

## AKD Research

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| Indices   | KSE-100 | KSE-30 |
|-----------|---------|--------|
| This week | 46,877  | 24,372 |
| Last week | 45,912  | 23,854 |
| Change    | 2.10%   | 2.17%  |

| Indices   | KMI-30 | Allshare |
|-----------|--------|----------|
| This week | 80,819 | 33,039   |
| Last week | 78,380 | 32,438   |
| Change    | 3.11%  | 1.85%    |

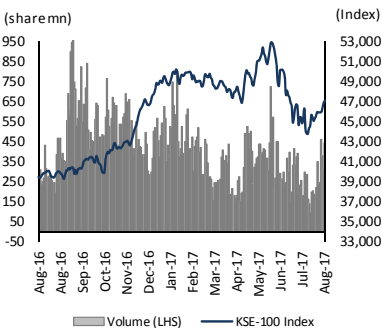
| Mkt Cap.  | PkRbn | US\$bn |
|-----------|-------|--------|
| This week | 9,707 | 92.10  |
| Last week | 9,514 | 90.27  |
| Change    | 2.03% | 2.04%  |

### Avg. Daily Turnover ('mn shares)

|           |        |
|-----------|--------|
| This week | 348.92 |
| Last week | 198.35 |
| Change    | 75.91% |

### Top-5 Volume Leaders

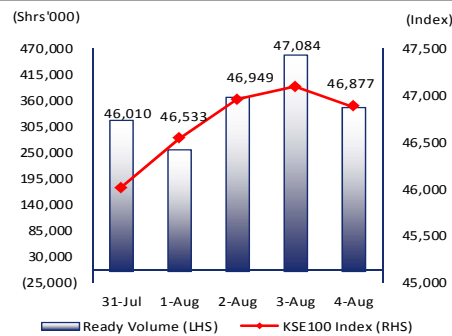
| Symbol | Volume (mn) |
|--------|-------------|
| ANL    | 134.15      |
| BOP    | 120.08      |
| KEL    | 113.20      |
| TRG    | 99.14       |
| ASL    | 95.212      |



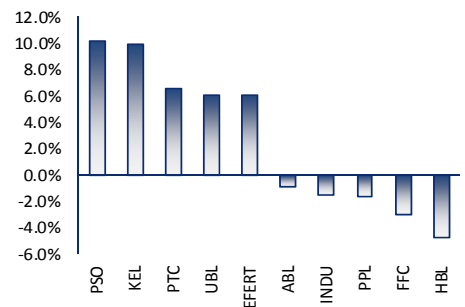
## Weekly Review

Smooth political transition strengthened sentiments with KSE-100 index gaining 965pts or +2.10%WoW to close the current week at 46,877. In this regard, the new PM, Shahid Khaqan Abbasi, was sworn in this week with the formation of the cabinet. Average daily traded volumes also inched up by 75.9%WoW to 349mn shares with 1) ANL (134.2mn shares), 2) BOP (120.1mn shares), 3) KEL (113.2mn shares), 4) TRG (99.1mn shares) and 5) ASL (95.2mn shares) leading the board. Key news flows during the week included: 1) Ministry of national food security and research directed to immediately disburse PkR20bn in pending subsidy claims to the fertilizer makers and to simplify the process for disbursing pending payments under the subsidy schemes of FY16 and FY17, 2) issuance of fresh guarantee of PkR30bn by Finance Ministry to the power sector for settlement of its liabilities on account of repayment of loan and interest payment through a fresh loan, 3) headline inflation for Jul'17 came in at 2.91% vs. 3.93% in Jun'17, 4) NEPRA approved upfront tariff of PkR7.1129/kWh for coal-fired CPP which will remain applicable till Dec 31'18 and 5) textile sector expected to receive PkR15bn as incentives under the export package worth of PkR180 billion by Aug 15'17. Performance leaders during the week were: 1) PSO (+10.2%WoW), 2) KEL (+10.1%WoW), 3) PTC (+6.6%WoW), 4) UBL (+6.2%WoW) and 5) EFERT (+6.2%WoW); while laggards included: 1) HBL (-4.7%WoW), 2) FFC (-2.3%WoW), 3) PPL (-1.6%WoW), 4) INDU (-1.5%WoW) and 5) ABL (-0.8%WoW). Foreign participation continued its negative trend with US\$41.09mn outflows compared to US\$13.15mn in the preceding week.

### Index & Volume Chart



### Universe Gainers & Losers



Source: KSE & AKD Research

## Outlook

Emergence of certainty on the political front post panama verdict, smooth transition towards new cabinet and continuation of earnings season may lead to consolidation in the market with main blue chips stocks gaining steam. Major companies scheduled to announce results next week include EPCL, PSO, KEL, PAEL, HBL & EFOODS. Besides, sustained pickup in global oil prices may also keep Oil&Gas scrips in focus.

### Important disclosures

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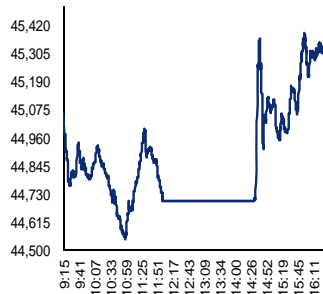
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## This Week's Daily Reports

Aug 04, 2017



### PPL: Sui re pricing provides the upside avenue, (AKD Daily, Aug 04, 2017)

We re-initiate coverage on Pakistan Petroleum Limited (PPL) stressing upon 1) its steadfast approach towards exploration and development activities and 2) the confirmation of the conversion of Sui Mining Lease to Development and Production Lease and subsequent retroactive application of Petroleum Policy 2012 as the key triggers. While international oil price scenario remains depressed (our long term forecast of US\$55/bbl), the company looks to diversify its asset base with 2D and 3D seismic activities in all of its exploration assets, with a focus towards Gambat South as 14th exploratory well Zafir X-1 was recently spudded. Not only this, the company was able to replenish its reserves by 126% with additions from Adhi and Kandhkot blocks, where its proven reserves now stand at more than 2.6BCF. With our earnings forecast for FY17/18F at Pkr14.16/19.46/sh, the company trades at a FY18 P/E of 9.1x. We revise our NAV based target price to Pkr205/sh, providing 19.1% upside along with FY18 D/Y of 4.5%, ACCUMULATE!

