

APPENDIX II (B)

STATEMENTS BY BROKERS AND OTHERS

03 January 2005

One of the most powerful stock brokers, Aqeel Karim Dhedhi, declared on a recent TV talk show that there were investors who had had the wisdom and good luck to make gains of as much as an incredible 1,200 per cent!

Local mutual fund industry is growing rapidly and fund managers say that the recent indications are that more foreign fund managers are looking at Pakistan (possibly since asset allocation is done for South Asia as a whole, and India is marked "Overweight").

We don't think bears could have a say in setting the market trend at least for near-term", said an analyst, "there appeared a remote possibility of a big shakeout before the index level touched the next target of 9,500, which now was an elusive goal".07 March 2005

Tuesday, February 01, 2005

"The market looks weak and volatility seems ripe, so analysts advised forethought and prudence maintaining that sidelines is a good position to hold. They expressed optimism that a very aggravated bull run does not seem to be a long way off." (The News: by correspondent)

"About trend of the market in coming sessions, Dr.Shahid Zia, head of research, Switch Securities Ltd, said that it was likely to remain subdued and it will be wise to remain on sidelines. According to him, it is still not clear whether the market has come out of overbought range or not, thus, wait and see policy might be a better decision for the public." (B.Recorder: Correspondent)

“We expect that market will regain the momentum shortly as the fundamentals look sound, said Rana Ejaz, settlement manager at Eastern Capital Limited.”
(Daily Times: Correspondent)

Wednesday, February 02, 2005

“The upward movement is likely to continue tomorrow, Ahmad Nabeel, Head of Operations, Invest and Finance Securities said. However, he said, the market might experience roller-coaster movement after a couple of days” (Observer: Correspondent)

“The market has apparently reached the point of no return aided by the general support, higher corporate announcements and an attractive bait of privatization, a leading analyst said. Only some big event at the political or corporate front could reverse its current stance. Much has changed since the market embarked upon its new journey to surpass all its previous records and the retreat could well mean massive losses for the leading participants, he said.” (Dawn: Correspondent)

Thursday, February 03, 2005

“Javed Iqbal, Chief executive Javed Iqbal Securities predicted that the market might touch 9000 points level by the end of the year.” (B.Recorder: Correspondent)

A report in Dawn predicted that according to leading analysts the market would breach the barrier of 7000 points.

Friday, February 04, 2005

“Mirza Ijaz Ullah BAig, director, Capital Vision Securities Ltd said about future scenario of the market that it is brisk as economic outlook is positive and stable. He also pointed out that there are not even distant chances for reversal of the (upward) trend.” (B.Recorder: Correspondent)

“Dawn reported that leading analysts are of the view that the market capital of well over \$25 billion, gives the needed depth to the bourse and meets one of the major demands of the leading foreign funds to enter the Pakistani market.”

“The News reported that according to leading analysts, due to strong fundamentals the market will remain positive in the long term with minor corrections along the way”.

Saturday, February 05, 2005

Dawn reported that according to a leading analyst “the current run-up of the market is not overdone. The index is sure to resume its forward march beyond the index level of 7000 points possibly by the next week” (Correspondent)

Sunday, February 06, 2005

Daily Times reported that according to brokers the market is likely to continue to be bullish because most of the blue chip companies are expected to post healthy results and that the long-term trend of the market is bullish, unless some major incident happens to stop the index’s upward movement. It also reported that according to market experts, the market participants are now seeing the market touch the 10,000 mark in the medium term, due to the positive economic outlook.

Tuesday, February 08, 2005

“Analyst Tanvir Abid of Live Securities said that it appears that the market has significantly consolidated around the 7000 point level and is ripe for a major stride” (The NEWS)

Dawn reported that according to brokers there is a loud whispering in the market that the investors will hold on to their positions until all the leading banks come out with their dividend announcements”

“Dr. Shahid Zia, head of research at Switch Securities Ltd said that he did not see any chance to stop bull-run in the near future. Apart from presence of big players and institutional buyers, general public interest is overwhelming, which has created the buying euphoria in the market.” (B.Recorder)

Thursday, February 10, 2005

“Javed Iqbal, chief executive of Javed Iqbal securities said that about the future course of the market, he viewed that the positive reports regarding quarterly corporate results have raised investors’ hopes, and they are already looking the index touching new high by the end of the financial year. On the basis of positive economic indicators, corporate earnings and fresh news on privatization front, I guess that the KSE index will be reaching 9,000 level by the June end.....”
(B.Recorder)

Dawn reported that according to leading analysts, it is pretty difficult to pull them market down after general investor takes a stake in it. Any amount of inspired selling or price manipulation could jolt the set price pattern but not for too long as consolidation forces are always around to come to the aide of a falling market.

