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KARACHI: After witnessing a bullish trend for seven weeks in a row, the Karachi Stock Exchange benchmark 100-index fell by 221 points during the week amid political uncertainty and poor law and order situation, dealers said. Telecommunication sector remained the highlight of the week amid news regarding court decision in the international call rate case.

The market witnessed decline in all five sessions of the week. Twin blasts that killed at least 50 people in Abbas Town on Sunday affected the market negatively on Monday, as half day strike was also observed in the city. The market also remained affected on Wednesday after some unidentified miscreants conduct aerial firing to shut trade. Analysts said that profit-taking also continued as major results were already announced. They said that adverse news in the telecom sector about the Competition Commission of Pakistan (CCP) hearing on March 12 and reduced termination call rate from the United States forced investors to trim their positions in the sector, while fresh buying was seen in refining along with LOTPTA and Engro Corp amid the hope that the Economic Coordination Committee (ECC) of the Cabinet may give favourable decisions. Some activity was also witnessed in cement companies in anticipation of price increase. Khurram Schehzad, head of research at Arif Habib Ltd, said that the market remained mixed. Investors are waiting for the caretaker setup as the government is having less than a week to complete its tenure and still there is no schedule of elections or caretaker setup, he said. Investors' interest also remained low as volumes show downward trend. Besides, foreign investment also remained low. The next week also seems to remain mixed, he said. The KSE-100 index declined by 221 points, or 1.2 percent, on week-on-week basis to close at 17,964 points against 18,185 points last week. Volumes fell by 27 percent on week-on-week basis to 236 million shares against 324 million shares last week. However, on a net basis, foreigners remained buyers of \$4.4 million this week. Furqan Ayub, an analyst at JS Global, said that investors kept on their toes throughout the week as an uncertain law and order situation coupled with sector-specific regulation issues dictated sentiment at the KSE. Samar Iqbal, dealer at Topline Securities (Pvt) Ltd, said that after a bull run of seven weeks, the market closed 1.2 percent down on a weekly basis, amid the deteriorating law and order situation. Also, decline in the heavyweight Oil and Gas Development Company Limited (OGDCL) and the MCB Bank share prices pushed the index below 18,000 points. The law and order situation and unfolding political scenario may keep the market volatile next week, she said. A report of Escorts Capital said that bears returned to the local bourse after a long time as it closed the week with a decline of 221 points, below the psychological level of 18,000 points with low volumes. Worrisome security situation in the city, profit-taking in the index heavyweights OGDCL and the MCB Bank and selling in the telecom stocks were the main factors that let the bears lead during the week. Oil and gas exploration stocks were under pressure over decline in the international oil prices, while negative news regarding the upcoming CCP hearing and that the US regulator will be paying only \$0.02 for termination call rate invited selling in the telecom stocks. Dawood Hercules, Attock Refinery, Nishat Chunian Power, Kohinoor Energy and Colgate Palmolive were the major gainers, while Jahangir Siddiqui and Co, JS Bank Limited, Azgard Nine, Pakistan Telecommunication Company Limited and BankIslami Pakistan were the major losers.

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