

AKD Research

research@akdsecurities.net

+92-21-111-253-111

Indices	KSE-100	KSE-30
This week	44,301	22,152
Last week	44,551	22,434
Change	-0.56%	-1.26%

Indices	KMI-30	Allshare
This week	75,369	31,887
Last week	75,670	32,043
Change	-0.40%	-0.49%

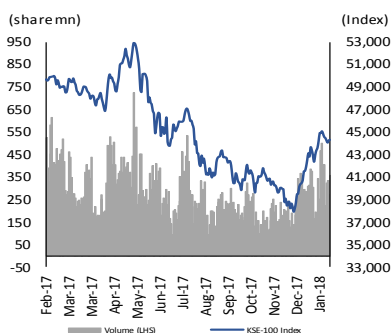
Mkt Cap.	PkRbn	US\$bn
This week	9,171	82.96
Last week	9,218	83.39
Change	-0.50%	-0.51%

Avg. Daily Turnover ('mn shares)

This week	255.24
Last week	275.41
Change	-7.32%

Top-5 Volume Leaders

Symbol	Volume (mn)
WTL	93.21
LOTCEM	89.96
DCL	89.48
FFL	61.10
BOP	54.33

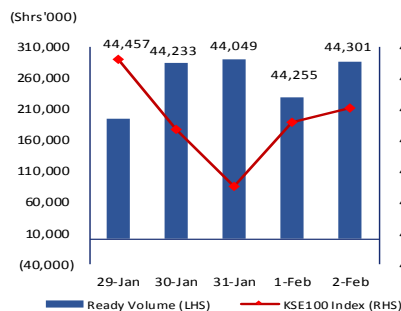


Source: PSX & AKD Research

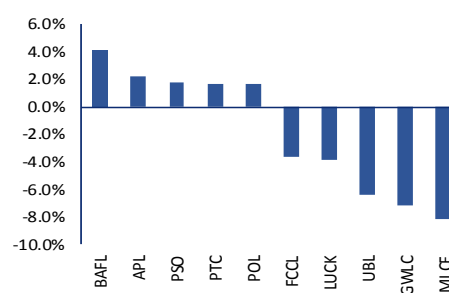
Weekly Review

Consolidating amidst results announcement, amplified corporate actions and selective investor sentiment following (a surprise) start to monetary tightening by the SBP, the KSE-100 index shifted -0.56%WoW, closing the week at 44,301pts. Emerging clarity on the political front, controlled CPI read for Jan'18 (clocking in at 4.42%) and bullish sentiment on Commercial Banks mitigated FIPI outflows during the week. Key news flows during the week were: 1) Tahirul Qadri announced that his party has shelved its strategy of protests on the Model Town incident, 2) contrary to the market expectations, the SBP raised the policy rate (target) by 25bps to 6.0% (DR: 6.50%), citing escalating inflationary pressures and tightening stance by other central banks as the justifications for the hike, 3) the Election Commission of Pakistan announced that polling for the Senate election will be held on Mar 03'18, as the term for 52 incumbent legislators concludes, 4) Drug Regulatory Authority of Pakistan notified new drug prices with upward revisions in accordance with Drug Pricing Policy 2015, and 5) the Finance Ministry notified increased price of MOGAS by PkR2.98/ltr to PkR84.51/ltr while the price of HSD has been increased by PkR5.92/ltr to PkR95.83/ltr. Additionally, Mega Conglomerate Pvt Ltd announced its intention to acquire DCL and HUBC, where the current sponsors of the latter, DAWH and CYAN announced the acceptance of the offer. Gainers at the bourse were: 1) BAFL (+4.1%WoW), 2) APL (+2.2%WoW), 3) PSO (+1.7%WoW) and 4) PTC (+1.6%WoW) whereas laggards were: 1) MLCF (-8.2%WoW), 2) GWLC (-7.2%WoW), 3) UBL (-6.4%WoW) and 4) LUCK (-3.9%WoW). Average daily turnover hovered lower -7.3%WoW resting at 255.2mn shares, where stocks driving volumes were: 1) WTL (93.2mn shares), 2) LOTCEM (89.9mn shares), 3) DCL (89.5mn shares) and 4) FFL (61.1mn shares).

Index & Volume Chart



Universe Gainers & Losers



Source: PSX & AKD Research

Outlook

With earnings season in full swing (EFOODS, EFERT announcing results in the coming week), we expect volumes to sustain, tapering somewhat from the shorter trading week ahead. On the conclusion of Jan'18, LIPI participants seem to exhibit 'risk-off' sentiment with measured participation. Emerging consolidation of political forces behind the ruling PML-N (despite judicial challenges), support from any expected, pre-election, pro-business initiatives could rally sentiment at the bourse.

Important disclosures

Important disclosures including investment banking relationships and analyst certification at end of this report. AKD Securities does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of the report. Investors should consider this report as only a single factor in making their investment decision.



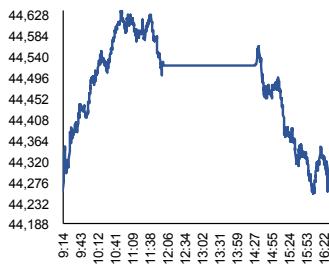
AKD Securities
TREC Holder & Registered Broker
Pakistan Stock Exchange
REP-108

Find AKD research on Bloomberg
(AKDS<GO>), firstcall.com
and Reuters Knowledge

Copyright©2018 AKD Securities Limited. All rights reserved. The information provided on this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject AKD Securities or its affiliates to any registration requirement within such jurisdiction or country. Neither the information, nor any opinion contained in this document constitutes a solicitation or offer by AKD Securities or its affiliates to buy or sell any securities or provide any investment advice or service. AKD Securities does not warrant the accuracy of the information provided herein.