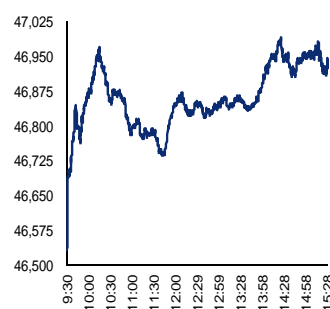
Aug 03, 2017



### NML & ASTL 4QFY17 Result Preview, (AKD Daily, Aug 03, 2017)

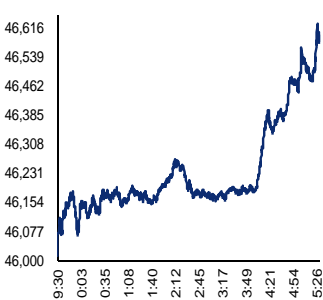
Previewing 4QFY17E result for NML, we expect the company to post unconsolidated NPAT of Pkr1,537mn (EPS: Pkr4.37) vs. Pkr1,356mn (EPS: Pkr3.86), registering an uptick of 10% YoY/1.78xQoQ. The earnings improvement is expected from both core operations (gross margin expected to widen by 116bpsYoY) and sequentially higher payout from business portfolio companies (+10%YoY growth). With anticipated topline growth (+10%YoY), NML core business profitability is likely to see some recovery (expected +0.5x YoY) primarily due to improving gross margin (+116bpsYoY) emanating from better capacity utilization in garment segment. On a cumulative basis, FY17E unconsolidated earning is expected to stand 6%YoY lower at Pkr4,626mn (EPS: Pkr13.16) vs. Pkr4,923mn (EPS: Pkr14.0) in FY16. Factors driving FY17E earnings lower include: 1) 147bpsYoY reduction in gross margin emerging from weak textile fundamentals and 2) lower than expected payout mainly due to power subsidiaries liquidity issues. Accompanying results, we also expect NML to pay full year dividend of Pkr5.5/share. NML has returned 9.6%MTD on news regarding payment of pending incentive claims. Our SOTP based TP of Pkr185.3/share offers 10% upside. Accumulate!

Aug 02, 2017



We expect ASTL to post NPAT of Pkr296mn (EPS: Pkr1.0) in 4QFY17E vs. NPAT of Pkr357mn (EPS: Pkr1.20) in 4QFY16, down 17%YoY/12%QoQ. The decline in earnings is likely on account of gross margin contraction by 3.67pts, resulting from rebound in scrap steel prices (+3%YoY) and soft re-bar prices amid increasing competition. On a cumulative basis, FY17 EPS is expected to stand at Pkr3.76 vs. FY16EPS of Pkr4.31, a decrease of 13%YoY. Despite volume led uptick in revenue (+11%YoY), factors like higher scrap steel prices (+15%YoY) and depressed re-bar prices (-4%YoY) are expected to push earnings lower. However, reduction in finance cost (-24%YoY) and lower effective tax rate (19%YoY in FY17 vs. 27% YoY in FY16) are likely to render some support to earnings. Along with the result announcement, we also expect full year dividend of Pkr1.5/sh. Gaining 70%CYTD, ASTL's price performance has been a function of announced expansions. At our TP of Pkr106/sh, we currently have a Neutral stance on the scrip. That said, room for upside remains upon incorporation of the second expansion of 270k tons (awaiting project details).

Aug 01, 2017



### OMCs: Earnings and volumes keeps the tires kicking, (AKD Daily, Aug 02, 2017)

Passing through the crest of IPP and retail led seasonal fuel demand OMC sales for July'17 grew +9%MoM/+8%YoY pulled by HSD/MOGAS sales. Cumulative 7MCY17 industry sales stood at 14.89mn tonnes (up 2%YoY), falling short of long term growth rates in all segments except HSD. In this backdrop, PSO continued to fend off competition and preserve market share, whereas HASCOL and APL underwent significant growth in volumes. Reporting on Monday, August 7th, we expect PSO to post a full year FY17E EPS of Pkr65.71/share vs. Pkr37.81/share in FY16A backed by significant inventory gains and volumetric growth in MOGAS/FO/HSD of 8%/10%/1%YoY. At current levels the stock trades at FY18/19E P/E of 5.9/5.5x implying significant value on offer.

Source: KSE & AKD Research

## ***This Week's Daily Reports***

### **Panama ends, uncertainty not so much, (AKD Daily, Aug 01, 2017)**

Volatility induced from heightened political noise (Panamagate conclusion) continued to characterize PSX performance in Jul'17. In this backdrop, the benchmark KSE100 Index closed the month with a loss of 1.2% during Jul'17, taking CY17TD returns to -3.8%. Political turbulence followed by uncertainty in the PkR/US\$ parity also kept the market on edge with the index high/low ratio touching its highest level in Jul'17. Volumes drained out where concerns over the sustainability of the current political setup, in light of the Panama decision, kept investors on the sidelines. With political stalemate temporarily settling down upon relatively smooth transition of events, the market is expected to revert back to fundamentals where: 1) the ongoing result season, 2) the recent oil price rally (WTI/Brent up 3.6%/3.3% MoM), 3) depreciative pressures on the currency and consequent positive impact on sectors with US\$ linked revenues and 4) attractive valuations (KSE100 forward P/E at 8.3x - 31% discount to EM) should aid performance. However, market volatility cannot be ruled out as opposition parties are pushing for dragging the Prime Minister-in-waiting into a legal battle as well.

### **OMCs: A 'twist' in the CPI-linkage tale, (AKD Daily, Jul 31, 2017)**

We downgrade earnings expectations for AKD OMC universe citing the absence of tangible headway on margin increase for FY18/CY17F with present political circumstance weakening our thesis in the medium term. Key risks emanate from: 1) ECC delaying decision on margin increase for HSD and MOGAS sticking to PkR2.41/ltr for both segments, 2) clearance of circular debt and associated liquidity concerns, and 3) possible disruptions to logistics operations and approvals for storage and retail expansion hurting supply. In this backdrop, we continue to favor PSO where the entity is primed to continue benefitting from RLNG imports aided by a strong balance sheet (access to FE-25 trade loans) to support any volatility in PkR or oil prices. At an amended FCFE based TP of PkR498/sh, a BUY stance is implied with the stock trading at an attractive FY18/19F P/E of 6.2/5.3x.

