

OVERVIEW

FY07-08 was an impulsive year in the Karachi Stock Market. It got start with volatile but upward move, remained sustainable in the middle and then ended with highly erratic but downward move. Market touched its highest ever level in April, 2008 but put up with a crash at the end of year. Soaring oil Prices, food inflation and declining trends in the international markets along with poor Law & Order situation in the country hit our share market negatively.

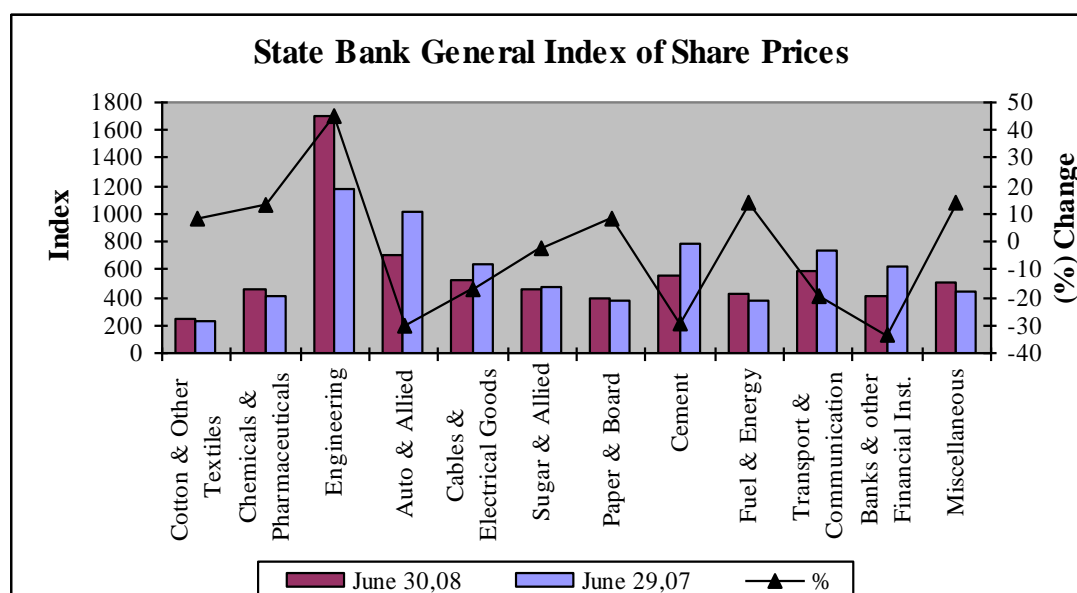
Share Market stabilization measures taken by the Securities and Exchange Commission of Pakistan (SECP), good operating financial results from the major scrip's, adequate liquidity in the market and comparatively stable macroeconomic environment contributed to positive move in the market.

Key Statistics of Trading at Karachi Stock Exchange.		
	2007-08	2006-07
KSE Turnover of Shares (Million)		
High	525	467
Low	11	27
Average	242	212
June End	11	448
Market Capitalization (Billion Rupees)		
High	4,754	3,981
Low	3,417	2,645
Average	4,187	3,099
June End	3,744	3,981
State Bank General Index (2000-01=100)		
High	590.40	547.47
Low	419.31	404.11
Average	541.40	439.29
June End	455.34	547.47
KSE All Share Index (Sep 18, 1995=1000)		
High	11,148.68	9,758.81
Low	8,038.39	6,399.29
Average	9,880.11	7,575.89
June End	8,834.24	9,758.81
State Bank Sensitive Index (2000-01=100)		
High	693.99	638.26
Low	439.75	434.13
Average	615.58	503.46
June End	484.69	638.26
KSE 100 Index (Nov 1, 1991=1000)		
High	15,676.34	13,772.46
Low	11,162.17	9,504.47
Average	13,896.46	11,167.51
June End	12,289.03	13,772.46
KSE 30 Index (June 30, 2005=10000)		
High	18,996.33	17,002.75
Low	12,750.28	12,248.93
Average	16,711.78	14,202.45
June End	14,326.27	16,993.51
Number of Trading Days	247	244
No. of Listed Companies	636	635

State Bank of Pakistan General Index:-

SBP General Index of share prices stood at 455.34 points on June 30, 2008 as compared with 547.47 points reflecting a decrease of 92.13 points or 16.83 percent over the previous year. The major decreases were observed in Auto & Allied 306.12 points or 30.11%, Cement 228.06 points or 28.98%, Banks & Other Financial Institutions 210.95 points or 33.58%, Transport & Communication 145.71 points or 19.69% and Cables & Electrical Goods 108.27 points or 16.92 % on year to year basis. Where as increases in the index were recorded in Engineering 526.65 points or 44.88%, Miscellaneous 61.10 points or 13.84%, Chemicals & Pharmaceuticals 53.37 points or 13.11%, Fuel & Energy 52.40 points or 13.98% and Paper & Board 29.17 points or 7.91%.

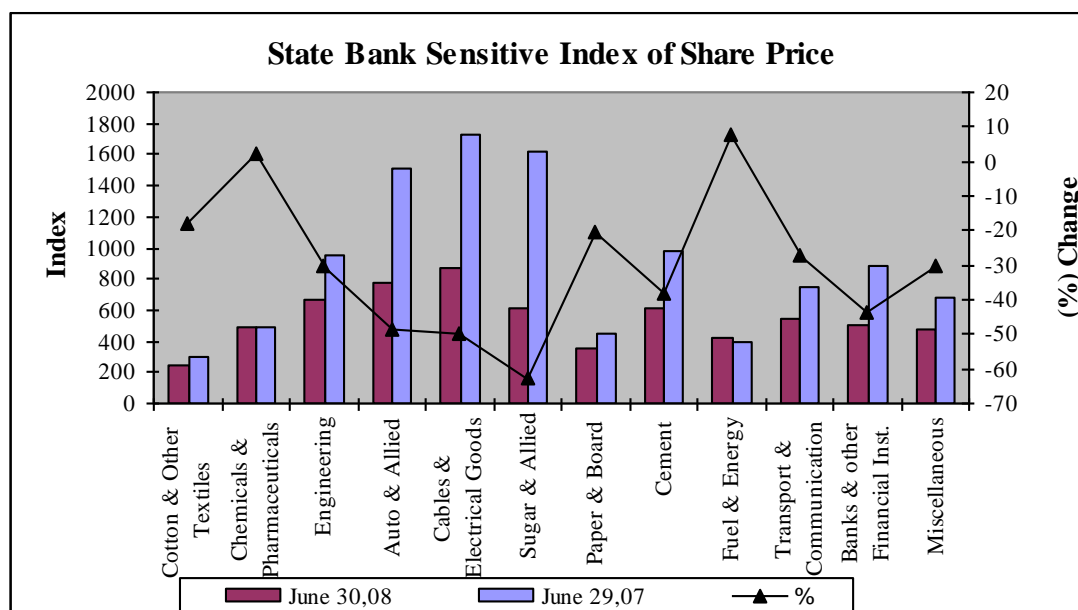
State Bank General Index of Share prices (2000-2001=100)				
Groups	As on		Change	
	June 30,08	June 29,07	Points	%
Cotton & Other Textiles	246.79	227.43	19.36	8.51
Chemicals & Pharmaceuticals	460.51	407.14	53.37	13.11
Engineering	1700.12	1,173.47	526.65	44.88
Auto & Allied	710.43	1,016.55	-306.12	-30.11
Cables & Electrical Goods	531.77	640.04	-108.27	-16.92
Sugar & Allied	462.61	473.36	-10.75	-2.27
Paper & Board	398.17	369.00	29.17	7.91
Cement	558.94	787.00	-228.06	-28.98
Fuel & Energy	427.09	374.69	52.4	13.98
Transport & Communication	594.27	739.98	-145.71	-19.69
Banks & other Financial Inst.	417.26	628.21	-210.95	-33.58
Miscellaneous	502.46	441.36	61.1	13.84
Overall General Index	455.34	547.47	-92.13	-16.83



