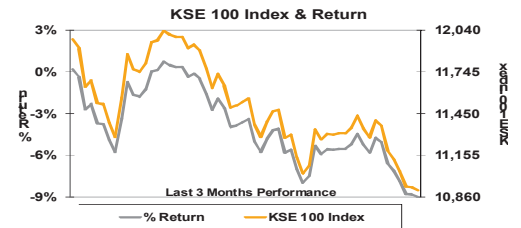


Market Overview

Investors continued offloading their holdings at the Karachi Stock Exchange on Thursday as the government, army, and judiciary were seen on a collision course. The benchmark KSE 100-Index fell by 0.2% or 21.37 points to close at 10,909.12 level.



Trade deficit at all time high in December

Pakistan trade deficit witnessed all time high in the month of December, as it enlarge by 45.3% YoY to \$2.41 billion in December, compared with \$1.65 billion recorded in December 2010 due to higher oil prices and lower cotton prices. The deficit was surge due to hike in imports bill of 13.6% to \$4.26 billion in December 2011 against \$3.75 billion in identical month last year. Similarly, decline in export further enlarge deficit as exports fall by 11.5% at \$1.85 billion against \$2.09 billion in above mentioned period.

Balance of Trade (\$ million)	Exports	Imports	Trade Balance
July-December 2011	11,237	22,713	(11,476)
July-December 2010	10,815	19,102	(8,287)
YoY Chg	3.90%	18.90%	38.48%
Dec-11	1,854	4,261	(2,407)
Dec-10	2,094	3,751	(1,657)
Chg YoY	(11.46)	13.60	45.26
Dec-11	1,854	4,261	(2,407)
Nov-11	1,552	3,729	(2,177)
Chg MoM	19.46	14.27	10.56

Source: FBS & AZEE Research

Exports marginally up

Exports from the country surged by 3.9% by to \$11.23 billion 1HFY12 to \$10.81 billion in 1HFY11. However, exports increase by 19.5% to \$1.85 billion versus \$1.55 billion in November 2011 due to lower base effect owing to holidays on account Eid-u- Azha.

Imports increasing rapidly

Imports increase by 18.9% to \$22.71 billion in 1HFY12 as against \$19.10 billion recorded during the same period of last year. Similarly, imports hike by 14.3% to \$4.26 billion versus \$3.73 billion in November 2011. We don't rule out possibility of all time high import bill of \$43.6 billion for FY12.

Economy in hot water

In past two months, Pakistan rupee has depreciated over 5% that would result into export growth but due to the inefficient export oriented sector and with global recession, the country might not benefit from that. We expect trade deficit to touch \$22 billion resulted into possible decline in foreign exchange reserves due to non-materialisation of estimated external inflows.

News Update

Election Commission of Pakistan (ECP) Thursday announced schedule for holding Senate elections on March 02, 2012.

With the inauguration of the Kunnar-Pasakhi project, initially 100 million cubic feet per day (mmcf) gas has been inducted in the gas distribution network. After installation of gas processing plant in the field, the gas production would not only increase to 280 mmcf, but the field would also produce 387 tonnes of Liquefied Petroleum Gas (LPG) and 400 tonnes of Liquefied Natural Gas (LNG) per day during the current year.

The Securities and Exchange Commission of Pakistan (SECP) has proposed two-year exemption on capital gains tax besides reduction in corporate tax rate at 35% at present.

Pakistan's foreign exchange reserves eased marginally to \$16.90 billion in the week ending January 6, from \$16.92 billion the previous week, the central bank said on Thursday.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		January 12, 2012	
FIPI (12-Jan-2012)	0.22	Yearly(Jul, 2011 up to 11-Jan-2012)	-225.71	Indices			
Local Companies (12-Jan-2012)	-0.44	Monthly(Jan, 2011 up to 11-Jan-2012)	-10.82	All Share Index		7,575.14	
Banks / DFI (12-Jan-2012)	-2.02	Daily (11-Jan-2012)	-1.94	KSE-30TM Index		10,060.65	
Mutual Funds (12-Jan-2012)	2.15	Total Portfolio Investment (30-Dec-2011)	2289	KSE-100TM Index		10,909.12	
NBFC (12-Jan-2012)	0.19			Turnover			
Local Investors (12-Jan-2012)	0.00			All Share Index		21,120,262	
Other Organization (12-Jan-2012)	-0.10			KSE-30TM Index		10,735,271	
				KSE-100TM Index		17,597,148	