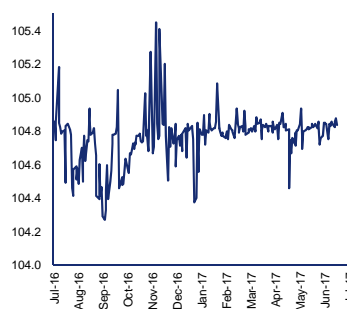
### Regional Valuations (2017)

|             | EPS Growth | PE(x) |
|-------------|------------|-------|
| Pakistan    | 14%        | 8.52  |
| Indonesia   | 11%        | 14.08 |
| Malaysia    | 15%        | 14.47 |
| Philippines | 6%         | 15.51 |
| Vitenam     | 12%        | 17.16 |
| India       | 19%        | 18.10 |
| China       | 12%        | 12.88 |

| %           | ROE   | Divd Yld |
|-------------|-------|----------|
| Pakistan    | 18.2% | 6.09     |
| Indonesia   | 0.10  | 2.48     |
| Malaysia    | 10.19 | 3.35     |
| Philippines | 12.14 | 1.65     |
| Vitenam     | 16.79 | 2.51     |
| India       | 15.20 | 1.63     |
| China       | 11.09 | 2.24     |

Source: Bloomberg & AKD Universe

### PkR/US\$ Trend



Source: Bloomberg

### TRJ-CRB Index



Source: Bloomberg

### Major World Indices' Performance

| Country      | Bloomberg Code | 4-Aug-17 | 28-Jul-17 | WoW    | CYTD   |
|--------------|----------------|----------|-----------|--------|--------|
| Pakistan     | KSE100 Index   | 46,877   | 45,912    | 2.10%  | -1.9%  |
| Srilanka     | CSEALL Index   | 6,567    | 6,666     | -1.48% | 5.4%   |
| Thailand     | SET Index      | 1,578    | 1,581     | -0.18% | 2.3%   |
| Indonesia    | JCI Index      | 5,777    | 5,831     | -0.92% | 9.1%   |
| Malaysia     | FBMKLCI Index  | 1,775    | 1,767     | 0.42%  | 8.1%   |
| Philippines  | PCOMP Index    | 7,933    | 8,071     | -1.72% | 16.0%  |
| Vietnam      | VNINDEX Index  | 789      | 777       | 1.49%  | 18.6%  |
| Hong Kong    | HSI Index      | 27,563   | 26,979    | 2.16%  | 25.3%  |
| Singapore    | FSSTI Index    | 3,327    | 3,331     | -0.13% | 15.5%  |
| Brazil       | IBX Index      | 27,765   | 27,244    | 1.91%  | 12.0%  |
| Russia       | RTSSTD Index   | 12,611   | 12,340    | 2.20%  | -14.4% |
| India        | SENSEX Index   | 32,325   | 32,310    | 0.05%  | 21.4%  |
| S&P          | SPX Index      | 2,472    | 2,472     | 0.00%  | 10.4%  |
| DJIA         | INDU Index     | 22,026   | 21,830    | 0.90%  | 11.5%  |
| UK           | UKX Index      | 7,501    | 7,368     | 1.79%  | 5.0%   |
| Germany      | DAX Index      | 12,217   | 12,163    | 0.45%  | 6.4%   |
| Qatar        | DSM Index      | 9,398    | 9,563     | -1.73% | -10.0% |
| Abu Dhabi    | ADSMI Index    | 4,596    | 4,568     | 0.61%  | 1.1%   |
| Dubai        | DFMGI Index    | 3,675    | 3,606     | 1.91%  | 4.1%   |
| Kuwait       | KWSEIDX Index  | 6,826    | 6,805     | 0.30%  | 18.7%  |
| Oman         | MSM30 Index    | 5,058    | 5,048     | 0.20%  | -12.5% |
| Saudi Arabia | SASEIDX Index  | 7,086    | 7,175     | -1.25% | -1.7%  |
| MSCI EM      | MXEF Index     | 1,064    | 1,063     | 0.10%  | 23.4%  |
| MSCI FM      | MXFM Index     | 570      | 580       | -1.76% | 14.2%  |

Source: Bloomberg

### International Major Currencies

| SPOT         | 4-Aug-17 | 28-Jul-17 | Chg +/- | WoW    | CYTD   |
|--------------|----------|-----------|---------|--------|--------|
| Dollar Index | 93.108   | 93.259    | -0.151  | -0.16% | -9.32% |
| USD/PkR      | 105.320  | 105.355   | -0.035  | -0.03% | 0.54%  |
| USD/JPY      | 110.710  | 110.680   | 0.030   | 0.03%  | -5.00% |
| EUR/USD      | 1.184    | 1.175     | 0.009   | 0.74%  | 12.85% |
| GBP/USD      | 1.309    | 1.314     | -0.005  | -0.37% | 6.74%  |
| AUD/USD      | 0.792    | 0.799     | -0.007  | -0.83% | 9.72%  |
| NZD/USD      | 0.742    | 0.751     | -0.009  | -1.26% | 6.52%  |
| CHF/USD      | 0.974    | 0.969     | 0.006   | 0.58%  | -4.76% |
| CAD/USD      | 1.263    | 1.243     | 0.019   | 1.56%  | -6.48% |
| USD/KRW      | 1,125    | 1,122     | 2.770   | 0.25%  | -6.86% |
| CNY/USD      | 6.724    | 6.737     | -0.013  | -0.19% | -3.33% |