State Bank of Pakistan Sensitive Index:-

SBP Sensitive index of share prices stood at 484.69 points on June 30, 2008 as compared with 638.26 points reflecting a decrease of 153.57 points or 24.06 percent over the previous year. The major decreases were observed in Sugar & Allied 1,015.83 points or 62.63%, Cables & Electrical Goods 858.06 points or 49.59%, Auto & Allied 740.80 points or 48.85 %, Banks & Other Financial Institutions 387.92 points or 43.58%, Cement 374.64 points or 38.07%, Engineering 284.59 points or 29.99% and Miscellaneous 204.70 points or 30.07 % over the previous year. Where as significant increase in the index was recorded in Fuel & Energy 30.20 points or 7.72%.

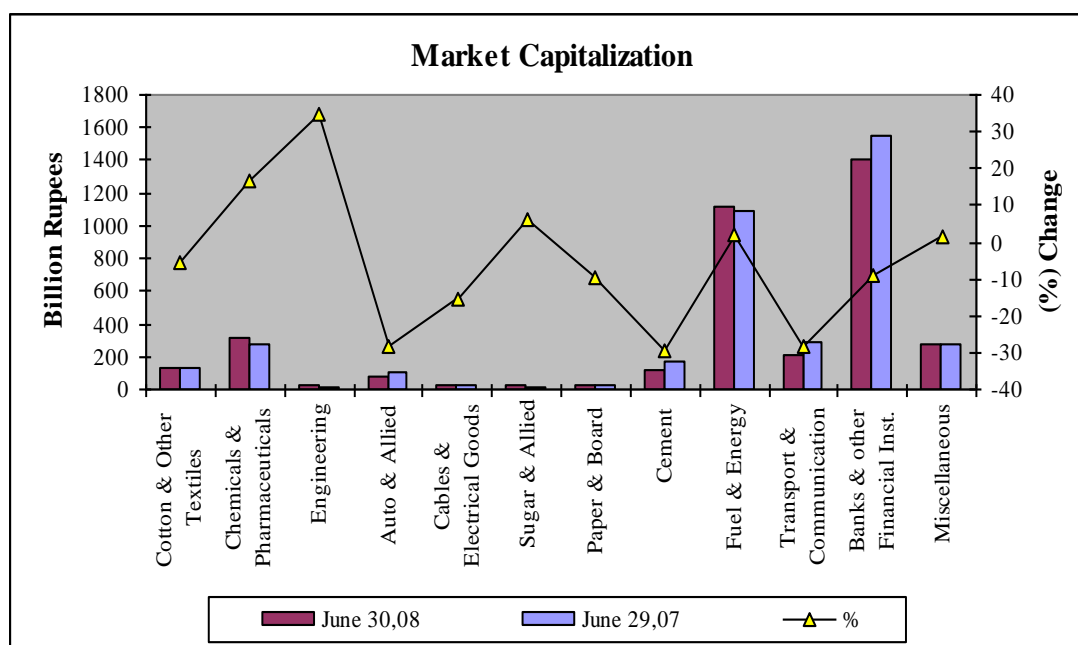
Groups	As on		Change	
	June 30,08	June 29,07	Points	%
Cotton & Other Textiles	247.47	301.05	-53.58	-17.80
Chemicals & Pharmaceuticals	496.03	486.33	9.70	1.99
Engineering	664.51	949.10	-284.59	-29.99
Auto & Allied	775.61	1,516.41	-740.80	-48.85
Cables & Electrical Goods	872.32	1,730.38	-858.06	-49.59
Sugar & Allied	606.12	1,621.95	-1,015.83	-62.63
Paper & Board	356.59	449.19	-92.60	-20.61
Cement	609.49	984.13	-374.64	-38.07
Fuel & Energy	421.36	391.16	30.20	7.72
Transport & Communication	544.52	746.36	-201.84	-27.04
Banks & other Financial Inst.	502.25	890.17	-387.92	-43.58
Miscellaneous	476.00	680.70	-204.70	-30.07
Overall Sensitive Index	484.69	638.26	-153.57	-24.06



Market Capitalization:-

Aggregate market capitalization amounted to Rs 3,744,125 million on June 30, 2008 as compared to Rs 3,980,783 million at the end of previous year showing a decrease of Rs. 236,658.75 million or 5.95%. Major decreases were observed in Banks & Other Financial Institutions Rs 141,460 million or 9.11%, Transport & Communication Rs 80,494 million or 28.30%, Cement Rs. 48,495 million or 29.28% and Auto & Allied Rs. 28,850 million or 28.15%. And increase observed in the sectors, Chemical & Pharmaceuticals Rs. 45,319 million or 16.55%, Fuel & Energy Rs. 19,475 million or 1.78%, Engineering Rs.6,493 million or 34.57% and Miscellaneous Rs.4,430 million or 1.63%.

