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## Foreign investment at KSE strikes highest level in 14 months.

### COMING RESULTS SEASON MIGHT PUT UP WITH SOME INTEREST FOR THE FOREIGNERS IN THE FORM OF PROJECTED BETTER DIVIDEND YIELDS.

Colossal foreign investment inflows in the stock market during the prior week, which outcome in the highest level of net buying during the last 14 months. Gross buying during the week plunked at \$30 mn while they offloaded \$14 mn value of shares, recording net buying of \$16 mn, the highest level in 14 months. Rising, stunned confidence of foreign investors is being stabilized by govt's forthcoming steps towards industries revival and also monetary policy. The investment situation was loosened because of various factors, chiefly poor law and order circumstances, elevated interest rate, lack of competitiveness, energy crisis and many others. However, the government planned to take both short and medium-term measures to encourage growth of private investment. Conversely, the scenario might spawn by the major player behind the rising portfolio investment, which created going up in the last 2 to 3 days within session. The last year's market crisis caused huge losses to investors and when the market opened several big companies incurred losses on their investment in the market during the floor period. Leading it, Securities and Exchange Commission of Pakistan (SECP) directed the companies to book their losses on quarterly basis as an alternative of at once, which could have been a most important blow to the financial health of these companies.

## Factual image

The precarious scenario ultimately portrays the circumstances over the foreign investment. The rising portfolio investment situation is not being revealed by market fundamentals, but is a premeditated move by the local giant shots in the stock market to curtail their impairment losses as much as they can by June 30, 2009 when the current financial year closes. Though, coming results season might put up with some interest for the foreigners in the form of projected better dividend yields. Concluding verdict that post June 30, 2009 scenario would tell the real story whether this current inflow of foreign funds was real or a tactic on part of those, who influence the trading in the market.

Foreign Net buy/sell apr - jun 09

