

Views & News

Growth projected at 2.5-3.5 percent

After presenting poor performance during last fiscal year, Pakistan's economy is showing a gradual recovery and real gross domestic product (GDP) growth is likely to be close to the target of 3.3 percent during the current fiscal year (2009-10), according to the State Bank's Annual Report on State of the Economy for the year 2008-09, released on Thursday.

Ability to service obligations deteriorated

Pakistan's ability to service its current forex obligations has deteriorated with total debt and liabilities stock recording a 27 percent increase in FY09, slightly lower than 27.4 rise a year ago. The continued strong growth in stock reflects imbalances in the fiscal account as well as current account. Both are still large says the State Bank of Pakistan.

Banking spread widened to 7.52 percent

Banking spread has widened to 7.52 percent in FY09 from 6.78 percent a year earlier, with deposit rates relatively rigid in an upward direction, says the State Bank of Pakistan. The SBP Annual Report issued on Thursday, states that in 2008, on average more than 80 percent of advances were disbursed at a lending rate of 12 percent and above, whereas deposit placed on return of 12 percent and above, had only 30.5 percent share in total deposits.

Agricultural sector fared well in fiscal year 2009

Agricultural sector has performed well in FY09 and achieved a growth of 4.7 percent against the target of 3.5 percent mainly due to higher support price. "A robust agriculture sector performance has provided a major impetus to GDP growth in last fiscal year, with both, the crops and the livestock sub-sectors exhibiting above-target growth," said the State Bank annual report on economy.

62 million people fall below poverty line

Poverty ratio in the country is rapidly rising due to sharp increase in inflation and reduction in subsidies, and as per World Bank, poverty has reached at 36.1 percent with 2.3 percent increase, which reflects that around 62 million Pakistanis have fallen below poverty line, the State Bank of Pakistan has stated in its annual report.

Fiscal year 2010 inflation target would not be achieved

Inflationary pressure is still emerging in the country due to weak fiscal space and rising commodity prices in international market, therefore 9.5 percent annual inflation target for the current fiscal year would not be achieved.

Tax burden should be widened to services and agriculture sector

The government needs to act aggressively on improving the tax base and reducing the fiscal deficit to sustainable levels and it is imperative that the tax burden should be widened particularly to services and agriculture sector, said the State Bank of Pakistan in its annual report on Thursday.

TDL Stock up 27.0 percent in fiscal year 2009

Despite small fiscal deficit Pakistan's total debt and liabilities (TDL) stock recorded a substantial 27.0 percent increase in FY09, the State Bank revealed in its annual report on Thursday. The SBP said continued strong growth in the stock of TDL in FY09 reflects the fact that imbalances in the overall fiscal account as well as the country's current account are still large.

Wahgah-Khyber trade: Clinton sees accord by year-end

US Secretary of State Hillary Clinton has expressed optimism that agreement between Pakistan and Afghanistan on Wahgah-Khyber trade will be signed by the end of this year. She was responding to a question during a round-table discussion with editors on Thursday. The question was about the progress of Wagha-Khyber trade MoU which was signed in Washington during the visit of Pakistan and Afghanistan Presidents.

* Please see disclaimer note on page 2 and 3 of this newsletter.

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Statistical Data

Equities

	KSE 100	Turnover (mn)
29.10.09	9,169	226.201
28.10.09	9,251	171.396
Change	(82)	54.805

Board Meetings

Date	Time	Company
30.10.09	10:00	IGI Investment Bank
30.10.09	1:00	P T C L
30.10.09	3:00	Sui Northern Gas
30.10.09	10:30	Adamjee Insurance Company
30.10.09	11:00	Nishat Chunian
30.10.09	4:30	JOVC
30.10.09	5:00	1st Capital Sec.
31.10.09	11:00	Pakistan Petroleum
31.10.09	3:00	Clariant Pakistan
31.10.09	10:30	NBP
31.10.09	11:00	1st Dawood Inv. Bank
31.10.09	10:00	Bestway Cement
31.10.09	10:30	Mustehkam Cement
31.10.09	11:00	Pervez Ahmad Sec.

IPO's

Prospectus Published	Date of Opening & Closing	Company
-	-	-
-	-	-

GDR

29.10.09	OGDC (1GDR=10 shares)	\$13.29 +0.04 +0.30%
29.10.09	UBL (1GDR=4 shares)	\$2.00
29.10.09	MCB (1GDR=2 shares)	\$2.80

Commodities

	Price	Change
Oil (USD/bbl)	79.87	2.41
Gold (USD/oz)	1047.10	16.60

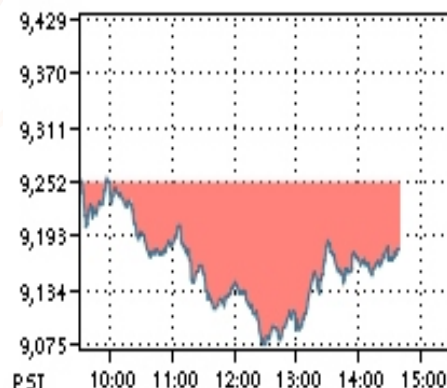
SCRA

	Balance (US\$mn)	Net Flow (US\$mn)
26.10.09	298.21	(3.17)

CFS MKII

	Total Value (Prsmn)	Average Rate (%)
15.06.09	68.48	50.00
12.06.09	68.50	50.00

KSE 100 Index





Kerry-Lugar law: Nawaz urges Clinton to redress concerns

A meeting between US Secretary of State Hillary Clinton and Pakistan Muslim League-Nawaz (PML-N) Quaid Nawaz Sharif Thursday mainly focused on the controversial Kerry Lugar bill. Pakistan's current political situation and war against terrorism also came under their discussion.

'Pakistan squandered chances to kill or capture al Qaeda leaders'

US Secretary of State Hillary Rodham Clinton is suggesting that Pakistan's government has squandered chances to kill or capture al Qaeda leaders. She made the remark in an interview Thursday with journalists during a trip to the city of Lahore. She later flew to the capital, Islamabad, for talks with army chief and additional meetings.

Clinton meets Kayani

US Secretary of State, Hillary Clinton called on Chief of Army Staff General Ashfaq Parvez Kayani on Thursday. The visiting dignitary remained with the Chief of Army Staff for some time and both exchanged candid views on matters of mutual interest.

Economic activity will take longer time to recover

The State Bank of Pakistan (SBP) on Thursday said recovery in economic activities will take longer time due to negative business sentiments prevailing in the private sector. The SBP in its annual report revealed that investment to GDP ratio declined for the second consecutive year to 19.7 percent in FY09 due to heightened security risk and on-going power crisis.

LSM sector posts 0.9 percent growth, inflation dips to 10 percent

The large scale manufacturing (LSM) sector registered 0.9 percent growth after a thirteen month period of negative growth and inflation declined to 10 percent by September 2009, which are taken as signs of effective tackling of stagflation that spread optimism within relevant government circles.

Proposed subsidy to 'inefficient' mills questioned

Supreme Court on Thursday questioned the rationale given by the Finance Ministry in a summary to the Cabinet, wherein it said the government would procure sugar from inefficient mills that produce the commodity at Rs 46 per kg, entailing a subsidy of Rs 300 million for November alone, to comply with the court orders to sell the commodity at Rs 40 per kg.

Ration cards

The Ministry of Finance had advised against opening of new ration depots as it may 'negatively interact with the free market mechanism.' Ration cards encashable as sugar from any outlet, public or private, to facilitate consumers' access to sugar at present was not considered though BISP (debit card) 'to serve as a vehicle for future interventions for the poor' was noted.

Sale of sugar at Rs 40 per kg: Supreme Court asks government to evolve mechanism and submit it today

Supreme Court on Thursday directed the government to conduct a fresh exercise to evolve a mechanism and submit it today (Friday) with the apex court for distribution of sugar at Rs 40 per kg to domestic consumers after taking on board all the stakeholders including consumers' groups, which the Court observed, the government had ignored in the past.

Announcements					
Company	EPS (Rs)	Dividend/ Bonus/ Right	Spot From	Book Closure	
				From	To
Karachi Electric Supply Co. Ltd.	(0.43) (1Q)	14.50%(R)	-	-	-
Engro Chemical (Pakistan) Ltd.	9.44 (3Q)	20%(D)	-	20/11/09	27/11/09
First Paramount Modaraba	3.09 (F)	15%(D)	-	01/01/10	10/01/10
Jahangir Siddiqui Co. Ltd.	1.17 (1Q)	10%(D)	-	01/12/09	08/12/09
Fauji Fertilizer Company Ltd.	9.78 (3Q)	30%(D)	-	01/12/09	08/12/09
Nestle Pakistan Limited	50.55 (2Q)	100%(D)	-	18/11/09	24/11/09
JS Value Fund Limited	1.65 (1Q)	10%(D)	-	21/11/09	27/11/09
Pakistan State Oil Company	11.11 (1Q)	30%(D)	-	23/11/09	30/11/09
MCB Bank Limited	17.08 (3Q)	25%(D)	-	01/12/09	08/12/09
Meezan Balanced Fund	1.64 (1Q)	10%(D)	-	21/11/09	27/11/09
Gatron Industries Ltd.	9.89 (F)	15%(D)	-	13/11/09	20/11/09
Fauji Fertilizer Bin Qasim Ltd.	1.93 (2Q)	12.5%(D)	-	15/12/09	21/12/09
NAMCO Balanced Fund	1.54 (F)	5%(D)	-	04/11/09	11/11/09
PICIC Energy	1.71 (1Q)	5%(D)	-	17/11/09	24/11/09
PICIC Inv.Fund	1.64 (1Q)	5%(D)	-	17/11/09	24/11/09
PICIC Growth	3.07 (1Q)	20%(D)	-	17/11/09	24/11/09
Javedan Cement	-	100%(R)	-	09/11/09	16/11/09
First UDL Modarba	1.41 (F)	10%(D)	-	27/10/09	03/11/09
Gulistan Textile Mills Limited	0.09 (F)	10%(B)	-	29/10/09	31/10/09
Nishat (Chunian)	1.19 (F)	15%(D)	-	30/10/09	05/11/09

Top Symbols						
SYMBOL	OPEN RATE	HIGH RATE	LOW RATE	CURRENT RATE	CHANGE	VOLUME
TOP SYMBOLS BY VOLUME						
Pak.PTA Ltd.	6.68	7.19	6.64	7.18	0.50	33,432,597
Jah.Sidd. Co.	35.02	36.4	34.7	35.9	0.88	29,406,767
TRG Pakistan Ltd.	2.21	2.59	2.25	2.46	0.25	15,703,604
Bosicor Pakistan	7.95	8.94	8.5	8.75	0.80	13,477,943
D.G.K.Cement	30.73	31.4	29.25	29.6	-1.13	13,112,672
TOP SYMBOLS BY PRICE INCREASE						
Colgate Palmolive	351.13	368.68	365	368.68	17.55	6,745
Mirrat Tractors	322.49	338.61	318.8	338.61	16.12	201,912
XDXB Hinopak Motor Ltd.	269.75	283.23	281	283.23	13.48	1,683
Service Industries Pak	268.02	281.42	281.42	281.42	13.40	545
EngineeringX	304.78	319	290	317.4	12.62	225
TOP SYMBOLS BY PRICE DECREASE						
Wyeth Pak Ltd.	1286	1300	1230.01	1231	-55.00	239
Unilever Pakistan	2297.37	2300	2259	2275	-22.37	104
Sanofi-Aventis	191.29	181.73	181.73	181.73	-9.56	521
Clariant Pak	173.5	172.99	164.83	164.83	-8.67	2,961
Attock Petroleum	343.73	345.99	333.51	335.25	-8.48	204,589

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Daily Supports/Resistances						
	Close	S2	S1	Pivot	R1	R2
KSE100	9169.00	8968.33	9068.66	9173.10	9273.43	9377.87
AHL	65.06	62.55	63.81	65.35	66.61	68.15
AHSL	52.90	50.45	51.68	53.28	54.51	56.11
AICL	126.07	113.78	119.92	123.66	129.80	133.54
ANL	23.68	22.48	23.08	23.74	24.34	25.00
ATRL	118.73	109.76	114.24	116.49	120.97	123.22
BAFL	13.36	12.84	13.10	13.32	13.58	13.80
BIPL	5.84	5.71	5.78	5.86	5.93	6.01
BOP	15.35	13.95	14.65	15.17	15.87	16.39
BOSI	8.65	8.26	8.45	8.70	8.89	9.14
DGKC	29.82	28.01	28.91	30.16	31.06	32.31
ENGRO	164.22	158.54	161.38	164.89	167.73	171.24
HBL	125.85	121.64	123.75	126.87	128.98	132.10
ICI	174.99	164.90	169.94	174.20	179.24	183.50
JOVC	12.96	12.26	12.61	13.00	13.35	13.74
JSCL	35.97	33.99	34.98	35.69	36.68	37.39
LUCK	64.24	60.61	62.42	64.44	66.25	68.27
MCB	212.47	205.76	209.11	212.36	215.71	218.96
MLCF	4.07	3.97	4.02	4.10	4.15	4.23
NBP	81.13	78.88	80.00	81.03	82.15	83.18
NETSOL	31.13	29.48	30.30	31.63	32.45	33.78
NML	59.57	57.12	58.35	59.82	61.05	62.52
OGDC	105.17	100.59	102.88	105.94	108.23	111.29
POL	211.43	204.41	207.92	210.41	213.92	216.41
PPL	174.63	169.94	172.29	175.34	177.69	180.74
PSO	308.82	296.67	302.75	306.12	312.20	315.57
PTC	18.91	18.20	18.55	18.86	19.21	19.52
SNGP	26.73	25.75	26.24	26.54	27.03	27.33
SPL	16.52	15.97	16.25	16.67	16.95	17.37
UBL	58.17	55.52	56.85	57.82	59.15	60.12

Weekly Supports/Resistances						
	Weekend's Close	S2	S1	Pivot	R1	R2
KSE100	9838.12	9427.15	9632.63	9805.50	10010.98	10183.85
AHL	79.69	76.96	78.33	80.36	81.73	83.76
AHSL	48.59	41.12	44.85	47.00	50.73	52.88
AICL	116.08	111.11	113.59	118.00	120.48	124.89
ANL	27.21	25.94	26.57	27.14	27.77	28.34
ATRL	140.70	134.47	137.58	140.92	144.03	147.37
BAFL	14.81	13.41	14.11	14.46	15.16	15.51
BIPL	6.26	6.01	6.14	6.31	6.44	6.61
BOP	15.62	14.26	14.94	15.38	16.06	16.50
BOSI	7.35	7.08	7.21	7.39	7.52	7.70
DGKC	34.09	33.06	33.57	34.53	35.04	36.00
ENGRO	179.77	166.09	172.93	178.59	185.43	191.09
HBL	130.30	123.10	126.70	133.10	136.70	143.10
ICI	182.43	168.02	175.23	182.21	189.42	196.40
JOVC	14.34	13.69	14.01	14.41	14.73	15.13
JSCL	39.94	35.82	37.88	39.51	41.57	43.20
LUCK	76.92	69.24	73.08	79.64	83.48	90.04
MCB	226.91	216.82	221.86	229.06	234.10	241.30
MLCF	4.55	4.32	4.44	4.61	4.73	4.90
NBP	85.65	83.23	84.44	86.11	87.32	88.99
NETSOL	31.02	24.31	27.67	29.34	32.70	34.37
NML	65.57	56.99	61.28	63.69	67.98	70.39
OGDC	112.01	105.71	108.86	112.15	115.30	118.59
POL	225.35	205.58	215.47	223.93	233.82	242.28
PPL	194.08	182.30	188.19	194.99	200.88	207.68
PSO	339.95	318.85	329.40	338.55	349.10	358.25
PTC	21.13	19.18	20.15	20.98	21.95	22.78
SNGP	28.87	27.44	28.15	29.22	29.93	31.00
SPL	18.80	18.28	18.54	18.96	19.22	19.64
UBL	63.90	61.81	62.85	64.55	65.59	67.29

	Last Day's			Moving Averages		
	OPEN	HIGH	LOW	SMA 10	SMA 20	SMA 40
KSE100	9251.84	9277.53	9072.76	9349.75	9520.45	9340.04
AHL	66.46	66.90	64.10	69.77	74.19	71.64
AHSL	54.80	54.89	52.06	51.15	47.91	43.44
AICL	121.33	127.39	117.51	113.07	115.32	111.36
ANL	24.30	24.40	23.14	24.97	26.12	27.18
ATRL	113.08	118.73	112.00	125.06	133.35	144.06
BAFL	13.52	13.54	13.06	14.04	13.86	13.30
BIPL	5.85	5.95	5.80	5.97	6.20	6.15
BOP	14.69	15.69	14.47	14.71	14.80	14.31
BOSI	7.95	8.94	8.50	7.32	7.38	7.50
DGKC	30.73	31.40	29.25	30.38	32.69	33.64
ENGRO	167.15	168.40	162.05	167.52	173.02	168.16
HBL	128.78	130.00	124.77	129.23	130.37	126.23
ICI	175.26	178.45	169.15	172.96	179.74	174.43
JOVC	13.07	13.39	12.65	13.17	13.89	13.74
JSCL	35.02	36.40	34.70	36.76	38.15	34.11
LUCK	65.84	66.45	62.62	68.43	75.26	74.63
MCB	214.20	215.60	209.00	215.27	221.22	218.41
MLCF	4.09	4.18	4.05	4.21	4.47	4.67
NBP	81.60	82.05	79.90	82.62	84.16	81.86
NETSOL	32.32	32.95	30.80	31.68	28.90	26.55
NML	61.04	61.30	58.60	61.12	62.72	61.21
OGDC	108.37	109.00	103.65	107.14	108.91	110.25
POL	204.92	212.90	206.90	210.12	214.68	211.41
PPL	176.66	178.40	173.00	181.42	186.91	199.59
PSO	306.81	309.50	300.05	317.20	325.35	313.54
PTC	19.06	19.16	18.50	19.74	20.35	20.69
SNGP	26.41	26.84	26.05	27.48	28.16	28.67
SPL	16.79	17.10	16.40	17.33	18.35	18.86
UBL	57.77	58.80	56.50	60.78	61.99	58.79

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