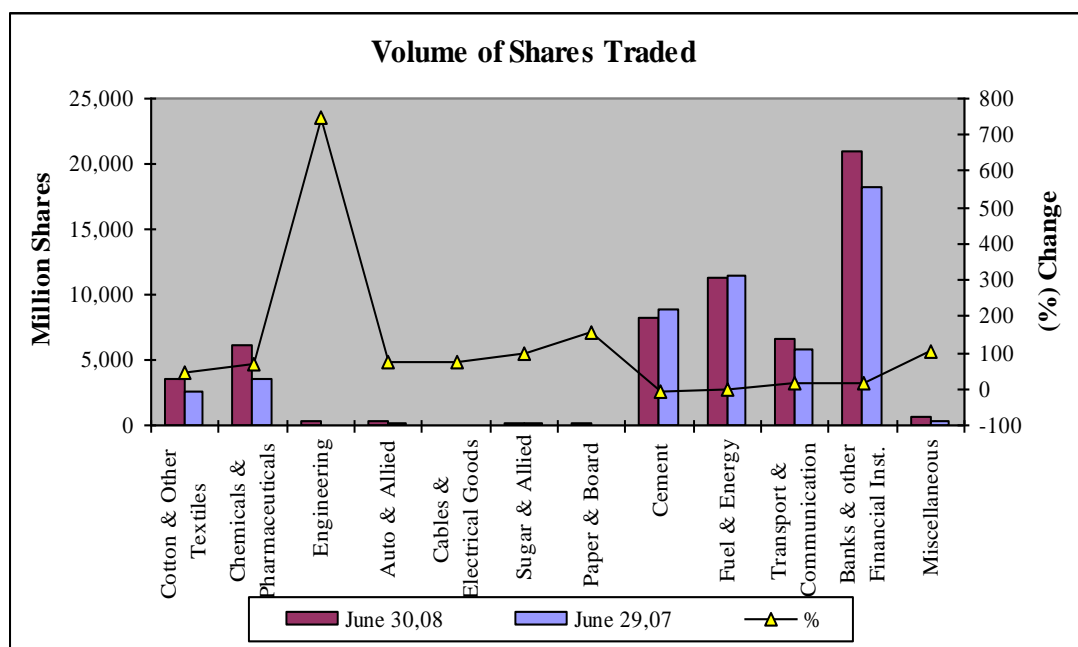
Market Capitalization	(Million Rupees)			
	As on		Change	
	June 30,08	June 29,07	Points	%
Cotton & Other Textiles	128,951	136,240	-7,289	-5.35
Chemicals & Pharmaceuticals	319,084	273,765	45,319	16.55
Engineering	25,275	18,781	6,493	34.57
Auto & Allied	73,650	102,501	-28,850	-28.15
Cables & Electrical Goods	21,402	25,306	-3,904	-15.43
Sugar & Allied	20,632	19,421	1,211	6.24
Paper & Board	29,210	32,306	-3,096	-9.58
Cement	117,133	165,628	-48,495	-29.28
Fuel & Energy	1,116,254	1,096,779	19,475	1.78
Transport & Communication	203,953	284,447	-80,494	-28.30
Banks & other Financial Inst.	1,412,025	1,553,485	-141,460	-9.11
Miscellaneous	276,555	272,125	4,430	1.63
Overall Market Capitalization	3,744,125	3,980,783	-236,659	-5.95



Volume of Shares Traded at KSE:-

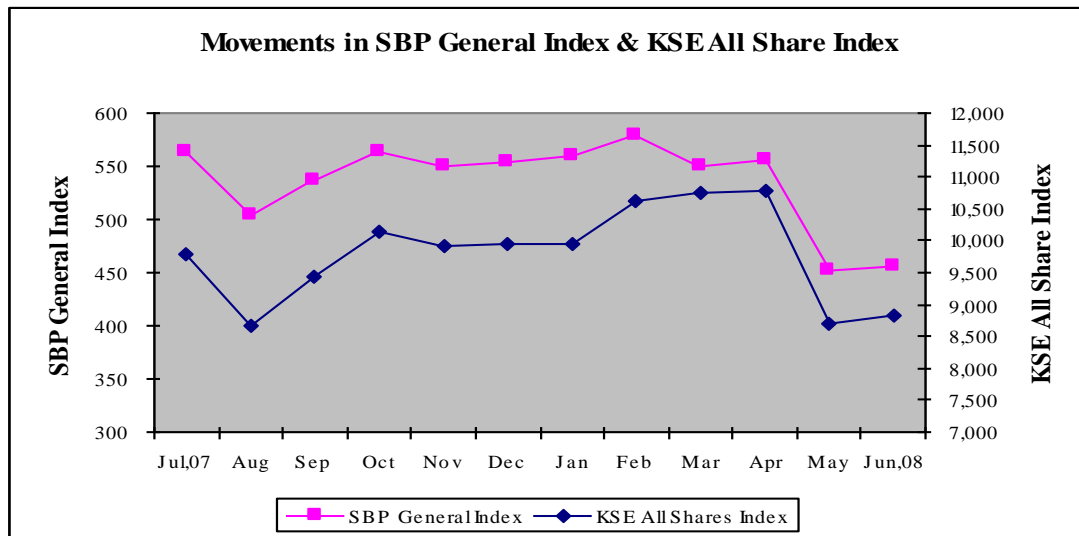
Total volume of shares traded during the year stood at 58.715 billion. The major sectors of trading were Banks & Other Financial Institutions 20.991 billion, Fuel & Energy 11.339 billion, Cement 8.177 billion, Transport & Communication 6.648 billion, Chemical & Pharmaceuticals 6.073 billion and Cotton & Other Textiles 3.6187 billion which constitutes 96.82% of the total volume of shares.

Groups	Volume of Shares Traded at KSE (Shares in Millions)			
	As on		Change	
	June 30,08	June 29,07	Points	%
Cotton & Other Textiles	3,618	2,516	1,102	43.82
Chemicals & Pharmaceuticals	6,073	3,596	2,478	68.90
Engineering	386	45	340	748.51
Auto & Allied	350	201	148	73.64
Cables & Electrical Goods	59	34	25	74.39
Sugar & Allied	217	110	107	96.67
Paper & Board	168	67	102	152.75
Cement	8,178	8,853	-676	-7.63
Fuel & Energy	11,339	11,446	-107	-0.93
Transport & Communication	6,648	5,739	910	15.85
Banks & other Financial Inst.	20,991	18,275	2,716	14.86
Miscellaneous	690	340	351	103.21
Total Shares	58,716	51,221	7,495	14.63