This Week's Daily Reports

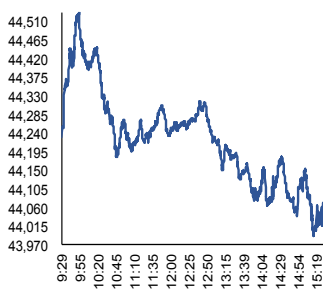
Feb 02, 2018



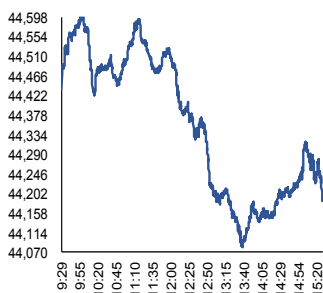
Feb 01, 2018



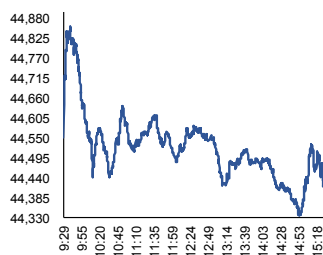
Jan 31, 2018



Jan 30, 2019



Jan 29, 2018



Source: PSX & AKD Research

OMCs: RFO drags growth signaling an end to smooth sailing, (AKD Daily, Feb 02, 2018)

January volumetric offtake clocked in at 1.79mn tonnes, -4%MoM/-13%YoY, while FO sales (at 0.39mn tonnes -9%MoM/-49%YoY) kept a lid on otherwise strong retail offtake (MOGAS/HSD offtake -2/-7%MoM but +8/+10%YoY). Cumulative 7MFY18 volumes amounted to 14.97mn tonnes, remaining flat, where a -19%YoY dip in FO sales (1.10mn tonne fall) was met by retail fuels (MOGAS/HSD +12/+11%YoY, adding 1.01mn tonnes to industry volumes). From a long-term growth perspective, YoY growth for HSD outpaced 5YR CAGR (11% YoY vs. 7%) whereas MOGAS sales fell behind (12%YoY vs. 18%). This lands industry demand in a situation where HSD and MOGAS growth can be flagged as being mid-cycle, while a down-cycle for FO sales makes the operating environment tough, in our view. OMC's delivered mixed performance over the period, where 7MFY18 growth in volumes was +40%/0%/-4% for HASCOL/APL/PSO allowing them to hold 11%/8%/54%. HASCOL continued its superior sales run adding to its market share and ending the month by moving 13.5% of volumes (vs. 11.4% in Dec'17), signifying the persistence of strong growth credentials. At current levels we believe the growth vs. value proposition favors APL where the stock offers 24% upside to our FCF based TP of Pkr725/sh.

Pakistan Market: Off to a good start, (AKD Daily, Feb 01, 2018)

After a prolonged period of lackluster returns, the market could not have asked for a better beginning to the year, recording monthly gain of 8.8%MoM in Jan'18 (the highest return in Jan since 2008). Foreign buying remained the most dominant of factors behind the recovery with foreigners purchasing equities worth US\$85.7mn during the month. This in addition to : 1) GoP supporting rupee flexibility and plans to implement tax reforms ahead of general election and 2) an unexpected rate hike of 25bps in Jan'18 MPS furthering sentiments in index heavyweight banks, supported market performance. The performance chart included: Pharmaceuticals (+18.4%MoM on GoP's approval of linking drug prices to CPI), Cements (+17.2%MoM on restriction on expansions particularly in Punjab following SC's order allaying concerns on price war), Oil Marketing Companies (+10.2%MoM on stability of FO demand post shutdown of FO based plants) and Commercial banks (+9.5%MoM on earlier than expected reversal in interest rates) topping the list. Going forward, KSE-100 is expected to continue posting positive returns however gains may be more tepid now given the swift pace of recovery. That said, bouts of volatility cannot be ruled out over political noise. In this backdrop, we reiterate a thematic approach maintaining our preference for LUCK, OGDC, ASTL, NML, EFERT, PSO and INDU.

EFOODS: Concentration risk running high, (AKD Daily, Jan 31, 2018)

Tough operational dynamics continue to mar EFOODS financial performance where we expect the company to round off CY17F on a weak note. In this regard, revenues are likely to come down by 18%YoY where gradual fragmentation of the industry in the backdrop of increasing competition has inhibited conversion to packaged milk, impacting volumetric growth. Additionally, GM is expected to come down to 17.2% in CY17F (vs. 22.6% in CY16) on account of adverse regulatory developments (enhanced duty on powdered milk, moved to tax-exempt from zero rating regime) coupled with recovery in international milk prices (FAO Dairy index up 31%YoY). All these factors are likely to manifest in CY17F earnings where we expect the company to post NPAT of Pkr562mn (EPS: Pkr0.73), down 76%YoY. While the stock has rallied 22% MTD, we remain unconvinced on further price performance as the company continues to struggle on multiple fronts - PFA's campaign against tea whiteners (labeling requirements) being the most prominent for now. In this backdrop, we continue to remain apprehensive until possible product initiations come through. At current price level, the stock trades at high multiples (forward PE/PS at 79.8x/1.71x) vindicating our Reduce stance.