Friday, February 11, 2005

Dawn reported that according to brokers there is no chance of a big retreat from the current all-time higher levels, both in terms of index level and price flare-up, as best is still to come for both.

Yaseen Lakhani, the President of the Karachi Stock Exchange (KSE) said that the ongoing bullish trend at the stock market reflected " there is no chance of a big retreat from the current all-time higher levels, both in terms of index level and price flare-up, as best is still to come for the both," brokers said.

Saturday, February 12, 2005

Ahmad Nabeel, head of operations, Invest & Finance Securities Ltd. Said, “in coming days, fiber sector will inshallah shine along with sugar sector, however, diabetic may buy oil sector scrips”

An analyst, Shahab Farouq, from First Capital Equities said, “we believe that the bullish sentiment that carried the market to current level has not faded and expect that the upward move would continue in the near term. Having said that, we advise our readers to remain cautious” (Business Recorder)

Sunday, February 13, 2005

Daily Times reported that an analyst said that there was seemingly no reason for the market to reverse its upward movement because the economic indicators of the country were fairly positive over the long term.

Daily Times reported that analysts rejected apprehensions and said that the market has been ignoring all negative factors like overbuying, high badla rates and law and order situation in Sui. There could be intra day corrections *but no deep plunge.*”

Monday, February 14, 2005

Dawn reported that according to leading analysts it was pretty difficult to predict as to where the current buying euphoria would take a technical breather, there however was a loud whispering that investors will hold on their positions until all the leading banks were out of their dividends.

Tuesday, February 15, 2005

Analyst Arjumand Habib expected the market to remain in upbeat mood in the coming sessions.(The News)

Wednesday, February 16, 2005

Investors should take positions in PPL, OGDC, BOP and Askari Commercial Bank, Malik Amir of Capital Vision Securities. (Nation)

A few points could be chipped off from the raising index but it appears to be difficult to pull it down from the current levels as market fundamentals continue to be bullish both in terms of positive investments from the corporate sector and the investor perception about the future capital gains. (Dawn)

Analyst Tanvir Abid of Live securities said tat amid huge intra day volatility the over all positive activity is likely to continue. (Dawn)

The upcoming developments are favorable to bulls to strengthen their control of the market, Ali Hussain Rajab Ali. (Daily Times)

The investors continue to take new positions, the overall sentiments are still in favor of the bulls, Sajjid Bhanji analyst of Arif Habib Securities (Daily Times)

Thursday, February 17, 2005

Analysts said that the profits had risen due to dual impact of higher gas production along with the increase in gas prices. The company hit the largest ever gas deposits in 1950s at Sui (Baluchistan) when it discovered 8.9 trillion cubic feet of gas reserves.(Daily Times)

Business Recorder reported tat according to a broker the sentiment of the market is bullish and shows that chances of an immediate correction are not there.

Mriza Ejazullah Baig from Capital Vision Securities said that market was overbought and people were expecting a major correction, it could take a technical turn and people must be prepared for a sharp correction. (B. Recorder)

The head of research at Jahangir Siddique & Co. said that by next year it is hoped that the KSE-100 index would touch 10,000 mark. (The Nation)

Tanvir Abid of Live Securities said that PTCL is expected to show some positive movement, probably touching the Rs.70 level later during the week. Otherwise, the broader market is ripe for a major correction. (The News)

Salim Chamdia, a senior stock broker at KSE said that there are many positive factors working behind the improved sentiments. The fundamentals indicate further appreciations. There are limited chances for big corrections since the market has been going through intra day corrections. (Daily Times)

Friday, February 18, 2005

Business recorder reported that the surging index backed by improving country fundamentals and good relations with India and increasing foreign interest is likely to continue the uphill task. The chance of a 2-2.5 % technical correction however stays and increases with daily surges. It is therefore recommended to capitalize on low volume surge. Buying is recommended in the main stocks on dips.