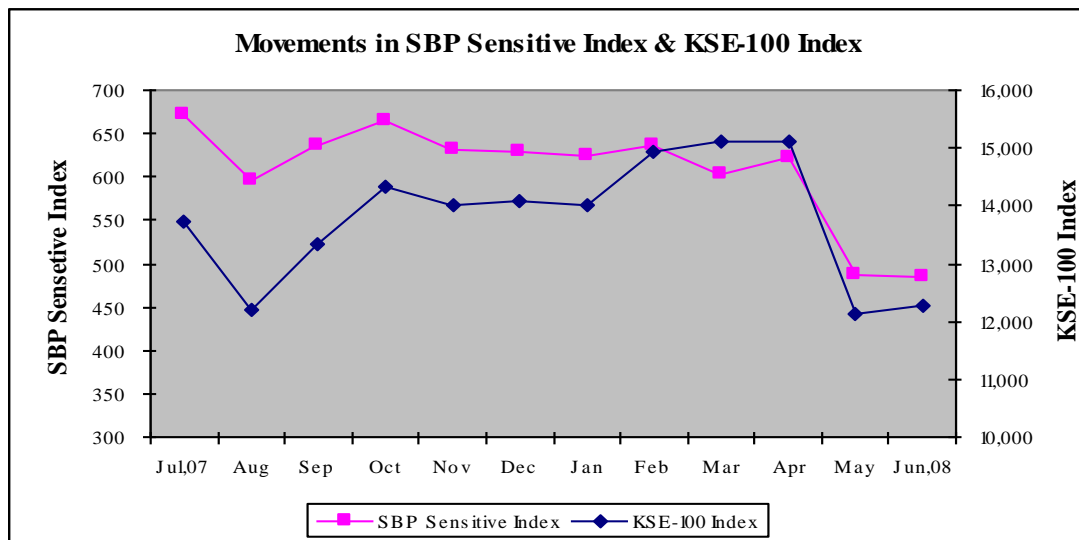
Monthly Progress of Indices during FY08:-

Karachi Stock Market reached at its peak during this fiscal year but could not sustain the upward movement and at the end of the year it drop down to lowest. First and last quarters of the FY07-08 observe volatile movements in trading at KSE. While second and third quarters witnessed comparatively smooth trading as it is obvious from the following figures. A sharp decline at the end of the year was mainly due to soaring oil prices and disturbance on political front.



KSE All Share Index (Sep.18, 1995=1000)

SBP General Index (2000-2001=100)



KSE-100 Index (Nov.1, 1991=1000)

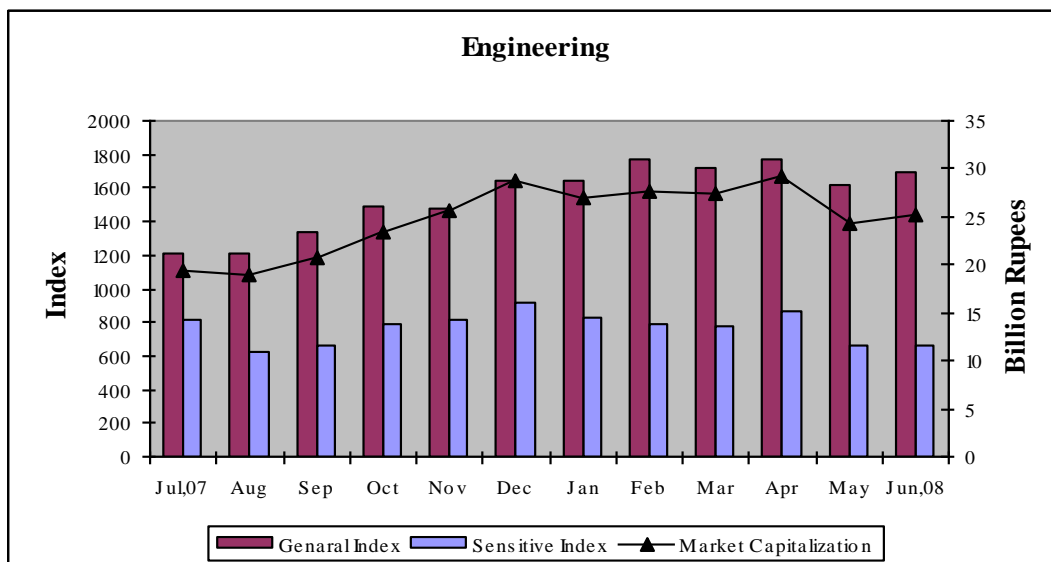
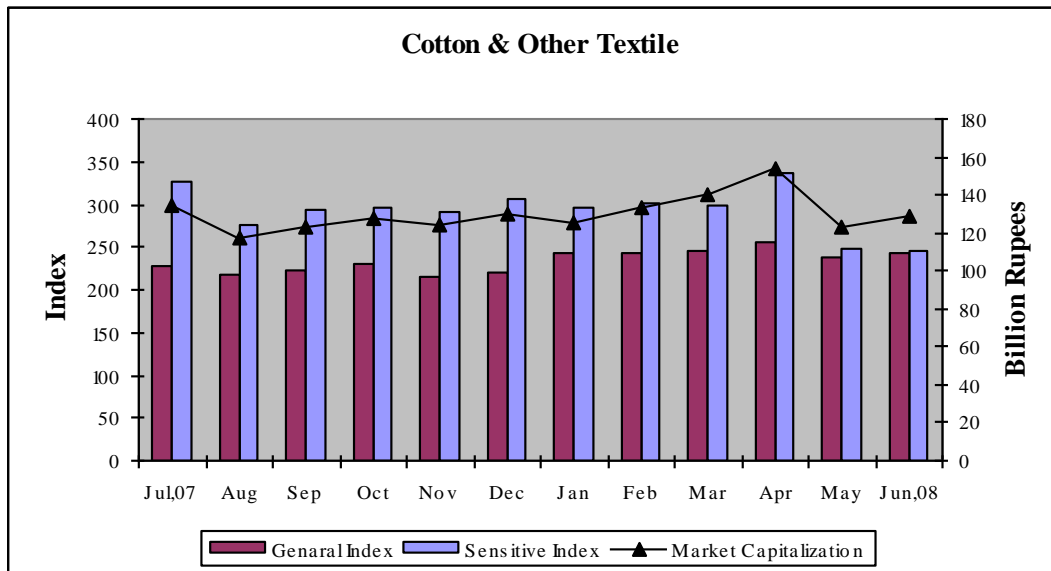
SBP Sensitive Index (2000-2001=100)

