

**Analysis of Initial Public Offerings of  
Wateen Telecom Ltd**



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## **Abstract**

This study examines the factors that lead to decline the share price of Wateen Telecom Ltd after getting itself listed in all the stock exchanges of Pakistan on 21<sup>st</sup> April 2010. In this study the key determinants that affect the EPS of Wateen Telecom and profitability are discussed and categorized as financial and non financial factors. This study is important from investment point of view, as generally an IPO gives a good return on initial level, but Wateen IPO when started trading loses its value from Rs 10 to Rs 6.75 in just one month and further declines to the level that it is now trading below Rs 2. This study is conducted to see the reasons for such drop fall in prices and to find the most relative factors that affect Wateen stock price; so that investors and brokers, while investing must consider the points that affect the stock price and could be able to secure their investment. Financial aspects were covered with Ratio analysis and balance sheet analysis; while non-financial aspects include Wateen market performance, potential in market. For this purpose informal interviews and questionnaire being conducted from several brokers from stock exchange and investors. Results shows that Wateen stock was not loses its value due to market up down, but Wateen IPO was conducted for dilution of investment by owners of the company, no further investment was made and company faces loss in FY 10. On basis of these findings several recommendations have been given.

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## **Dedication**

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