PSO: Devaluation and FO debacle to weight on profits, (AKD Daily, Jan 30, 2018)

Following a rather turbulent quarter, filled with headwinds in the form of an abrupt closure of FO fired power plants impeding supply chains while a mid-month devaluation exercise imposing hefty translation losses. In this circumstance we expect the state OMC to post

This Week's Daily Reports

NPAT of PkR ~3.0bn (EPS: PkR9.19/sh on post-bonus number of shares) for 2QFY18 taking 1HFY18 NPAT to PkR8.03bn (EPS: PkR24.62/sh) down 17.3%YoY. Despite margin increments for MOGAS (OMC margin raised to PkR2.55/ltr from Nov'17 raised ~6%), and HSD sales showcasing strength (+15%QoQ), the overwhelming impact of demurrages, associated contingent expenses on deferred/delayed shipments (reportedly at ~US\$15,000/day or US\$105,000/week for at least six cargoes) is likely to soften margins significantly. The impact of bonus shares and signalled rise in CAPEX are expected to tone down pay-outs as well, where we expect an interim dividend of PkR5.0/sh accompanying the result.

Pakistan Economy: SBP reverses it's monetary stance, (AKD Daily, Jan 29, 2018)

Beating market consensus, SBP opted to increase TR/DR by 25bps (TR/DR at 6.0%/6.5%) in Jan'18 MPS, marking the reversal of its accommodative stance (TR/DR static at 5.8/6.3%) . The surprise hike this early in the year came on the back of: 1) recent PKR depreciation by ~5% against dollar, 2) oil prices hovering near US\$70/bbl (vs. avg. US\$48.4/bbl in FY17), 3) a number of central banks have started to adjust their policy rates upward, adversely affecting PKR interest-rate differentials vis-à-vis their currencies and 4) multiple indicators showing that the output gap has significantly narrowed, indicating a buildup of demand pressures. Going forward, we maintain our stance of cumulative 75bps hike in CY18F (TR/DR ending at 6.5%/7.0%) based on IFB reaction model, where we highlight increasing pricing pressures and consequently falling real interest rates together with mounting external account pressures while higher oil prices strengthens our case. In the backdrop of an increasing interest rate scenario, the index heavy weight banking sector (17.1% as of Jan'25) should stand to benefit where a 25bps jump in TR enhances AKD Banking universe's earning by ~4%. On the other hand, historically leveraged sectors like Textile (subsidized financing) and Cements should also weather higher interest rate scenario given D/E ratios remaining under 20% as of Sep'17 (coming down from an avg. 45% in FY10).

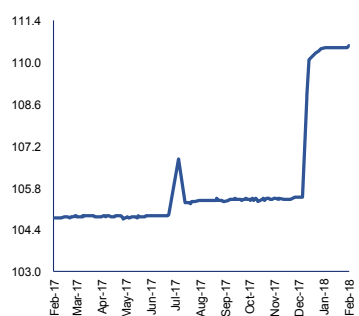
Regional Valuations (2018)

	EPS Growth	PE(x)
Pakistan	14%	8.47
Indonesia	10%	15.09
Malaysia	11%	15.76
Philippines	7%	15.66
Vitenam	12%	17.21
India	26%	17.85
China	14%	11.82

%	ROE	Divd Yld
Pakistan	16.0%	6.34
Indonesia	15.58	2.19
Malaysia	10.23	3.39
Philippines	12.33	1.59
Vitenam	18.58	1.91
India	15.58	1.49
China	12.05	2.33

Source: Bloomberg & AKD Universe

PkR/US\$ Trend



Source: Bloomberg

TRJ-CRB Index



Source: Bloomberg

Major World Indices' Performance

Country	Bloomberg Code	2-Feb-18	26-Jan-18	WoW	CYTD
Pakistan	KSE100 Index	44,301	44,551	-0.56%	9.5%
Srilanka	CSEALL Index	6,520	6,456	1.00%	2.4%
Thailand	SET Index	1,827	1,829	-0.08%	4.2%
Indonesia	JCI Index	6,629	6,661	-0.48%	4.3%
Malaysia	FBMKLCI Index	1,870	1,854	0.89%	4.1%
Philippines	PCOMP Index	8,811	9,041	-2.55%	2.9%
Vietnam	VNINDEX Index	1,105	1,116	-0.95%	12.3%
Hong Kong	HSI Index	32,602	33,154	-1.67%	9.0%
Singapore	FSSTI Index	3,530	3,567	-1.05%	3.7%
Brazil	IBX Index	34,760	35,254	-1.40%	9.9%
Russia	RTSSTD Index	15,033	15,033	0.00%	10.0%
India	SENSEX Index	35,067	36,050	-2.73%	3.0%
S&P	SPX Index	2,822	2,873	-1.77%	5.5%
DJIA	INDU Index	26,187	26,617	-1.62%	5.9%
UK	UKX Index	7,474	7,666	-2.51%	-2.8%
Germany	DAX Index	12,844	13,340	-3.72%	-0.6%
Qatar	DSM Index	9,207	9,460	-2.67%	8.0%
Abu Dhabi	ADSMI Index	4,612	4,644	-0.67%	4.9%
Dubai	DFMGI Index	3,412	3,469	-1.63%	1.3%
Kuwait	KWSEIDX Index	6,685	6,652	0.50%	4.3%
Oman	MSM30 Index	5,035	5,008	0.55%	-0.2%
Saudi Arabia	SASEIDX Index	7,656	7,522	1.79%	5.9%
MSCI EM	MXEF Index	1,249	1,273	-1.92%	7.8%
MSCI FM	MXFM Index	673	680	-0.98%	5.6%