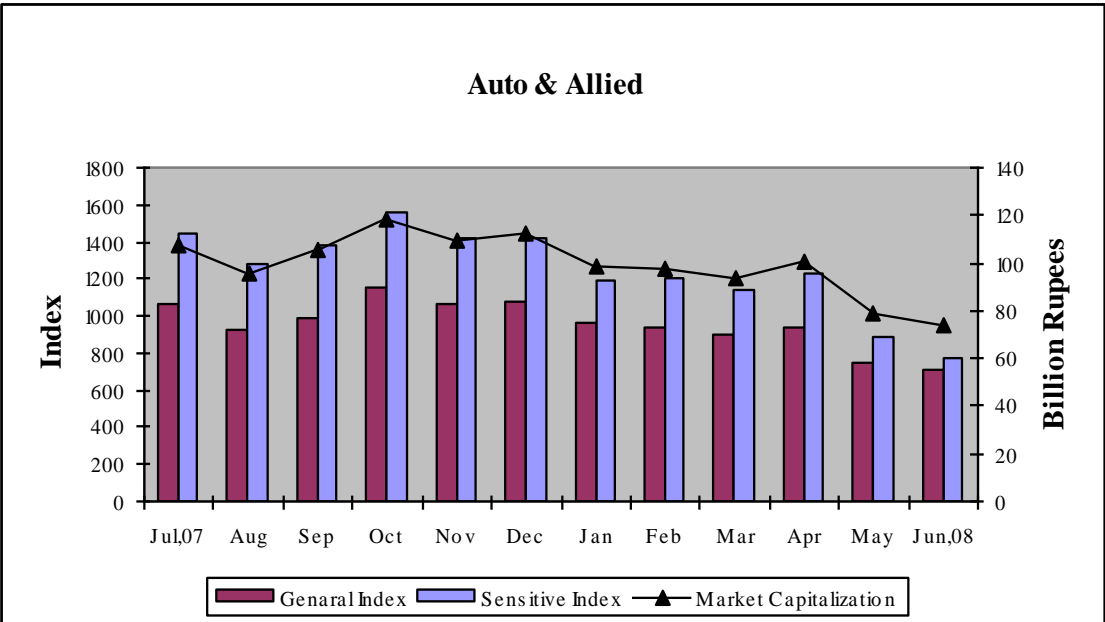
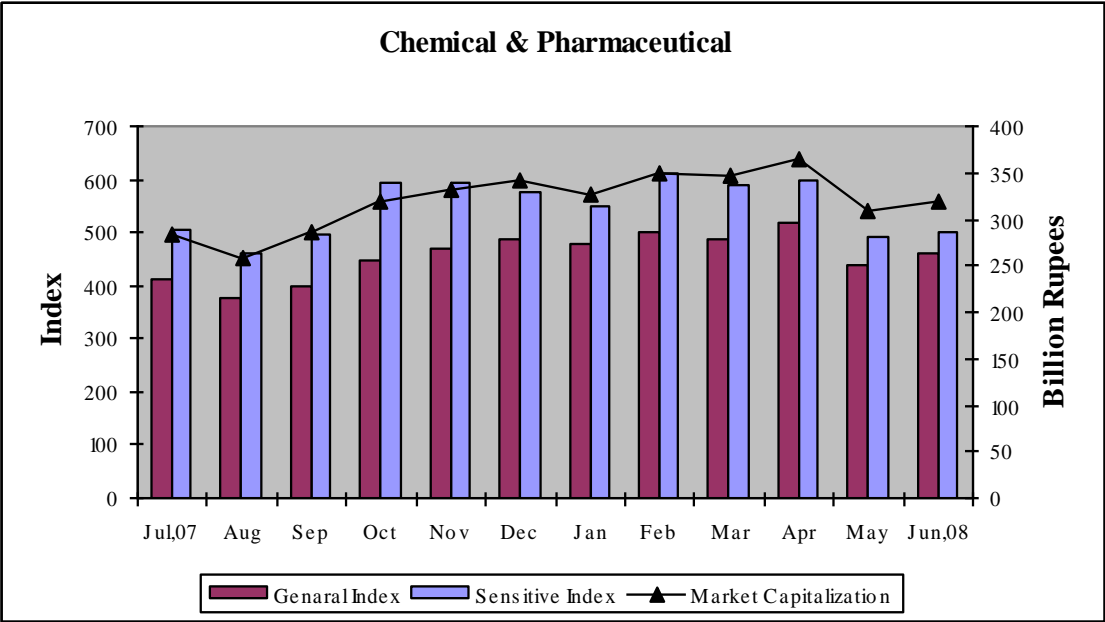
Month End Indices are used.

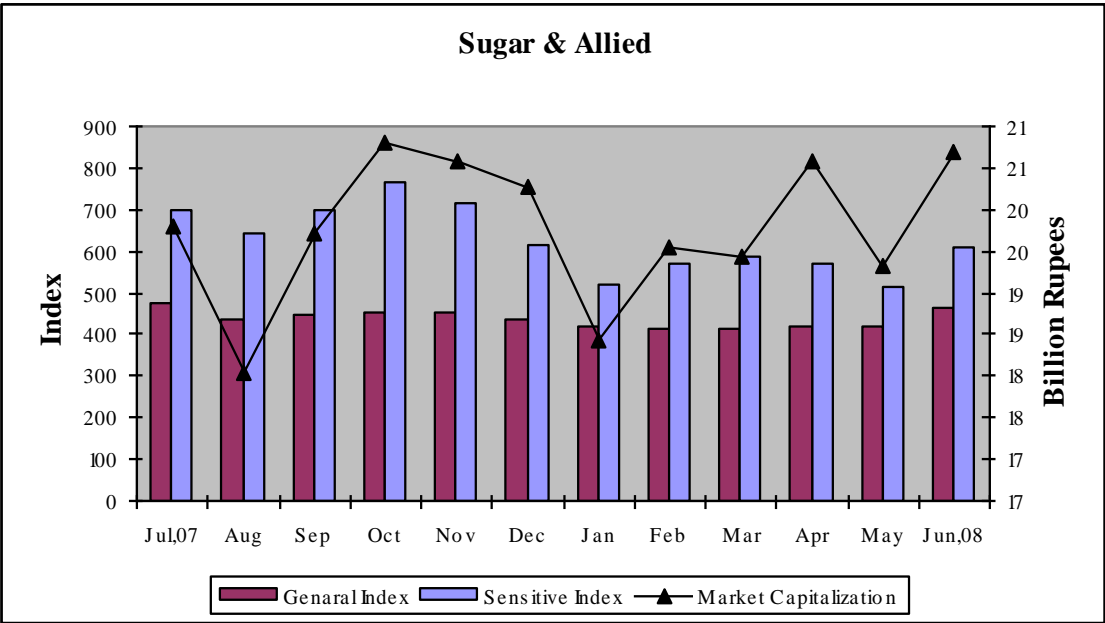
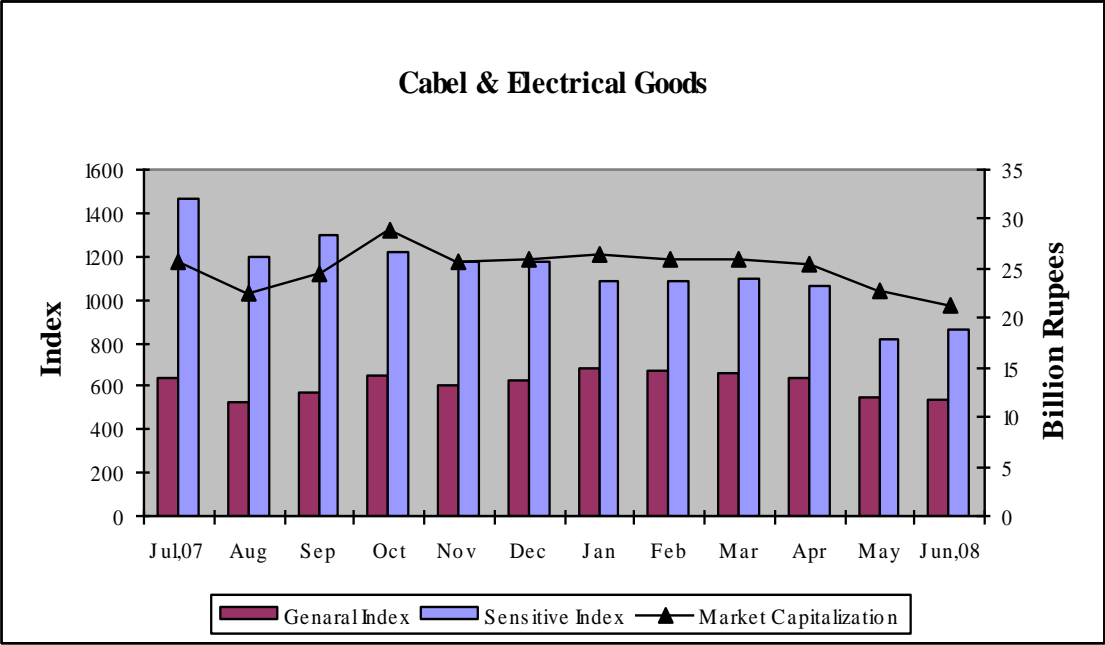
Monthly Sector wise Analysis of Trading at KSE:

