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KARACHI: Investors took to dumping stocks in what one analyst described as a **bloody** trading session on Monday, after the central bank revised its policy on interest payments on savings accounts for commercial banks. **The State Bank decision to provide a minimum 6% return to depositors on their average monthly balance caused investors to sell banking stocks, as their profits will take a big hit,** reported **Topline Securities Senior Manager of Equity Sales Samar Iqbal.**

The floor opened lower as analysts believe the move will further dampen net interest margins for banks, **added Sibtain Mustafa from Elixir Securities.** **Almost all banks ended lower with Bank Alfalah churning the highest volume to close at its lower price circuit breaker. Volumes remained shallow, as investors opted to cherry-pick stock at lower price levels.**

The Karachi Stock Exchange's (KSE) benchmark 100-share index slumped 0.98% or 172.83 points to end at the 17,492.00 points level. Trade volumes shrank to 104 million shares, following Friday's two-month low tally of 115 million shares. The value of shares traded during the day was Rs3.2 billion.

Stocks fell across the board after the State Bank announcement on minimum profit payouts on rupee savings deposits, and a major fall in global stocks and commodities on fears of contagion in the Eurozone after a bailout was announced for Cyprus, **said Ahsan Mehanti from Arif Habib Corp.**

Accumulation was seen by value investors in cement and fertiliser sectors, **said Fahad Ali, analyst at JS Global.** Overall activity remained lacklustre, as investors and day traders decided to wait for the caretaker setup to be announced.

Shares of 317 companies were traded on Monday. At the end of the day, 85 stocks closed higher, 184 declined while 48 remained unchanged. Dewan Motors was the volume leader with 11.88 million shares, gaining Rs0.63 to finish at Rs3.68. It was followed by Bank Alfalah with 8.94 million shares, losing Rs0.98 to close at Rs17.32; and Engro Corporation with 6.58 million shares, losing Rs2.50 to close at Rs117.11.

Foreign institutional investors were buyers of Rs193.55 million and sellers of Rs113.59 million, according to data maintained by the National Clearing Company of Pakistan Limited.

Courtesy: Tribune