Source: Bloomberg

International Major Currencies

SPOT	2-Feb-18	26-Jan-18	Chg +/-	WoW	CYTD
Dollar Index	88.852	89.067	-0.215	-0.24%	-3.55%
USD/PkR	110.560	110.505	0.055	0.05%	0.10%
USD/JPY	109.860	108.580	1.280	1.18%	-2.51%
EUR/USD	1.249	1.243	0.006	0.47%	4.01%
GBP/USD	1.422	1.416	0.006	0.42%	5.23%
AUD/USD	0.799	0.811	-0.012	-1.53%	2.27%
NZD/USD	0.736	0.735	0.001	0.10%	3.65%
CHF/USD	0.929	0.932	-0.003	-0.35%	-4.64%
CAD/USD	1.231	1.231	0.000	-0.01%	-2.10%
USD/KRW	1,080	1,064	16.200	1.52%	#N/A
CNY/USD	6.287	6.328	-0.041	-0.65%	-3.37%

Source: Bloomberg

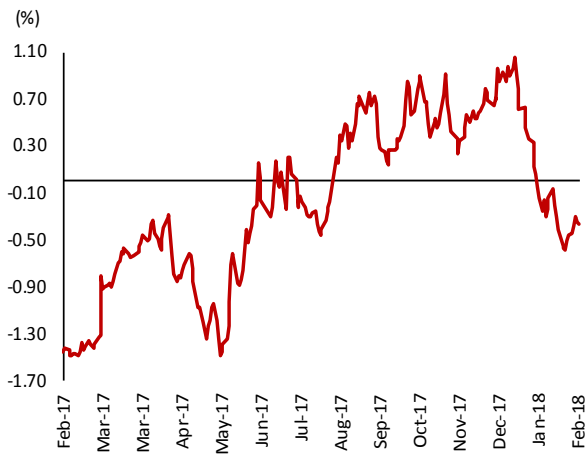
Commodities

SPOT	Units	2-Feb-18	26-Jan-18	WoW	CYTD
TRJ-CRB	Points	198.347	200.52	-1.08%	2.31%
Nymex (WTI)	US\$/bbl.	65.72	66.14	-0.64%	8.77%
ICE Brent	US\$/bbl.	69.36	70.17	-1.15%	3.80%
N. Gas Henry Hub	US\$/Mmbtu	3.06	3.58	-14.53%	-0.97%
Cotton	USd/Pound	87.85	92.4	-4.92%	-1.95%
Gold	US\$/Tr.Oz	1344.69	1349.7	-0.37%	3.20%
Sliver	US\$/Tr.Oz	17.1357	17.405	-1.55%	1.16%
Copper	US\$/MT	7077.5	7042.5	0.50%	-1.80%
Platinum	US\$/Oz	999.9	1012.5	-1.24%	7.46%
Coal	US\$/MT	96	98.4	-2.44%	1.69%

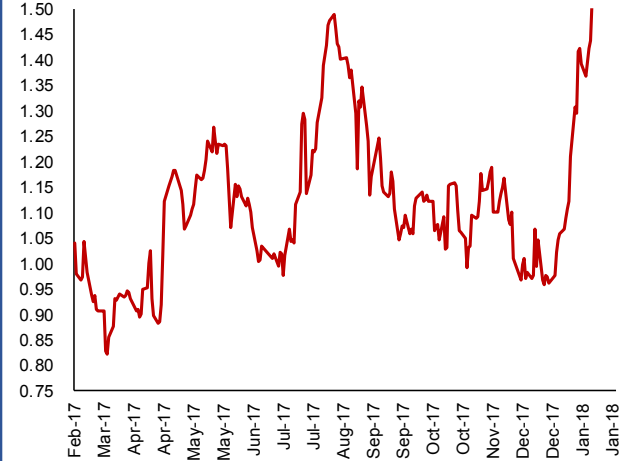
Source: Bloomberg

Chart Bank

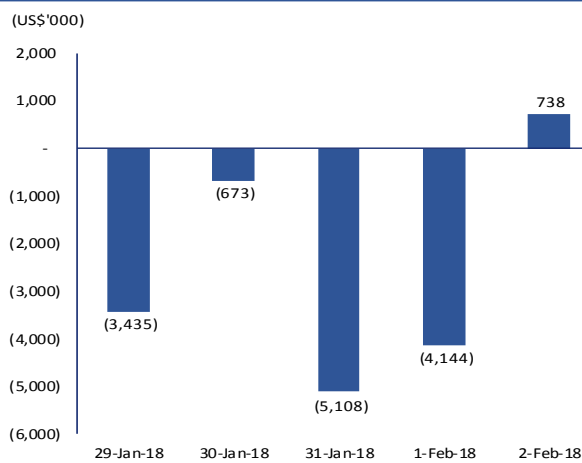
Earnings Yield vs. T-Bill (12M) Differential