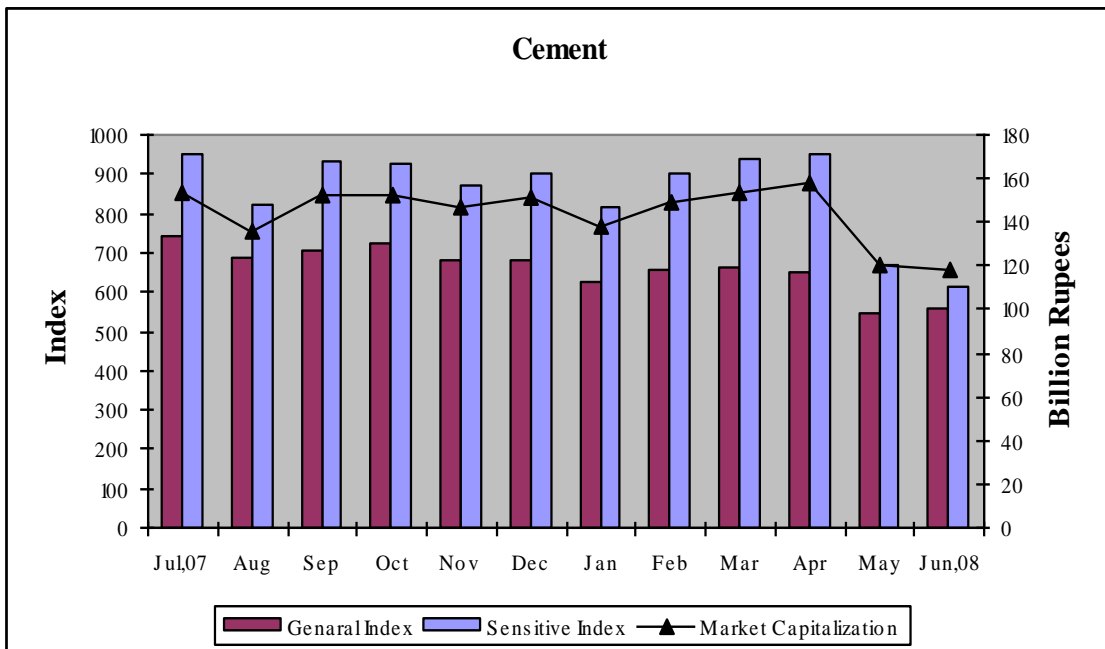
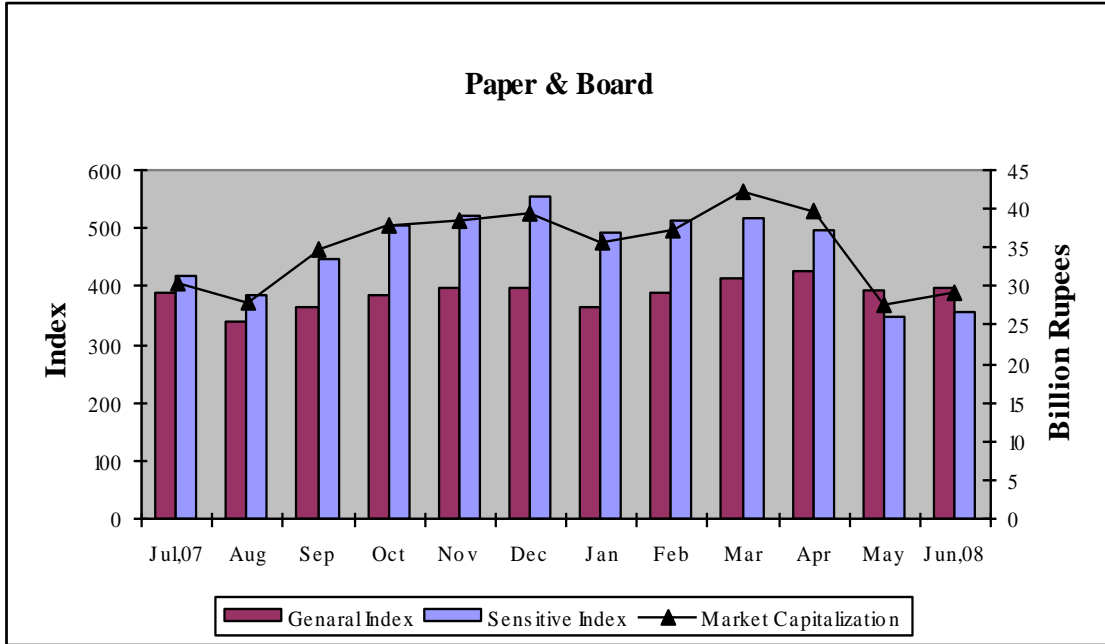
Monthly sector wise analysis of SBP General Index, Sensitive Index and Market Capitalization shows that a few sectors perform well during the year but at the end market fell a prey to Bearish move. Fuel & Energy sector was the star performer of the year. Engineering, Chemical & Pharmaceutical and Banks & Other Financial Institutions also perform well. Sugar & Allied was the most volatile sector. Auto & Allied, Cables & Electrical Goods and Transport & Communication remain in red zone almost throughout the year.

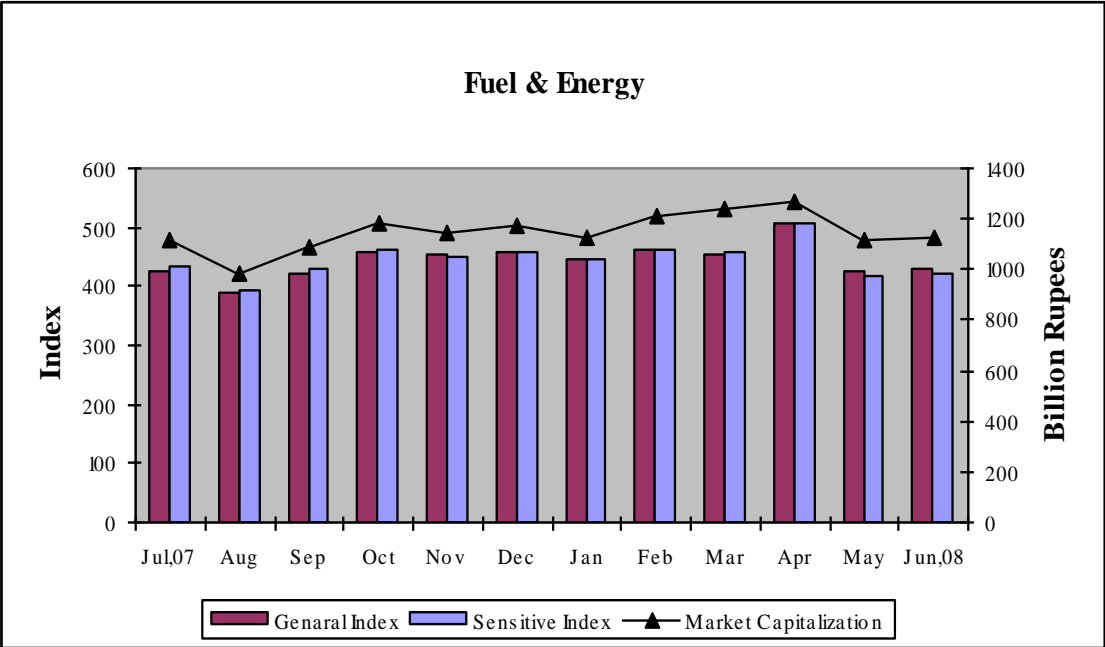
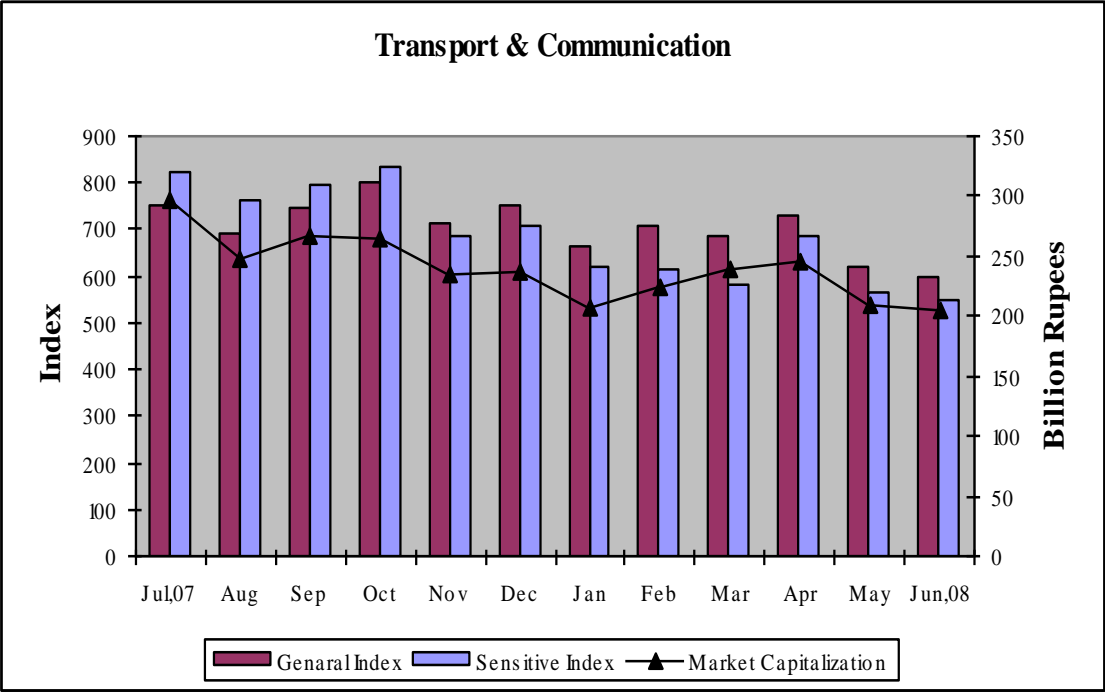
SBP General/Sensitive Price Index and Market Capitalization, 2007-08, for:

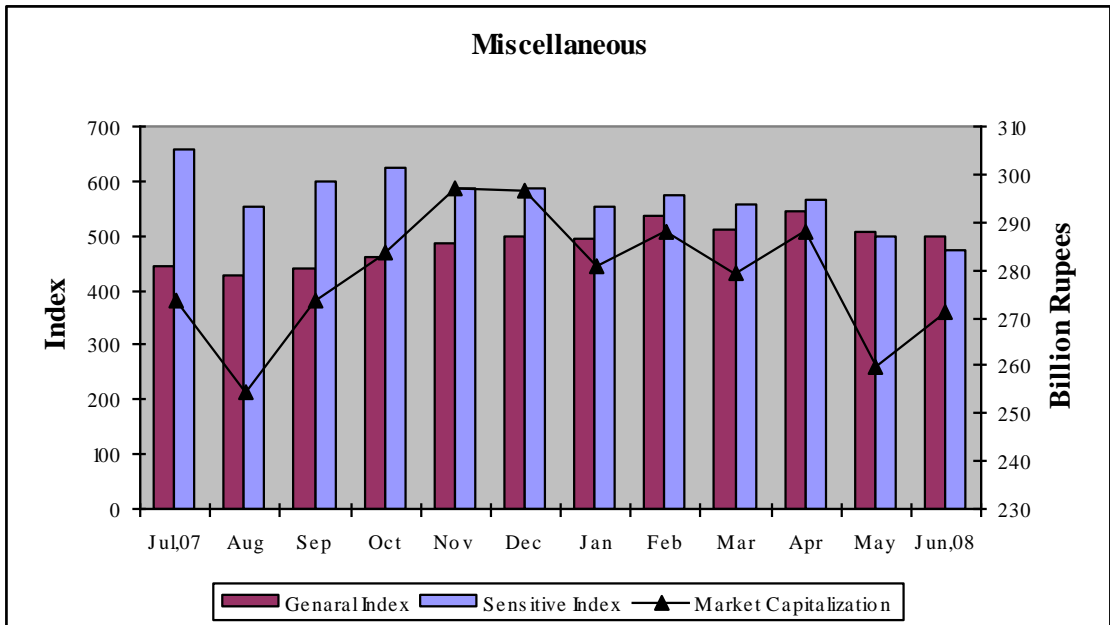
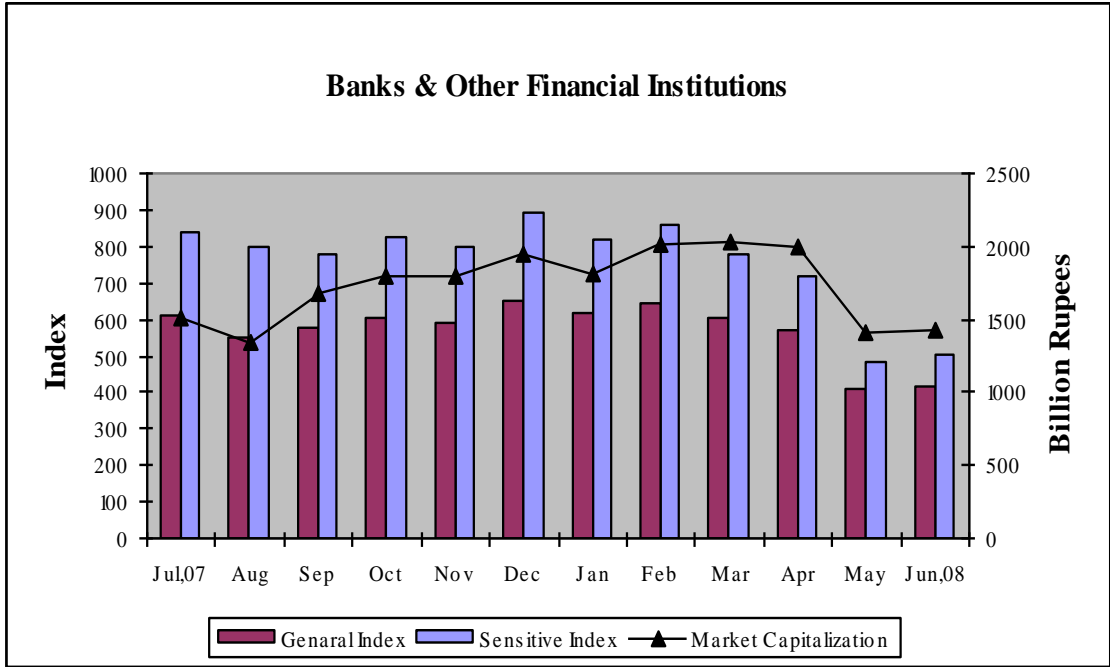












Monthly State Bank of Pakistan Share Indices and Market Capitalization during 2007-08													
Groups		July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
		2007						2008					
Cotton & other Textile	GI	228	218	222	229	215	221	243	243	246	255	239	244
	SI	325	276	293	297	290	305	296	302	298	336	248	246
	MC	134	117	123	127	125	130	126	134	140	154	123	129
Chemicals & Pharmaceuticals	GI	414	377	400	449	470	488	479	499	489	517	438	459
	SI	506	459	494	596	594	578	551	613	588	600	490	498
	MC	283	257	285	320	332	342	326	350	347	366	310	319
Engineering	GI	1,206	1,206	1,342	1,489	1,479	1,643	1,643	1,769	1,723	1,766	1,619	1,692
	SI	809	619	659	784	810	912	824	790	777	864	665	667
	MC	19	19	21	23	26	29	27	28	27	28	24	25
Auto & Allied	GI	1,061	928	985	1,148	1,065	1,075	967	939	904	943	751	712
	SI	1,439	1,276	1,378	1,562	1,422	1,420	1,191	1,200	1,138	1,229	887	777
	MC	108	95	105	118	110	112	98	98	94	100	78	74
Cables & Electrical Goods	GI	635	530	575	647	605	631	681	671	659	640	545	532
	SI	1,468	1,197	1,295	1,215	1,173	1,176	1,086	1,090	1,096	1,064	822	865
	MC	26	22	24	29	26	26	26	26	26	26	23	21
Sugar & Allied	GI	477	435	448	452	452	436	418	413	412	422	417	463
	SI	701	643	697	766	718	617	518	568	584	568	512	611
	MC	20	18	20	21	21	20	18	20	19	21	19	21
Paper & Board	GI	390	340	363	383	398	397	366	390	412	425	395	398
	SI	417	386	447	504	520	555	492	514	518	495	347	355
	MC	31	28	35	38	38	39	36	37	42	40	28	29
Cement	GI	744	685	705	724	678	678	627	654	661	650	544	561
	SI	949	823	932	923	869	900	816	900	938	949	668	615
	MC	153	135	152	153	147	151	138	149	154	158	121	118
Fuel & Energy	GI	424	387	423	459	452	457	444	462	455	508	426	429
	SI	432	393	431	462	451	457	444	460	457	508	417	423
	MC	1,116	987	1,084	1,186	1,146	1,175	1,129	1,210	1,239	1,270	1,118	1,126
Transport & Communication	GI	751	694	744	800	713	753	664	711	685	732	619	597
	SI	823	765	793	834	687	709	623	612	579	685	566	548
	MC	296	248	267	265	236	236	207	225	238	245	209	206
Banks & Other Financial Inst.	GI	614	553	577	604	591	648	618	647	601	573	410	419
	SI	840	797	782	828	795	892	817	861	778	720	485	506
	MC	1,505	1,339	1,678	1,799	1,792	1,950	1,806	2,017	2,025	1,992	1,403	1,423
Miscellaneous	GI	444	426	439	463	485	498	496	536	511	544	507	499
	SI	656	555	601	626	586	588	553	575	556	566	501	473
	MC	274	255	273	284	297	297	281	288	279	288	260	271
Overall SBP General Index		553	504	537	571	551	582	552	579	556	566	452	457
Overall SBP Sensitive Index		653	595	635	679	632	664	610	637	611	636	486	488
Overall Market Capitalization		3,963	3,521	4,067	4,363	4,295	4,508	4,218	4,582	4,630	4,688	3,715	3,761

GI= SBP General Index, SI=SBP Sensitive Index, MC=Market Capitalization in Billion Rupees

Last Friday Indices are used.

State Bank Turn Over Index:-

State Bank Turn Over index remains volatile during FY08, particularly in last two quarters. It reached at a peak of 613 in February 2008. While at the end of the December it fall down to 70, the lowest of the year.