Source: Bloomberg

### Commodities

| SPOT             | Units      | 4-Aug-17 | 28-Jul-17 | WoW    | CYTD    |
|------------------|------------|----------|-----------|--------|---------|
| TRJ-CRB          | Points     | 180.7371 | 182.12    | -0.76% | -6.12%  |
| Nymex (WTI)      | US\$/bbl.  | 48.93    | 49.71     | -1.57% | -8.92%  |
| ICE Brent        | US\$/bbl.  | 51.59    | 51.66     | -0.14% | -6.89%  |
| N. Gas Henry Hub | US\$/Mmbtu | 2.7768   | 2.9185    | -4.86% | -24.58% |
| Cotton           | USd/Pound  | 80.5     | 85        | -5.29% | 1.39%   |
| Gold             | US\$/Tr.Oz | 1261.99  | 1269.65   | -0.60% | 9.52%   |
| Sliver           | US\$/Tr.Oz | 16.52    | 16.759    | -1.43% | 3.78%   |
| Copper           | US\$/MT    | 6325.75  | 6295.5    | 0.48%  | 14.53%  |
| Platinum         | US\$/Oz    | 964.94   | 936       | 3.09%  | 6.80%   |
| Coal             | US\$/MT    | 85.4     | 79.6      | 7.29%  | 1.97%   |

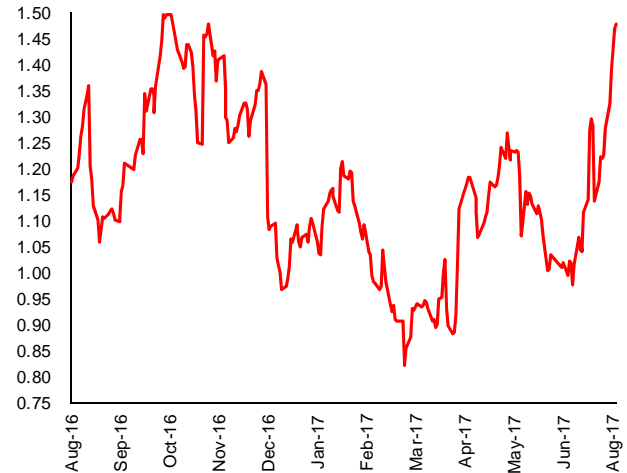
Source: Bloomberg

## Chart Bank

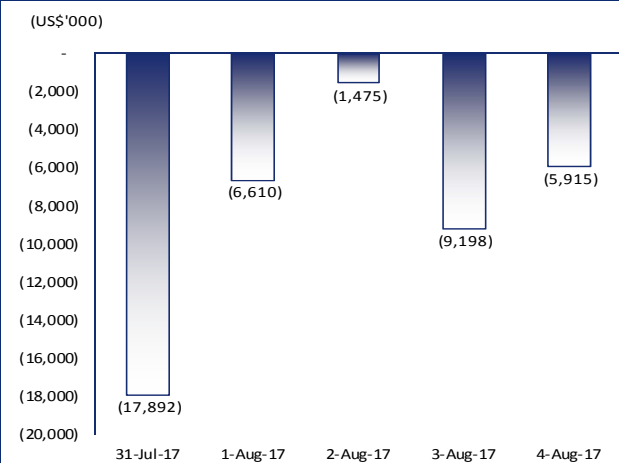
**Earnings Yield vs. T-Bill (12M) Differential**