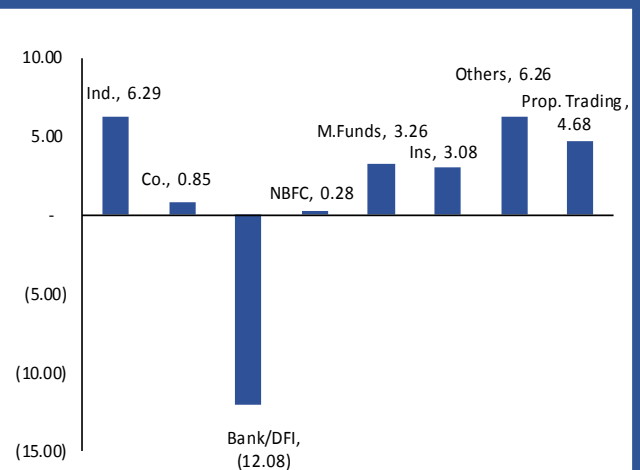
Advance to Decline Ratio



FIPI Flows for the week



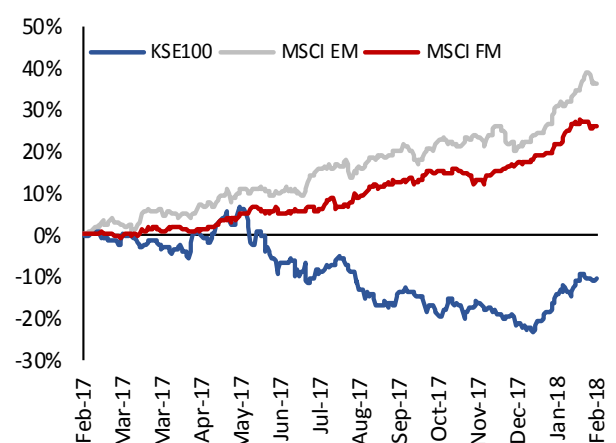
LIPI Flows for the week



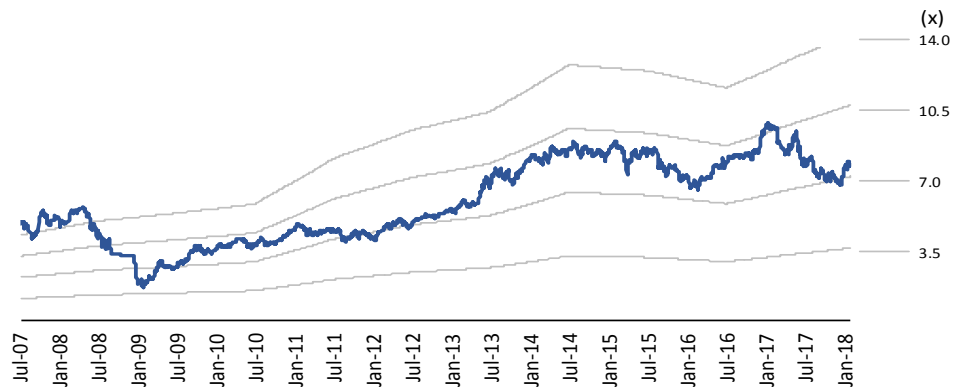
AKD Universe vs. KSE-100 Index



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

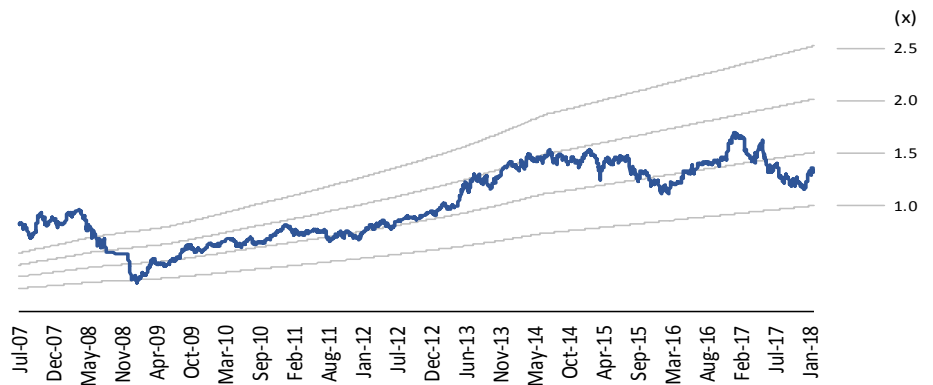


Market PER Chart 2018



Source: AKD Research

Market P/BVS Chart 2018



Source: AKD Research

AKD Universe Active Coverage Cluster's Valuations

Stock	Symbol	Price (Pkr)	TP (Pkr)	Stance	EPS(Pkr)			PE(x)			PB(x)			DY(%)		
					17	18F	19F	17	18F	19F	17	18F	19F	17	18F	19F
Automobile and Parts																
Indus Motors	INDU	1,818.12	2,069.97	Accumulate	165.41	159.58	185.44	10.99	11.39	9.80	4.58	4.07	3.48	6.33	6.05	6.05
Pak Suzuki Motors	PSMC	519.76	691.51	Buy	60.67	70.15	66.46	8.57	7.41	7.82	1.39	1.20	1.07	2.31	2.69	2.50
Cements																
DG Khan Cement	DGKC	162.02	194.00	Accumulate	18.20	16.40	17.85	8.90	9.88	9.07	0.95	0.90	0.85	4.63	4.94	4.32
Lucky Cement	LUCK	632.76	898.00	Buy	42.34	34.15	37.79	14.94	18.53	16.74	2.56	2.44	2.21	1.90	1.58	1.90
Maple Leaf Cement Factory	MLCF	79.61	107.00	Buy	8.05	7.09	7.58	9.89	11.23	10.51	1.99	1.51	1.25	4.19	7.66	7.66
Fauji Cement Company Ltd.	FCCL	28.60	39.00	Buy	1.89	2.59	3.22	15.10	11.05	8.88	2.01	1.91	1.80	3.15	6.99	8.74
Pioneer Cement Limited	PIOC	75.52	109.00	Buy	12.84	9.04	10.54	5.88	8.36	7.17	1.40	1.31	1.21	7.28	6.62	7.94
Cherat Cement Co Limited	CHCC	137.19	140.00	Neutral	11.08	10.71	12.79	12.39	12.80	10.73	2.32	2.13	1.89	1.95	2.92	3.64
Gharibwal Cement Ltd	GWLC	27.58	58.00	Buy	5.71	4.07	4.49	4.83	6.78	6.15	0.97	0.93	0.89	10.88	11.78	9.97
Engineering																
Amreli Steels Ltd.	ASTL	96.44	132.00	Buy	3.62	5.56	14.70	26.67	17.34	6.56	2.57	2.23	1.73	2.07	2.07	6.22
Fertilizers																
Engro Corporation	ENGRO	300.92	348.84	Accumulate	20.47	21.56	27.91	14.70	13.96	10.78	1.91	1.88	1.80	7.64	6.65	7.31
Engro Fertilizers Limited	EFERT	69.62	79.94	Accumulate	7.17	8.32	8.71	9.71	8.36	8.00	2.24	2.18	2.12	10.02	10.76	11.26
Fauji Fert. Bin Qasim Ltd.	FFBL	37.24	48.10	Accumulate	2.03	2.60	2.79	18.31	14.32	13.34	2.59	2.40	2.23	4.37	5.59	6.00
Fauji Fertilizer Company	FFC	89.12	96.86	Accumulate	6.97	7.66	8.34	12.79	11.64	10.69	3.90	3.77	3.64	7.04	7.73	8.42
