

Stocks decline 297 points on profit-taking | Forex, Pakistan

Written by Administrator

Wednesday, 19 June 2013 09:37 -

The Karachi Stock Exchange (KSE) benchmark 100-index declined by 297 points to 21,919.63 points on Tuesday on profit-taking, dealers said. They added that foreigners, local institutions and retailers offloaded their positions.

Arif Habib, chairman of Arif Habib Group, said that profit-taking was witnessed in the market during the last three sessions as the honeymoon period of elections and the new fiscal budget was over.

Investors have been off-loading their positions to be able to purchase at a favourable time, he said. The market had consolidated its position and would rise or fall between two and five percent.

The KSE-100 index fell by 296.83 points or 1.34 percent to 21,919.63 points against 22,216.46 points recorded in the last session.

At one time during the intraday session, the index reached a high level of 22,320.46 points, while the lowest level of the day was recorded at 21,846.18 points.

The KSE-30 index also declined by 265.55 points or 1.54 percent to 17,024.01 points in the session against 17,289.56 points recorded in the last session.

Trading was mostly witnessed in second and third-tier stocks, while cement remained the dominant sector. Fauji Cement, Bank of Punjab (Right), Lafarge Pak, Wateen Telecom Ltd and Flying Cement remained in limelight of third and second-tier stocks.

Of a total of 353 companies active in the session, 89 ended in green, 262 in red and 22 remained unchanged.

Along with the index turnover and market capitalisation declined, while the value increased by some margin. The turnover fell by 31 million shares to 346.55 million shares from 377.77 million shares, trading value improved to Rs9.45 billion against Rs8.31 billion, while market capitalisation reduced to Rs5.32 trillion against Rs5.38 trillion recorded in the last session.

Zafar Moti, analyst and senior member of KSE, said that foreign and institutional selling was witnessed in the market and the index could not sustain its 22,000-point barrier.

Selling pressure was witnessed across the board and trade increased, he said.

Samar Iqbal, senior manager equity sales at Topline Securities (Pvt) Ltd, said that consecutive selling by foreign fund managers in the last two days caused the index to fall below the 22,000-point level. Index heavy weight MCB fell by more than Rs12, thereby forcing the index to decline by 103 points.

Profit-taking was also seen in other oil stocks, whereas selective buying was witnessed in cement stocks after a rise in cement prices, she said.

Mujtaba Barakzai, analyst at JS Global, said that bearish sentiments prevailed at the local bourse as both institutions and retailers booked profits at high levels.

Investors have become somewhat cautious ahead of the government's meeting with the International Monetary Fund (IMF) on June 19 and the monetary policy statement on June 21, he said.

An analyst said the market took reduction in the corporate tax positively along with the increase in the Public Sector Development Programme (PSDP) and infrastructure development.

Record public sector development spending

allocated in the federal budget and the announcement of new housing scheme will definitely have a positive impact on the cement sector at the share market in the days to come, the analyst said.

The major points in red were contributed by the Oil and Gas Development Company with 38 points and MCB's 103 points. Weakness in sentiments also affected DG Khan Cement (down 2.3 percent) and PTCL (down 1.1 percent), despite both having a strong earnings outlook.

In general, the volume leaders were mostly cement companies.

The highest increase was recorded in the shares of Colgate Palmolive, which rose by Rs88.00 to Rs1,883.00 per share, followed by Unilever Food that improved by Rs38.00 to Rs4,800.00 per share.

Major decline was noted in the shares of Bata (Pak), which fell by Rs70.00 to Rs1,710.00 per share, followed by Nestle Pak that declined by Rs49.51 to Rs6,599.99 per share.

Significant turnover was recorded in the stocks of Bank of Punjab (Right), Fauji Cement, Lafarge Pak, Bank Al-Falah, Maple Leaf Cement, Bank of Punjab, PTCL, Wateen Telecom Ltd, Jahangir Siddiqui Co and Flying Cement.

Bank of Punjab (Right) remained the volume leader with 61.74 million shares and a decline of 99 paisas to Rs2.79 per share, followed by Fauji Cement with 29.09 million shares and an increase of 19 paisas to Rs13.26 per share.

Lafarge Pak remained the third-leading stock with 28.97 million shares and an increase of 12 paisas to Rs9.19 per share, Bank Al-Falah's 18.90 million shares with a decline of 89 paisas to Rs18.05 per share, Maple Leaf Cement's 16.53 million shares with a decline of 38 paisas to Rs23.82 per share, Bank of Punjab's 15.22 million shares with a decline of 62 paisas to Rs14.12 per share, Pakistan Telecommunication Company Limited's 13.55 million shares with a decline of 24 paisas to Rs22.00 per share, Wateen Telecom Ltd's 10.59 million shares with an increase of 12 paisas to Rs4.63 per share, Jahangir Siddiqui Co's 9.31 million shares with a decline of 29 paisas to Rs13.84 per share and Flying Cement's 8.42 million shares with an increase of one paisa to Rs5.22 per share.

Shares' turnover in the futures market increased to 20.94 million shares from 16.45 million shares traded in the previous session. Fauji Cement Company Limited's June futures led the market with 4.95 million shares with an increase of 19 paisas to Rs13.38 per share, followed by PTCL's June futures with 3.44 million shares and a decline of 39 paisas to Rs22.15 per share.

Of the 126 companies shares traded in the futures market, 16 advanced, 108 declined and two remained unchanged.

Courtesy: The News