Business recorder also reported that according to Mirza Muhammad Irfan of Capital Vision Securities, the market is likely to maintain the upward tempo but investors may shed their positions on the weekend. Fuel and energy sector, notably PPL and banks continue to dominate trading and will surge to new high levels. However, he pointed out that the banks, which have been showing good performance on the basis of their earning reports, are in an over bought range now and may take a technical turn at any time.

Dawn reported that analysts do not think that the current run-up is over done. It will not falter half way before testing the index level of 8000 on short-term basis. The News reported that the market pundits recommended buying in main stocks at dips.

Saturday, February 19, 2005

The News reported that a formidable group of analysts were skeptical about the sustainability of the surge and maintained that the highly overbought position of the market underscored the urgency for a major correction.

Dawn reported that according to analysts most of the stocks may have reached their saturation point and need correction. There is loud whispering about a

massive sell-off any time, according to a leading broker, although he did not believe that the bulls could loosen their grip on the current price line before they hit the index level of 8000 points. He said that it was a judicious blend of both dividend-driven and speculative buying.

Hasnain Asghar Ali of Aziz Fidahusein & Co. said that technically initiation of technical correction (most likely carrying the reason of capital adequacy/exposure) can lead an adjustment of 2-3 %, the ongoing rally backed by fundamentals can however allow the index to reach the land mark levels as the developments with regards to improve relations with India and keen foreign interest in privatization and infrastructure are termed positive. (The Nation) Business Recorder reported that according to analysts the market tone is very aggressive, which seems continuing after Ashura. Ahmad Nabeel from Invest and Finance Securities said that the market has gone crazy. The market even least bothered to news about increase in Pakistan's external and domestic debts and US threats to Syria and Iran.

"It was a judicious blend of both dividend-driven and speculative buying", analysts said "board meetings of PSO, PPL and some others are due on Feb 21 and on Feb 25 and talk of higher dividend plus bonus shares appears to be the chief motivating force behind weekend strong rally".

Sunday, February 21, 2005

Khalid Iqbal Siddiqui from Invest Cap said that carry over statistics are making no difference to market sentiments. (Daily Times)

Daily Times also reported that going forward the market sentiments are expected to remain positive on account of privatization-related developments and the expected developments in oil and gas sector.

Analysts predict volumes and investment to start decreasing slightly from now onwards, due to decreasing number of companies on the badla list. However, keeping the positive market sentiment in mind, they consider the rates too remain high for some time to come. (The News)

Analysts, in the wake of hefty dividend results and healthy financial statements to be announced in the next week, see no reason why the index should not keep up its upward drive. (The News)

Tuesday, February 22, 2005

A former chairman Arif Habib also said that foreign investment in stock market has been on the rise "because of the market's continued good performance and improvement in Pakistan's economic fundamentals." Both Mr Lakhani and Mr Habib said that "better future prospects" are encouraging foreign investors, including those from America, to invest more in Pakistani stocks.(Dawn)
"No one is clear about the post-8,000 index level," says a leading broker. But some others predict: "The level of 10,000 now may not be that ambitious". "There could be a partial sell-off on selected counters after the index level of 8,000, but there is no possibility of major shakeout as investors' perceptions have altogether changed in the backdrop of an ambitious dis-investment programme of state-owned units, including PSO, PTCL, Pakistan Steel and some others before June this year," they said. (Dawn)

Dr.Shahid Zia. From Switch Securities said that he was of the view market needs technical correction. Long over correction is due and the market could lose 300-400 points in its index. (Business Recorder)

a leading stock analyst predicted that it could be the end of current buying euphoria as the market could pass through a technical correction of about 200 points beginning from late Thursday session.(Dawn)

Analyst Shahab Farooq said that he maintains his positive outlook on the market in the near term with PTCL and OGDC coming up with their half-year results during the week. (The News)

Analyst Saad Intisar recommended a positive stance in PTCL and Lucky Cement for trading purposes. (the News)

The market managed to breach through another important barrier," said Tariq Hussain Khan, an analyst at Atlas Investment bank. "But there are expectations of profit-taking near 7,800 points level." There are chances that market can come under some pressure around the current levels or above 7,800 points level. The market is now in overbought zone where even intra-day correction might damage the current positive trend. (Daily Times)