Fatima Fertilizer	FATIMA	32.18	45.11	Buy	5.06	5.44	6.00	6.36	5.92	5.36	1.24	1.14	1.06	10.22	11.82	13.05
Food Producers																
Engro Foods Limited	EFOODS	91.73	84.20	Reduce	0.75	1.19	1.22	122.61	76.82	74.99	3.80	3.59	3.37	-	-	-
Oil & Gas																
Oil & Gas Development Co.	OGDC	167.46	192.00	Accumulate	14.83	18.23	18.25	11.29	9.19	9.18	1.39	1.27	1.16	3.58	3.88	3.88
Pak Oilfields	POL	575.19	568.00	Neutral	39.66	62.38	69.86	14.50	9.22	8.23	4.32	3.93	3.59	6.95	9.21	10.34
Pakistan Petroleum	PPL	208.79	227.00	Accumulate	18.10	23.40	26.15	11.54	8.92	7.98	1.91	1.69	1.50	4.31	4.55	5.03
Hascol Petroleum	HASCOL	283.55	317.69	Accumulate	13.61	17.46	22.39	20.84	16.24	12.66	5.55	4.79	4.14	3.09	3.97	5.55
Attock Petroleum	APL	587.51	724.84	Buy	63.89	73.88	80.18	9.20	7.95	7.33	2.99	2.86	2.73	7.23	11.06	11.91
Pakistan State Oil	PSO	320.47	399.08	Buy	55.90	53.54	58.22	5.73	5.99	5.50	1.02	0.94	0.87	6.50	8.43	9.36
Power																
Hub Power Co.	HUBC	97.99	142.70	Buy	11.20	12.42	12.37	8.75	7.89	7.92	3.70	3.63	3.75	7.65	11.23	10.97
K-Electric Co.	KEL	6.88		UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR
Kot Addu Power Company	KAPCO	57.49	64.38	Accumulate	10.73	11.09	10.79	5.36	5.19	5.33	1.56	1.49	1.44	15.74	16.52	16.09
Fixed Line Telecommunication																
Pakistan Telecommunication	PTC	13.65		UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR
Personal Goods																
Nishat Mills	NML	170.72	169.10	Neutral	12.12	15.48	18.09	14.08	11.03	9.44	0.68	0.65	0.62	2.93	4.10	4.83
Nishat Chunian Ltd.	NCL	54.79	69.26	Buy	6.75	9.55	10.66	8.12	5.74	5.14	1.10	0.96	0.86	5.02	6.84	7.76
Banks																
Allied Bank Limited	ABL	95.00	101.44	Accumulate	11.95	13.01	14.62	7.95	7.30	6.50	1.01	0.96	0.90	7.89	8.42	9.47
Bank Alfalah	BAFL	47.88	48.43	Neutral	5.33	5.44	5.98	8.98	8.80	8.01	1.16	1.01	0.91	-	2.07	3.11
Habib Bank Limited	HBL	197.48	253.08	Buy	22.13	24.11	26.29	8.93	8.19	7.51	1.36	1.27	1.17	7.09	7.09	7.09
MCB Bank Limited	MCB	225.95	244.89	Accumulate	21.08	22.41	25.04	11.06	10.41	9.31	1.55	1.47	1.39	6.86	6.86	7.29
National Bank of Pakistan	NBP	49.44	65.27	Buy	8.60	9.08	10.46	5.75	5.44	4.72	0.53	0.51	0.48	14.16	11.12	17.19
United Bank Ltd	UBL	190.17	238.61	Buy	20.52	22.40	25.00	9.27	8.49	7.61	1.34	1.28	1.20	6.84	6.84	6.84

