for the first high-level official meetings with leaders of the newly-elected government in Islamabad. During his visit, US Secretary of State Mike Pompeo and Prime Minister Imran Khan discussed Afghan peace process and blockage of \$300 million in Coalition Support Fund (CSF) among other matters of mutual interest.
- With the country struggling to avert an external financial crisis, the government is considering to launch a Pakistan Diaspora Bond and Eurobond in October or November to attract US\$2-3bn in foreign exchange inflows, as per news sources. Preparations are underway and soon advertisements will be published for seeking participation in the bidding process for selection of financial advisers.
- The Supreme Court (SC) today ordered the formation of a Joint Investigation Team (JIT) to probe alleged laundering of billions of rupees through fake bank accounts in connivance with bankers and others to suspected beneficiaries, including former president Asif Zardari and his sister Faryal Talpur.
- Textile division identified three pressing export impediments, including pending liabilities of Rs115bn with the Federal Board of Revenue (FBR), cost/ease of doing business and the levy of custom duty on import of cotton for failing to achieve targets. The PM had directed the textile division to make a presentation covering tangible achievements, the reason(s) why the division has not been able to achieve its full potential, specific impediments in terms of man power policies, laws, rules, organizational structure, linkages, proposals to overcome the identified impediments and any pressing issues.

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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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Market Weight	= Weight in KSE-100 Index
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