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Pakistan Stocks Jump Most in Six Weeks as New PM Candidate Named

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(Bloomberg) -- Pakistan's benchmark stock gauge rises as much as 1.7%, the most since Jan. 1, after [Shehbaz Sharif](#) was named as the nation's next prime minister candidate as part of a minority government.

- NOTE: [Pakistan Closer to a Sharif Government After PM Consensus](#)
- Dollar bonds weakened on Wednesday, with notes due in 2031 down 0.3 cents to 65.7 cents on the dollar; bonds due in 2051 slipped 0.4 cents
 - The nation's dollar bonds are still up this year, handing investors a return of more than 8%
- KSE 100 Index has declined about 5% in the previous three sessions amid uncertainty as no major party was able to secure an outright majority in the national election held on Thursday
- NOTE: The gauge is down ~8% from its recent high in December through Tuesday

ANALYST COMMENTS

- "It would have been more positive for the market if it was a PML-N government with other smaller parties as coalition partners - this was the pre-election consensus as well," said [Ruchir Desai](#), a Hong Kong-based fund manager at Asia Frontier Capital
 - "A new government in the next few weeks led by the PML-N can help improve investor sentiment, given the tasks of negotiating a new IMF program"
- "Investors are in a pickle," said [Ali Raza](#), head of international equity trading at Bma Capital Management
 - Market performance "hinges on how the upcoming government tackles reforming the country when the IMF's new program begins, rather than the current news of who will be nominated to be prime minister by a weaker coalition"
- "Market remains in a seasonally tough time period (Feb-Mar) and the declines this week have created an overhang, which will need some very positive triggers to overcome," said [Bilal Khan](#), head of institutional equity sales at Arif Habib
 - The new government "will most likely be a weak one that will face many challenges from the first day"

--With assistance from [Karl Lester M. Yap](#).

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