UR Under Review

Source: AKD Research

AKD Universe Coverage Cluster's Performance

Stocks	Symbol	Price 2 - Feb - 18	Absolute Performance (%)					1 Year High	1 Year Low
			1M	3M	6M	12M	CYTD		
KSE- 100 Index		44,301.20	6.8	9.4	- 5.6	- 10.8	9.5	52,876.5	37,919.4
Automobile and Parts									
Indus Motors	INDU	1818.12	6.3	6.0	3.4	6.1	8.2	2044.30	1580.17
Pak Suzuki Motors	PSMC	519.76	4.9	-1.4	-16.0	-26.7	4.4	903.91	436.74
Cements									
DG Khan Cement	DGKC	162.02	14.3	16.8	-19.4	-29.7	21.2	245.37	112.74
Lucky Cement	LUCK	632.76	17.1	26.6	-12.4	-25.8	22.3	994.65	445.80
Maple Leaf Cement Factory	MLCF	79.61	13.2	15.8	-32.8	-40.6	16.3	137.64	63.05
Fauji Cement Company Ltd.	FCCL	28.60	9.7	2.7	-30.5	-37.2	14.4	47.98	21.00
Pioneer Cement Limited	PIOC	75.52	13.6	18.1	-38.4	-47.2	19.6	160.02	48.92
Cherat Cement Limited	CHCC	137.19	21.1	36.1	-14.2	-25.1	23.7	212.00	88.50
Gharibwal Cement Limited	GWLC	27.58	8.8	18.0	-40.5	-54.7	14.4	67.48	19.79
Engineering									
Amreli Steel Ltd	ASTL	96.44	1.7	5.2	-14.8	14.9	4.1	137.97	79.11
Fertilizers									
Dawood Hercules	DAWH	129.24	12.4	13.6	-4.3	-14.1	15.5	161.23	105.45
Engro Fertilizers Ltd.	EFERT	69.62	2.6	4.4	17.9	29.2	2.8	71.04	51.90
Engro Chemical	ENGRO	300.92	7.3	5.7	-11.4	-12.7	9.5	399.16	253.43
Fatima Fertilizer	FATIMA	32.18	3.8	0.2	-2.3	-18.9	4.2	40.52	26.83
Fauji Fert. Bin Qasim Ltd.	FFBL	37.24	4.4	11.2	-5.4	-28.7	4.8	58.41	32.17
Fauji Fertilizer Company	FFC	89.12	10.5	9.7	8.5	-21.7	12.7	113.75	70.07
Food Producers									
Engro Foods Limited	EFOODS	91.73	18.9	10.8	-31.7	-54.4	14.2	205.43	70.19
Oil & Gas									
Oil & Gas Development Co.	OGDC	167.46	1.0	7.6	5.6	4.2	2.9	188.71	133.69
Pak Oilfields	POL	575.19	-5.6	-6.0	14.3	14.1	-3.2	640.28	429.75
Pakistan Petroleum Ltd.	PPL	208.79	-1.9	7.1	17.0	15.0	1.4	216.10	143.73
Pakistan State Oil	PSO	320.47	7.8	-8.3	-24.4	-33.8	9.3	486.05	265.17
Attock Petroleum Ltd.	APL	587.51	8.6	-2.8	-16.1	-12.8	12.3	703.86	490.02
Hascol Petroleum	HASCOL	283.55	10.4	9.1	-18.6	-20.8	14.8	389.41	211.63
Power									
Hub Power Co.	HUBC	97.99	7.1	-6.4	-22.0	-32.6	7.7	145.43	89.90
K- Electric Limited	KEL	6.88	6.0	21.8	-0.7	-33.9	9.0	10.52	5.34
Kot Addu Power Company	KAPCO	57.49	1.8	-11.1	-24.8	-29.4	6.7	83.02	49.39
Fixed Line Telecommunication									
Pakistan Telecommunication	PTC	13.65	3.3	1.9	-7.2	-29.0	4.6	19.23	11.80
Personal Goods									
Nisaht (Chunian) Ltd.	NCL	54.79	17.2	7.4	3.9	-19.2	19.7	72.67	44.03
Nishat Mills	NML	170.72	10.6	25.1	3.2	2.7	14.2	185.63	130.03
Banks									
Allied Bank Limited	ABL	95.00	8.2	19.9	3.8	-16.9	11.8	114.32	76.72
Bank Alfalah	BAFL	47.88	6.0	20.2	16.8	10.1	12.7	48.98	36.03
Habib Bank Limited	HBL	197.48	9.9	19.9	-15.7	-24.7	18.2	308.57	152.41
MCB Bank Limited	MCB	225.95	4.8	9.7	6.7	-5.7	6.4	262.10	190.43
National Bank of Pakistan	NBP	49.44	1.4	11.2	-19.2	-35.1	1.8	82.66	43.01
United Bank Ltd	UBL	190.17	-2.7	4.6	-11.4	-17.8	1.2	275.38	163.40