MILESTONE

Friday, January 13, 2012

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	10,909	29.27	10,856	10,804	10,946	10,983	10,894
Allied Bank Limited	54.60	41.77	53.05	51.55	55.55	56.50	54.05
Attock Cement	52.95	60.13	51.95	50.95	53.20	53.45	52.20
Adamjee Insurance	46.62	57.55	45.15	43.65	47.95	49.30	46.45
Askari Bank	10.06	47.89	10.00	9.95	10.10	10.15	10.05
Azgard Nine	2.80	33.26	2.80	2.75	2.90	2.95	2.85
Attock Petroleum	412.08	46.23	409.10	406.15	414.00	415.95	411.05
Attock Refinery	106.78	38.52	106.25	105.75	107.60	108.45	107.10
Bank Al-Falah	11.19	41.62	11.05	10.95	11.40	11.60	11.25
BankIslami Pak	3.14	45.10	3.10	3.00	3.25	3.35	3.15
Bank.Of.Punjab	5.51	52.16	5.50	5.45	5.60	5.65	5.55
D.G.K.Cement	19.49	48.12	19.30	19.10	19.75	19.95	19.50
Faysal Bank	8.57	49.29	8.45	8.30	8.75	8.95	8.65
Fauji Cement	3.45	46.35	3.40	3.35	3.50	3.55	3.45
Fauji Fert Bin	43.29	36.29	42.85	42.45	43.60	43.95	43.20
Fauji Fertilizer	160.71	55.19	158.45	156.20	162.25	163.75	159.95
Habib Bank Ltd	105.54	36.83	105.20	104.85	106.20	106.85	105.85
Hub Power	33.50	33.92	33.15	32.80	33.65	33.85	33.30
ICI Pakistan	129.26	60.74	127.70	126.15	131.35	133.45	129.80
Lucky Cement	77.12	46.95	76.65	76.25	77.40	77.70	76.95
MCB Bank Ltd	146.83	55.05	144.90	143.00	148.00	149.20	146.10
Maple Leaf Cement	1.95	54.30	1.90	1.85	2.00	2.05	1.95
National Bank	41.81	46.64	41.25	40.65	42.45	43.05	41.85
NIB Bank	1.68	64.01	1.60	1.55	1.70	1.75	1.65
Oil & Gas Dev. XD	133.85	22.77	132.90	131.95	134.55	135.20	133.55
P.S.O. XD	233.20	47.34	232.15	231.05	234.15	235.05	233.05
P.T.C.L.A	10.18	48.84	10.10	10.05	10.20	10.25	10.15
Sui North Gas	15.75	38.69	15.50	15.25	15.95	16.15	15.70
TRG Pakistan	1.20	46.65	1.15	1.05	1.25	1.30	1.20
Lotte Pakistan	9.75	49.83	9.70	9.60	9.85	9.95	9.80

CR = Yesterday's Closing Rate; RSI = 14 day RSI.

RSI Indication: Less than 30 Indicate oversold position & Greater than 70 Indicate overbought position.

Risk Disclosure

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Board Meetings

Company	DATE	TIME
Pak Tobacco Company	13-01-2012	10:30
Kot Addu Power Co.	15-02-2012	12:30
Pak Int. Cont Term Ltd	17-01-2012	2:30
Fauji Fertiliser Bin Qasim Ltd	26-01-2012	10:40
Clariant Pak Ltd	30-01-2012	11:00
Unilever Pak Foods Ltd	03-02-2012	2:30

Key Data
Money Market

T-Bills (3 Mths)	11-Jan-2012	11.78%
T-Bills (6 Mths)	11-Jan-2012	11.83%
T-Bills (12 Mths)	11-Jan-2012	11.89%
Discount Rate	08-Oct-2011	12.00%
Kibor (1 Mth)	12-Jan-2012	12.07%
Kibor (3 Mths)	12-Jan-2012	11.88%
Kibor (6 Mths)	12-Jan-2012	11.94%
Kibor (9 Mths)	12-Jan-2012	12.23%
Kibor (1 Yr)	12-Jan-2012	12.28%
P.I.B (3 Yrs)	12-Jan-2012	12.10%
P.I.B (5 Yrs)	12-Jan-2012	12.50%
P.I.B (10 Yrs)	12-Jan-2012	12.50%
P.I.B (15 Yrs)	12-Jan-2012	13.00%
P.I.B (20 Yrs)	12-Jan-2012	13.10%
P.I.B (30 Yrs)	12-Jan-2012	13.20%

Commodities

Crude Oil (brent)\$/bbl	114.74
Crude Oil (WTI)\$/bbl	102.79
Cotton \$/lb	95.80
Gold \$/ozs	1,648.80
Silver \$/ozs	30.62
Malaysian Palm \$	1,020
GOLD (NCEL) PKR	48,127
KHI Cotton 40Kg PKR	6,002

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