

Focus on HUBC:

We advise investors to BUY HUBC in order to cash on dividend yield of 13.5% at the current price level. The final cash dividend remains Rs 2.5/sh. Despite a severe receivables issue due from govt. run power companies, we continue to see U-shaped tariff to ensure greater top line.

FIPI Update*	(USD mn)
Gross Buy	4.44
Gross Sell	3.51
Net Buy/	0.92
*Source NCCPL website	
Total Foreign portfolio update**	2,256
** Source SBP website	

KSE 100 Index

KSE 100 Index (Sep 1, 2010)	9,735.38
Change	(77.67)
Volume (mn)	52.25
KSE Market Capitalization (bn)	2,720.76
KSE Market Capitalization (USD)	31.89
SCRA (31-August-10) (USD)	(0.16)

Catalyst News:

Growth to decline to 2.5 percent:

The Cabinet has been informed that GDP will decline to 2.5 percent, from projected 4.5 percent, for the current fiscal year (2010-11) as a result of damage to various sectors of the economy by floods. The Minister for Information, told media here on Wednesday at a news conference after the Cabinet meeting that budget deficit might touch 6 to 7 percent of GDP for the ongoing fiscal year and inflation 15 to 20 percent.(BR)

GDR Update

	(USD)
MCB (1GDR=2Shares)	2.60
OGDC (1GDR=10Shares)	16.75
UBL (1GDR=4Shares)	2.00
LUCK (1GDR=4Shares)	1.70
HUBC (1GDR=25Shares)	10.65

SECP concerned over drive against KSE non-member director:

The Securities and Exchange Commission of Pakistan (SECP) has noted with concern recent news in the print and electronic media regarding campaign by members of the Karachi Stock Exchange (KSE) against a non-member director as chairman of the KSE Board. The SECP explicitly dispels the likelihood of any restructuring in the board of directors of the stock exchanges for reversing the mandatory requirement of the chairman of the board being elected from amongst the non-member directors. The SECP while continuing with its well-thought out broad based capital market reform agenda aimed at promoting good governance, transparency and efficiency in the capital markets,(BR)

Key Financial Market Update

CPI Inflation %	12.34
FX Reserves (USD)	16.11
Trade Balance (USD)	(1.45)
6-Months KIBOR %	12.88
PKR-USD parity	85.72

Month-on-month basis: KSE volume hit nine-year low in August:

KARACHI (September 02 2010): The average daily volumes at Karachi share market drastically declined by 18 percent on month-on-month basis to nine years lowest level of 57 million shares during August 2010. The market witnessed declining trend and the benchmark KSE-100 index declined by 6.7 percent during the month. Analysts believe that the unexpected increase in the discount rate by 50bps, differences of opinion emerging between the authorities over the proposed Margin Trading System (MTS) and widespread floods were key performance dampeners. However, foreign investors' interest continued at the local capital market as a net inflow of \$41.3 million of foreign investors portfolio investment was witnessed during this month, raising year-to-date investment to \$360 million.(BR)

Volume Leaders

	Vol (mn)
PTC	7.36
DGKC	5.56
LOTPTA	3.26
LUCK	2.27
NBP	2.19
JSCL	2.12

OMCs cut furnace oil price by Rs 2,340 per ton:

Oil Marketing Companies (OMCs) on Wednesday announced to cut furnace oil price by Rs 2,340 per ton at the domestic market because of the declining trend in the global oil prices, dealers said. "All leading oil marketing companies including Pakistan State Oil (PSO) and Shell Pakistan on behalf of oil refineries have reduced the price of furnace oil," they said. With current cut, the price of furnace oil has reached Rs 47,227 per ton from down Rs 49,567 per ton, depicting a decrease of 4.7 percent. Implementation on the new prices has started from Wednesday (September 1) and these prices will be for the next fifteen days.(BR)

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