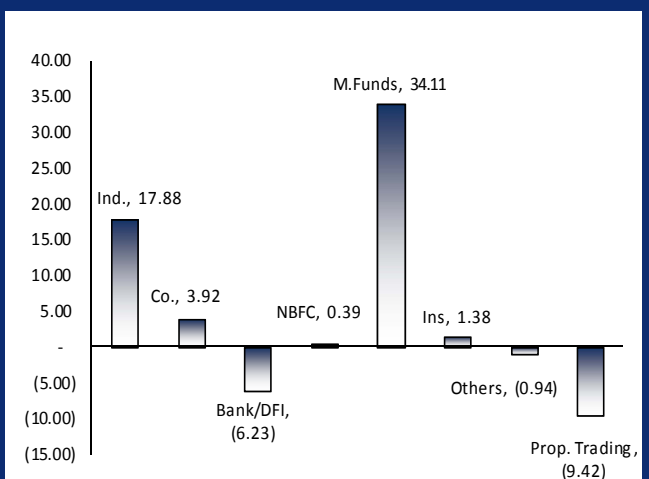
**Advance to Decline Ratio**



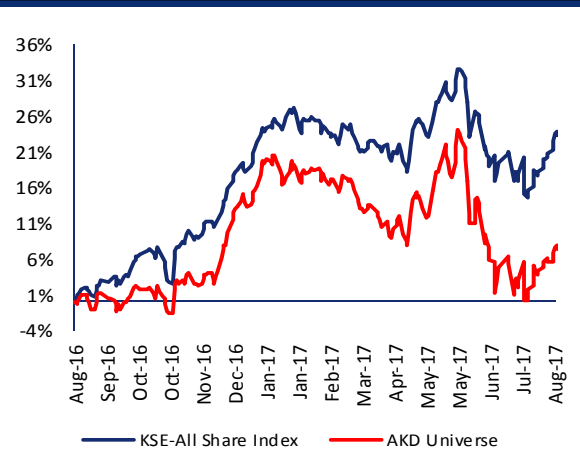
**FIPI Flows for the week**



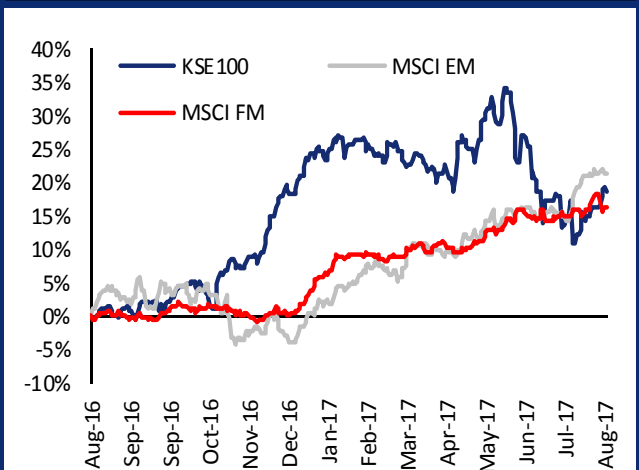
**LIPI Flows for the week**



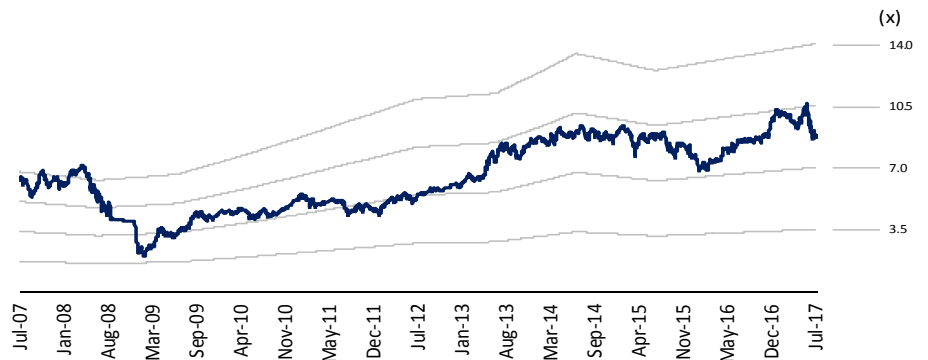
**AKD Universe vs. KSE-100 Index**



**KSE-100 vs. MSCI-EM & MSCI-FM**

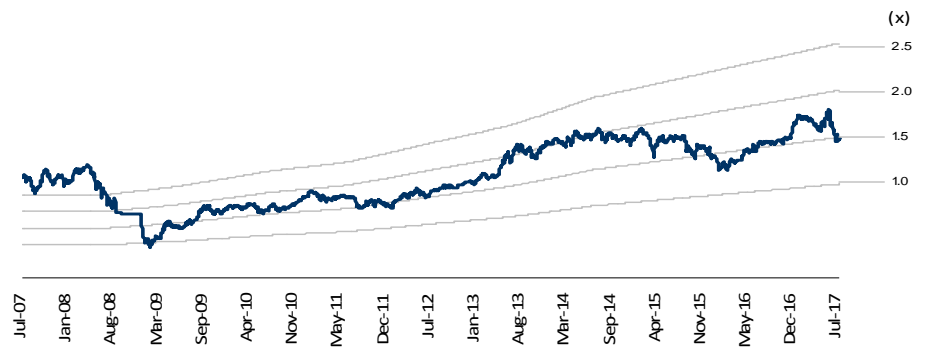


### Market PER Chart 2017



Source: AKD Research

### Market P/BVS Chart 2017



Source: AKD Research

## AKD Universe Active Coverage Cluster's Valuations

| Stock                               | Symbol | Price<br>(Pkr) | TP<br>(Pkr) | Stance     | EPS(Pkr) |        |        | PE(x) |       |      | PB(x) |      |      | DY(%) |      |      |
|-------------------------------------|--------|----------------|-------------|------------|----------|--------|--------|-------|-------|------|-------|------|------|-------|------|------|
|                                     |        |                |             |            | 16       | 17F    | 18F    | 16    | 17F   | 18F  | 16    | 17F  | 18F  | 16    | 17F  | 18F  |
| <b>Automobile and Parts</b>         |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Indus Motors                        | INDU   | 1,771.4        | 2,068.7     | Accumulate | 145.74   | 170.80 | 164.56 | 12.2  | 10.4  | 10.8 | 5.0   | 4.2  | 3.8  | 5.6   | 5.9  | 6.2  |
| Pak Suzuki Motors                   | PSMC   | 622.5          | 800.7       | Buy        | 33.69    | 44.98  | 57.33  | 18.5  | 13.8  | 10.9 | 1.95  | 1.74 | 1.53 | 0.9   | 1.4  | 1.8  |
| <b>Cements</b>                      |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| DG Khan Cement                      | DGKC   | 198.9          | 263.0       | Buy        | 20.06    | 19.73  | 22.71  | 9.91  | 10.08 | 8.76 | 1.3   | 1.2  | 1.0  | 3.0   | 3.0  | 3.5  |
| Lucky Cement                        | LUCK   | 720.2          | 1,175.0     | Buy        | 40.03    | 42.02  | 46.53  | 18.0  | 17.1  | 15.5 | 3.4   | 3.1  | 2.8  | 1.4   | 1.7  | 1.9  |
| Maple Leaf Cement Factory           | MLCF   | 114.9          | 179.0       | Buy        | 9.26     | 10.01  | 11.51  | 12.4  | 11.5  | 10.0 | 2.8   | 2.4  | 2.0  | 3.5   | 3.5  | 4.4  |
| Fauji Cement Company Ltd.           | FCCL   | 40.9           | 61.0        | Buy        | 3.89     | 1.94   | 4.58   | 10.5  | 21.1  | 8.9  | 3.1   | 2.9  | 2.5  | 6.7   | 2.4  | 9.2  |
| Pioneer Cement Limited              | PIOC   | 122.6          | 170.0       | Buy        | 11.09    | 13.65  | 13.62  | 11.1  | 9.0   | 9.0  | 2.6   | 2.2  | 2.0  | 5.1   | 5.2  | 6.3  |
| Cherat Cement Co Limited            | CHCC   | 167.7          | 198.0       | Accumulate | 7.96     | 12.24  | 15.45  | 21.1  | 13.7  | 10.9 | 3.2   | 2.6  | 2.3  | 1.2   | 2.1  | 3.6  |
| Gharibwal Cement Ltd                | GWLC   | 47.0           | 100.0       | Buy        | 6.73     | 5.69   | 7.39   | 7.0   | 8.3   | 6.4  | 1.9   | 1.7  | 1.5  | 5.3   | 6.9  | 9.0  |
| <b>Engineering</b>                  |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Amreli Steels Ltd.                  | ASTL   | 113.6          | 106.0       | Reduce     | 4.31     | 3.72   | 7.11   | 26.4  | 30.5  | 16.0 | 3.2   | 2.9  | 2.6  | 1.8   | 1.8  | 3.1  |
| <b>Fertilizers</b>                  |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Engro Corporation                   | ENGRO  | 336.5          | 374.0       | Accumulate | 22.39    | 30.61  | 35.56  | 15.0  | 11.0  | 9.5  | 2.1   | 1.9  | 1.8  | 4.0   | 5.0  | 5.8  |
| Engro Fertilizers Limited           | EFERT  | 60.6           | 72.9        | Buy        | 6.67     | 8.37   | 9.10   | 9.1   | 7.2   | 6.7  | 1.9   | 1.8  | 1.7  | 8.3   | 10.4 | 12.0 |
| Fauji Fert. Bin Qasim Ltd.          | FFBL   | 38.5           | 62.6        | Accumulate | n.a      | 3.59   | 3.95   | n.a   | 10.7  | 9.8  | 3.2   | 2.7  | 2.5  | n.a   | 8.1  | 9.0  |
| Fauji Fertilizer Company            | FFC    | 81.5           | 122.0       | Buy        | 9.12     | 11.70  | 13.80  | 8.9   | 7.0   | 5.9  | 3.6   | 3.5  | 3.3  | 10.1  | 12.9 | 15.2 |
| Fatima Fertilizer                   | FATIMA | 33.0           | 45.1        | Buy        | 4.66     | 5.06   | 5.44   | 7.1   | 6.5   | 6.1  | 1.4   | 1.3  | 1.2  | 8.5   | 10.0 | 11.5 |
| <b>Food Producers</b>               |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Engro Foods Limited                 | EFOODS | 127.4          | 138.7       | Accumulate | 3.11     | 2.55   | 3.05   | 40.9  | 49.9  | 41.7 | 5.69  | 5.14 | 4.58 | -     | -    | -    |
| <b>Oil &amp; Gas</b>                |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Oil & Gas Development Co.           | OGDC   | 158.1          | 160.0       | Neutral    | 13.94    | 16.04  | 19.33  | 11.3  | 9.9   | 8.2  | 1.4   | 1.3  | 1.2  | 3.3   | 3.0  | 3.6  |
| Pak Oilfields                       | POL    | 503.7          | 456.3       | Reduce     | 30.58    | 38.92  | 49.90  | 16.5  | 12.9  | 10.1 | 4.0   | 3.8  | 3.5  | 6.9   | 6.7  | 7.7  |
| Pakistan Petroleum                  | PPL    | 177.2          | 211.0       | Accumulate | 8.47     | 14.16  | 19.64  | 20.9  | 12.5  | 9.0  | 1.81  | 1.67 | 1.50 | 3.2   | 3.1  | 4.5  |
| Hascol Petroleum                    | HASCOL | 345.9          | 422.5       | Buy        | 10.0     | 16.4   | 21.5   | 34.7  | 21.0  | 16.1 | 6.8   | 6.1  | 5.4  | 1.8   | 3.1  | 4.0  |
| Attock Petroleum                    | APL    | 699.3          | 745.1       | Accumulate | 46.16    | 65.27  | 75.54  | 15.2  | 10.7  | 9.3  | 3.9   | 3.8  | 3.6  | 5.72  | 8.13 | 9.41 |
| Pakistan State Oil                  | PSO    | 428.9          | 539.3       | Buy        | 37.8     | 63.4   | 64.8   | 11.3  | 6.8   | 6.6  | 1.3   | 1.1  | 1.0  | 2.9   | 4.7  | 6.3  |
| <b>Power</b>                        |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Hub Power Co.                       | HUBC   | 124.9          | 142.7       | Accumulate | 11.30    | 11.20  | 12.42  | 11.1  | 11.2  | 10.1 | 5.2   | 4.7  | 4.6  | 8.8   | 8.2  | 8.8  |
| K-Electric Co.                      | KEL    | 7.3            | UR          | UR         | UR       | UR     | UR     | UR    | UR    | UR   | UR    | UR   | UR   | UR    | UR   | UR   |
| Kot Addu Power Company              | KAPCO  | 76.3           | 85.0        | Accumulate | 10.31    | 10.84  | 11.40  | 7.4   | 7.0   | 6.7  | 2.2   | 2.1  | 2.0  | 11.8  | 12.4 | 12.8 |
| <b>Fixed Line Telecommunication</b> |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Pakistan Telecommunication          | PTC    | 15.1           | 19.0        | Buy        | (0.58)   | 1.67   | 1.92   | 9.0   | 7.5   | 7.5  | 0.8   | 0.9  | 0.9  | 14.9  | 14.9 | 16.6 |
| <b>Personal Goods</b>               |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Nishat Mills                        | NML    | 162.4          | 185.3       | Accumulate | 14.00    | 17.11  | 18.73  | 11.6  | 9.5   | 8.7  | 0.7   | 0.7  | 0.6  | 3.1   | 4.2  | 5.2  |
| <b>Banks</b>                        |        |                |             |            |          |        |        |       |       |      |       |      |      |       |      |      |
| Allied Bank Limited                 | ABL    | 91.0           | 106.6       | Accumulate | 12.84    | 13.16  | 13.92  | 7.1   | 6.9   | 6.5  | 1.0   | 1.0  | 0.9  | 7.7   | 8.2  | 8.8  |
| Bank AlFalah                        | BAFL   | 42.4           | 46.2        | Accumulate | 4.9      | 5.3    | 5.8    | 8.6   | 8.0   | 7.3  | 1.1   | 1.0  | 0.9  | -     | -    | 3.5  |
| Habib Bank Limited                  | HBL    | 237.1          | 296.1       | Buy        | 23.23    | 23.82  | 27.06  | 10.2  | 10.0  | 8.8  | 1.8   | 1.6  | 1.5  | 5.9   | 6.1  | 6.3  |
| MCB Bank Limited                    | MCB    | 213.2          | 232.5       | Accumulate | 19.8     | 19.9   | 23.6   | 10.8  | 10.7  | 9.0  | 1.6   | 1.6  | 1.5  | 7.5   | 7.5  | 8.4  |
| National Bank of Pakistan           | NBP    | 61.4           | 73.7        | Accumulate | 8.35     | 8.59   | 10.12  | 7.4   | 7.1   | 6.1  | 0.7   | 0.7  | 0.7  | 11.4  | 11.4 | 12.2 |
| United Bank Ltd                     | UBL    | 212.2          | 270.3       | Buy        | 22.7     | 23.8   | 26.1   | 9.4   | 8.9   | 8.1  | 1.6   | 1.5  | 1.4  | 6.1   | 6.4  | 7.1  |

UR Under Review

Source: AKD Research

## AKD Universe Coverage Cluster's Performance

| Stocks                              | Symbol | Price<br>4-Aug-17 | Absolute Performance (%) |             |             |            |             | 1 Year<br>High | 1 Year<br>Low |
|-------------------------------------|--------|-------------------|--------------------------|-------------|-------------|------------|-------------|----------------|---------------|
|                                     |        |                   | 1M                       | 3M          | 6M          | 12M        | CYTD        |                |               |
| <b>KSE-100 Index</b>                |        | <b>46,877.37</b>  | <b>3.3</b>               | <b>-4.9</b> | <b>-5.5</b> | <b>3.3</b> | <b>-1.9</b> | 52,876.5       | 39,278.1      |
| <b>Automobile and Parts</b>         |        |                   |                          |             |             |            |             |                |               |
| Indus Motors                        | INDU   | 1771.37           | 0.8                      | -11.1       | 7.8         | 0.8        | 9.7         | 2044.30        | 1122.34       |
| Pak Suzuki Motors                   | PSMC   | 622.52            | -19.6                    | -27.2       | -10.5       | -19.6      | 1.6         | 903.91         | 430.38        |
| <b>Cements</b>                      |        |                   |                          |             |             |            |             |                |               |
| DG Khan Cement                      | DGKC   | 198.87            | -5.3                     | -16.4       | -16.9       | -5.3       | -10.3       | 245.37         | 171.66        |
| Lucky Cement                        | LUCK   | 720.17            | -8.6                     | -20.2       | -17.3       | -8.6       | -16.9       | 994.65         | 644.73        |
| Maple Leaf Cement Factory           | MLCF   | 114.92            | 2.0                      | -3.5        | -9.5        | 2.0        | -9.9        | 137.64         | 87.99         |
| Fauji Cement Company Ltd.           | FCCL   | 40.87             | 2.0                      | -4.9        | -9.5        | 2.0        | -9.3        | 48.19          | 33.55         |
| Pioneer Cement Limited              | PIOC   | 122.61            | -7.3                     | -17.1       | -15.5       | -7.3       | -13.7       | 160.02         | 100.21        |
| Cherat Cement Limited               | CHCC   | 167.69            | -3.3                     | -15.7       | -10.6       | -3.3       | -3.6        | 212.00         | 118.31        |
| Gharibw al Cement Limited           | GWLC   | 47.00             | 5.4                      | -22.6       | -27.6       | 5.4        | -5.9        | 67.48          | 41.50         |
| <b>Engineering</b>                  |        |                   |                          |             |             |            |             |                |               |
| Amreli Steel Ltd                    | ASTL   | 113.60            | -2.2                     | 1.0         | n.a.        | n.a.       | 70.6        | 137.97         | 55.78         |
| <b>Fertilizers</b>                  |        |                   |                          |             |             |            |             |                |               |
| Dawood Hercules                     | DAWH   | 134.95            | 4.8                      | 4.1         | -2.2        | 4.8        | -6.5        | 161.23         | 122.47        |
| Engro Fertilizers Ltd.              | EFERT  | 60.62             | 10.9                     | 4.6         | -12.6       | 12.5       | -10.8       | 73.28          | 51.90         |
| Engro Chemical                      | ENGRO  | 336.47            | 5.4                      | -6.9        | -11.6       | 5.4        | 6.4         | 399.16         | 279.14        |
| Fatima Fertilizer                   | FATIMA | 33.00             | 0.0                      | -1.5        | -17.0       | 0.0        | -10.5       | 41.29          | 30.33         |
| Fauji Fert. Bin Qasim Ltd.          | FFBL   | 38.51             | -6.5                     | -22.4       | -27.9       | -6.5       | -24.8       | 58.41          | 35.95         |
| Fauji Fertilizer Company            | FFC    | 81.54             | -0.7                     | -14.7       | -26.3       | -0.7       | -21.9       | 118.96         | 77.35         |
| <b>Food Producers</b>               |        |                   |                          |             |             |            |             |                |               |
| Engro Foods Limited                 | EFOODS | 127.36            | 6.9                      | -17.2       | -30.9       | 6.9        | -33.6       | 207.82         | 113.30        |
| <b>Oil &amp; Gas</b>                |        |                   |                          |             |             |            |             |                |               |
| Oil & Gas Development Co.           | OGDC   | 158.11            | 14.5                     | 2.4         | -0.4        | 14.5       | -4.4        | 188.71         | 133.69        |
| Pak Oilfields                       | POL    | 503.72            | 11.4                     | 12.2        | 5.2         | 11.4       | -5.8        | 559.58         | 358.51        |
| Pakistan Petroleum Ltd.             | PPL    | 177.16            | 16.6                     | 9.9         | 2.8         | 16.6       | -5.9        | 193.32         | 143.73        |
| Pakistan State Oil                  | PSO    | 428.85            | 12.3                     | -0.3        | -6.6        | 12.3       | -1.2        | 486.05         | 368.35        |
| Attock Petroleum Ltd.               | APL    | 699.34            | 15.0                     | 5.4         | 10.1        | 15.0       | 2.2         | 749.39         | 465.00        |
| Hascol Petroleum                    | HASCOL | 345.93            | 1.7                      | -3.6        | 7.7         | 1.7        | 2.5         | 389.41         | 219.28        |
| <b>Power</b>                        |        |                   |                          |             |             |            |             |                |               |
| Hub Power Co.                       | HUBC   | 124.93            | 8.7                      | -2.2        | -6.4        | 8.7        | 1.2         | 145.43         | 103.15        |
| K-Electric Limited                  | KEL    | 7.25              | 6.0                      | -9.7        | -26.8       | 6.0        | -22.6       | 10.67          | 6.42          |
| Kot Addu Power Company              | KAPCO  | 76.32             | 7.8                      | -0.2        | -5.5        | 7.8        | -3.1        | 88.75          | 69.48         |
| <b>Fixed Line Telecommunication</b> |        |                   |                          |             |             |            |             |                |               |
| Pakistan Telecommunication          | PTC    | 15.07             | 4.6                      | -3.3        | -10.3       | 4.6        | -12.3       | 19.45          | 14.08         |
| <b>Personal Goods</b>               |        |                   |                          |             |             |            |             |                |               |
| Nishat Mills                        | NML    | 162.40            | 3.4                      | 2.7         | -9.7        | 3.4        | 6.7         | 185.63         | 120.59        |
| <b>Banks</b>                        |        |                   |                          |             |             |            |             |                |               |
| Allied Bank Limited                 | ABL    | 91.01             | 1.7                      | -3.1        | -8.8        | 1.7        | -23.7       | 122.00         | 85.11         |
| Bank Alfalah                        | BAFL   | 42.40             | 12.3                     | 6.0         | 8.6         | 12.3       | 11.7        | 47.24          | 28.53         |
| Habib Bank Limited                  | HBL    | 237.13            | -6.8                     | -16.7       | -17.2       | -6.8       | -13.2       | 308.57         | 214.81        |
| MCB Bank Limited                    | MCB    | 213.18            | 6.0                      | -3.4        | -8.1        | 6.0        | -10.4       | 262.10         | 199.91        |
| National Bank of Pakistan           | NBP    | 61.40             | 5.1                      | -5.3        | -19.9       | 5.1        | -18.0       | 82.66          | 57.02         |
| United Bank Ltd                     | UBL    | 212.23            | -5.8                     | -15.3       | -14.7       | -5.8       | -11.2       | 275.38         | 189.40        |

Source: KSE & AKD Research



## Economic Snapshot

| End Month Data             | Units     | Nov-16  | Dec-16  | Jan-17  | Feb-17  | Mar-17  | Apr-17  | May-17  | Jun-17  |
|----------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>T-bill</b>              |           |         |         |         |         |         |         |         |         |
| 3M                         | %         | 5.84    | 5.85    | 5.85    | 5.85    | 5.85    | 5.85    | 5.85    | 5.85    |
| 6M                         | %         | 5.86    | 5.89    | 5.90    | 5.90    | 5.90    | 5.90    | 5.90    | 5.90    |
| 12M                        | %         | 5.86    | 5.90    | 5.90    | 5.90    | 5.90    | 5.90    | 5.90    | 5.90    |
| PIB 10Y                    | %         | 8.05    | 8.44    | 8.21    | 8.17    | 8.24    | 8.26    | 8.21    | 8.18    |
| KIBOR 6M                   | %         | 5.84    | 5.89    | 5.87    | 5.87    | 5.88    | 5.91    | 5.90    | 5.90    |
| Discount rate              | %         | 6.25    | 6.25    | 6.25    | 6.25    | 6.25    | 6.25    | 6.25    | 6.25    |
| Policy rate                | %         | 5.75    | 5.75    | 5.75    | 5.75    | 5.75    | 5.75    | 5.75    | 5.75    |
| <b>Inflation</b>           |           |         |         |         |         |         |         |         |         |
| Headline inflation         | %         | 3.81    | 3.73    | 3.66    | 4.22    | 4.94    | 4.78    | 5.00    | 3.9     |
| Core inflation             | %         | 5.30    | 5.20    | 5.40    | 5.30    | 5.30    | 5.50    | 5.50    | 5.5     |
| Food inflation             | %         | 3.30    | 3.00    | 2.60    | 3.70    | 5.00    | 4.40    | 4.90    | 2.4     |
| <b>External Indicators</b> |           |         |         |         |         |         |         |         |         |
| Export (PBS)               | US\$ (mn) | 1,762   | 1,727   | 1,780   | 1,638   | 1,801   | 1,805   | 1,627   | 1,912   |
| Import (PBS)               | US\$ (mn) | 4,230   | 4,488   | 4,724   | 4,419   | 5,009   | 4,998   | 5,092   | 4,534   |
| Trade Deficit (PBS)        | US\$ (mn) | (2,468) | (2,761) | (2,944) | (2,781) | (3,208) | (3,193) | (3,465) | (2,622) |
| Export (SBP)               |           | 1,841   | 1,860   | 1,783   | 1,769   | 2,061   | 1,766   | 1,954   | 1865    |
| Import (SBP)               |           | 3,785   | 4,109   | 4,196   | 4,017   | 4,305   | 4,108   | 4,633   | 5054    |
| Trade Deficit (SBP)        |           | (1,944) | (2,249) | (2,413) | (2,248) | (2,244) | (2,342) | (2,679) | (3,189) |
| Home Remittances           | US\$ (mn) | 1,616   | 1,584   | 1,488   | 1,417   | 1,694   | 1,539   | 1,867   | 1,840   |
| Current Account            | US\$ (mn) | (836)   | (1,037) | (1,202) | (822)   | (562)   | (1,337) | (1,651) | (1,431) |
| <b>Banking Sector</b>      |           |         |         |         |         |         |         |         |         |
| Deposits                   | PkR (bn)  | 10,472  | 11,203  | 10,704  | 10,730  | 11,170  | 11,214  | 10,993  | 11,981  |
| Advances                   | PkR (bn)  | 5,251   | 5,572   | 5,468   | 5,477   | 5,697   | 5,777   | 5,936   | 6,176   |
| Investments                | PkR (bn)  | 7,053   | 7,233   | 7,374   | 7,467   | 7,670   | 7,794   | 7,849   | 8,166   |
| W. A. lending rate         | %         | 8.06    | 8.04    | 8.01    | 7.99    | 7.89    | 7.85    | 7.87    | 7.86    |
| W. A. deposit rate         | %         | 3.09    | 3.02    | 3.05    | 3.02    | 2.99    | 2.98    | 2.89    | 2.84    |
| Spread rate                | %         | 4.97    | 5.02    | 4.96    | 4.97    | 4.90    | 4.87    | 4.98    | 5.02    |
| <b>Public Finance</b>      |           |         |         |         |         |         |         |         |         |
| Tax collection             | PkR (mn)  | 216,273 | 382,686 | 223,856 | 225,486 | 338,829 | n.a     | n.a     | n.a     |
| Direct taxes               | PkR (mn)  | 81,120  | 182,988 | 81,741  | 80,019  | 139,036 | n.a     | n.a     | n.a     |
| Indirect Taxes             | PkR (mn)  | 135,153 | 199,698 | 142,115 | 145,467 | 199,793 | n.a     | n.a     | n.a     |
| <b>Currency</b>            |           |         |         |         |         |         |         |         |         |
| Fx Reserves                | US\$ (mn) | 23,383  | 23,200  | 22,242  | 22,072  | 21,572  | 21,019  | 21,190  | 21,402  |
| USDPkR - Interbank         | PkR/USD   | 104.83  | 104.58  | 104.84  | 104.84  | 104.82  | 104.79  | 104.84  | 104.86  |

Source: SBP, PBS & AKD Research

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