Source: PSX & AKD Research

Economic Snapshot

End Month Data	Units	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
T-bill										
3M	%	5.85	5.85	5.85	5.85	5.85	5.85	5.99	5.99	5.99
6M	%	5.90	5.90	5.90	5.90	5.90	5.90	6.01	6.01	6.01
12M	%	5.90	5.90	5.90	5.90	5.90	5.90	5.91	5.91	5.92
PIB 10Y	%	8.26	8.21	8.18	8.2	8.23	8.27	n.a	n.a	n.a
KIBOR 6M	%	5.91	5.90	5.90	5.89	5.90	5.91	5.91	5.92	5.95
Discount rate	%	6.25	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	5.75
Inflation										
Headline inflation	%	4.78	5.00	3.9	2.9	3.4	3.9	3.8	4.0	4.6
Core inflation	%	5.50	5.50	5.5	5.6	5.5	5.4	5.3	5.5	5.5
Food inflation	%	4.40	4.90	2.4	(0.10)	1.3	2.4	2.2	2.4	3.8
External Indicators										
Export (PBS)	US\$ (mn)	1,805	1,627	1,912	1,631	1,866	1,675	1,888	1,974	1,977
Import (PBS)	US\$ (mn)	4,998	5,092	4,534	4,835	4,952	4,473	4,929	4,898	4,910
Trade Deficit (PBS)	US\$ (mn)	(3,193)	(3,465)	(2,622)	(3,204)	(3,086)	(2,798)	(3,041)	(2,924)	(2,933)
Export (SBP)		1,766	1,954	1,865	1,828	2,104	2,194	2,380	2,546	2,464
Import (SBP)		4,108	4,633	5,054	4,720	4,262	4,712	5,258	5,346	5,140
Trade Deficit (SBP)		(2,342)	(2,679)	(3,189)	(2,892)	(2,158)	(2,518)	(2,878)	(2,800)	(2,676)
Home Remittances	US\$ (mn)	1,539	1,867	1,840	1,542	1,955	1,294	1,654	1,577	1,724
Current Account	US\$ (mn)	(1,337)	(1,651)	(1,431)	(2,051)	(550)	(1,097)	(1,315)	(1,441)	(1,130)
Banking Sector										
Deposits	PkR (bn)	11,214	10,993	11,981	11,702	11,651	11,980	11,777	n.a	n.a
Advances	PkR (bn)	5,777	5,936	6,176	6,028	6,035	6,137	6,151	n.a	n.a
Investments	PkR (bn)	7,794	7,849	8,166	7,989	8,145	8,338	8,342	n.a	n.a
W. A. lending rate	%	7.85	7.87	7.86	7.88	7.91	7.83	7.82	7.81	n.a
W. A. deposit rate	%	2.98	2.89	2.84	2.91	2.93	2.93	2.91	2.91	n.a
Spread rate	%	4.87	4.98	5.02	4.97	4.98	4.90	4.90	4.90	n.a
Public Finance										
Tax collection	PkR (mn)	249,958	330,957	511,449	413,212	474,560	642,138	n.a	n.a	n.a
Direct taxes	PkR (mn)	78,407	117,084	247,210	206,606	237,280	321,069	n.a	n.a	n.a
Indirect Taxes	PkR (mn)	171,551	213,873	264,239	206,606	237,280	321,069	n.a	n.a	n.a
Currency										
Fx Reserves	US\$ (mn)	21,019	21,190	21,402	20,223	20,401	19,775	19,584	18,774	20,154
USDPkR - Interbank	PkR/USD	104.79	104.84	104.86	105.48	105.38	105.40	105.41	105.44	109.13

Source: SBP, PBS & AKD Research

Analyst Certification

We, the **AKD Research Team**, hereby individually & jointly certify that the views expressed in this research report accurately reflect our personal views about the subject securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. We further certify that we do not have any beneficial holding of the specific securities that we have recommendations on in this report.

AKD Research Team

Analyst	Tel no.	E-mail	Coverage
Umer Pervez	+92 111 253 111 (693)	umer.pervez@akdsecurities.net	Executive Director Research & Business Development
Zoya Ahmed	+92 111 253 111 (603)	zoya.ahmed@akdsecurities.net	Banks, Telecoms & Consumers
Ali Asghar Poonawala	+92 111 253 111 (646)	ali.poonawala@akdsecurities.net	OMCs & Automobiles
Waqas Imdad Ali	+92 111 253 111 (634)	waqas.ali@akdsecurities.net	Cements & Fertilizer
M.Daniyal Kanani	+92 111 253 111 (602)	daniyal.kanani@akdsecurities.net	Oil & Gas & Power
Umer Farooq	+92 111 253 111 (637)	umer.farooq@akdsecurities.net	Textiles & Steel
Bilal Ahsan Elahi	+92 111 253 111 (685)	bilal.elahi@akdsecurities.net	Automobiles
Qasim Anwar	+92 111 253 111 (680)	qasim.anwar@akdsecurities.net	Technical Analysis
Nasir Khan	+92 111 253 111 (639)	nasir.khan@akdsecurities.net	Research Production

DISCLOSURES & DISCLAIMERS

This publication/communication or any portion hereof may not be reprinted, sold or redistributed without the written consent of AKD Securities Limited. AKD Securities Limited has produced this report for private circulation to professional and institutional clients only. The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject AKD Securities Limited to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable and compiled by our research department in good faith. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of AKD Securities Limited at the date of this publication/ communication and are subject to change at any time without notice.

This report is not a solicitation or any offer to buy or sell any of the securities mentioned herein. It is for information purposes only and is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice. Neither AKD Securities Limited nor any of its affiliates or any other person connected with the company accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained therein.

Subject to any applicable laws and regulations, AKD Securities Limited, its affiliates or group companies or individuals connected with AKD Securities Limited may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities or may currently or in future have or have had a relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties.

AKD Securities Limited (the company) or persons connected with it may from time to time have an investment banking or other relationship, including but not limited to, the participation or investment in commercial banking transaction (including loans) with some or all of the issuers mentioned therein, either for their own account or the account of their customers. Persons connected with the company may provide corporate finance and other services to the issuer of the securities mentioned herein, including the issuance of options on securities mentioned herein or any related investment and may make a purchase and/or sale of the securities or any related investment from time to time in the open market or otherwise, in each case either as principal or agent.

This document is being distributed in the United State solely to "major institutional investors" as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934, and may not be furnished to any other person in the United States. Each U.S. person that receives this document by its acceptance hereof represents and agrees that it: is a "major institutional investor", as so defined; and understands the whole document. Any such person wishing to follow-up any of the information should do so by contacting a registered representative of AKD Securities Limited.

The securities discussed in this report may not be eligible for sale in some states in the U.S. or in some countries.

Any recipient, other than a U.S. recipient that wishes further information should contact the company.

This report may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose.