

## AKD Research

research@akdsecurities.net

+92-21-111-253-111

Indices	KSE-100	KSE-30
This week	42,786	21,336
Last week	41,222	20,398

Indices	KMI-30	Allshare
This week	72,172	30,713
Last week	68,889	29,947

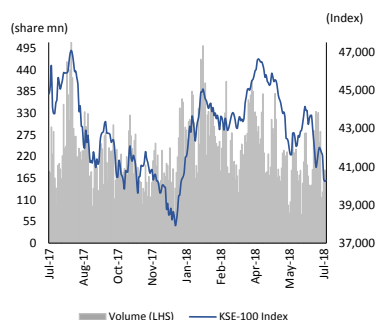
Mkt Cap.	Pk Rbn	US\$bn
This week	8,691	67.97
Last week	8,476	65.97

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

This week	234.92
Last week	219.46
Change	7.04%

### Top-5 Volume Leaders

Symbol	Volume (mn)
PIAA	54.20
BOP	53.80
KEL	48.72
PIBTL	33.51
LOTCHM	33.16

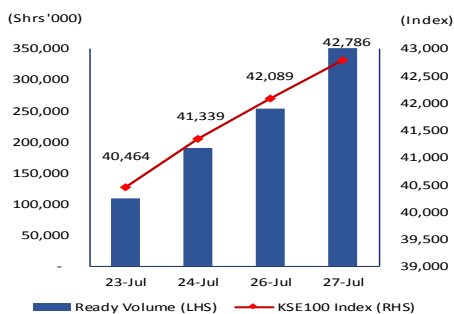


Source: PSX &amp; AKD Research

## Weekly Review

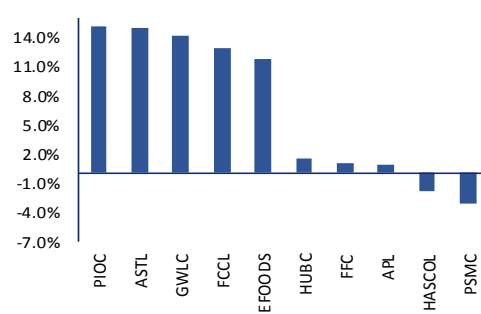
Bouncing back from a tumultuous pre-election run-up, the KSE-100 index rebounded sharply, rising for all four sessions of the shortened week, closing at 42,786pts up 3.8%WoW. Election proceedings dominated investor sentiment, guiding stock price escalations as polling formalities were completed with limited violence and sporadic occurrences of documented discrepancies. Average traded volumes over the week jumped 7.04% WoW to 234.9mn shares/day, where stocks leading the volume board included: 1) PIOC (54.2mn), 2) BOP (53.8mn), 3) KEL (48.7mn), 4) PIBTL (33.5mn) & 5) LOTCHEM (33.16mn). Wider news flows during the week included: 1) citing a slew of economic challenges, MNA elect Asad Umar stated that all options, including approaching the IMF were on the table with urgency of reforms expected to be at the forefront of a PTI-led government, 2) the country's total liquid foreign exchange reserves increased by US\$46mn during the last week ending at US\$15.73bn while SBP's reserves decreased by US\$53mn to US\$9.01bn, 3) SNGP has reportedly refused to import Re-Gasified Liquefied Natural Gas until the Power Division commits to off-take on firm take-and-pay basis, 4) June'18 figures released by the PBS shows a 2%YoY drop in textile exports for the month as GoP efforts to boost exports hit roadblocks, and 5) the GoP has released Pkr32bn in cash support for promoting exports of textile and clothing under the special PM Package aimed at accelerating exports of value added goods. Performance leaders during the week were: 1) PIOC (15.1%WoW), 2) ASTL (15.0%WoW), 3) GWLC (14.1%WoW), 3) FCCL (12.9%WoW), 4) EFOODS (11.7%WoW). On the flipside, laggards were: 1) PSMC (-3.1%WoW), 2) HASCOL (-1.8%WoW). Additionally, foreigners remained net seller of US\$0.36mn during the week compared to net outflow of US\$22.11mn in the previous week.

### Index & Volume Chart



Source: PSX &amp; AKD Research

### Universe Gainers & Losers



## Outlook

As the process of post-election flash-points gains steam (appointment of reserved members, by-election preparations), market dynamics are likely to hang in the balance. Further down the line, as the PTI-led government firms up its cabinet, legislative priorities and policy imperatives, investors are likely to be see-saw based on perceived outcomes for sectors, capital markets and the domestic investment environment.

### 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.



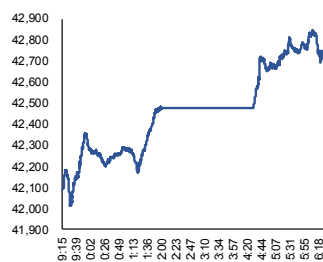
AKD Securities  
TREC Holder & Registered Broker  
Pakistan Stock Exchange  
REP-108

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

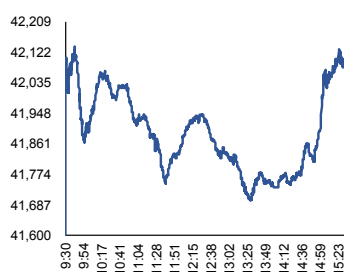
Copyright©2018 AKD Securities Limited. All rights reserved. The information provided on this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject AKD Securities 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

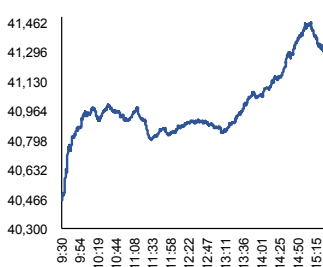
Jul 27, 2018



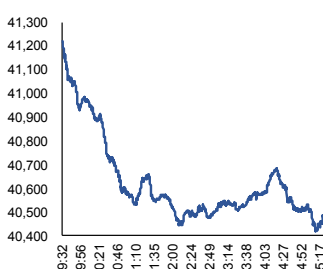
Jul 26, 2018



Jul 24, 2018



Jul 23, 2018



Source: PSX & AKD Research

### Pakistan Fertilizers\_2QCY18F\_1HCY18F Result Previews, (AKD Daily, Jul 27, 2018)

Commencing next week, the AKD Fertilizer Universe is scheduled to declare its 2QCY18F/1HCY18F results; first up being FFBL (Jul 30'18). In this regard, we expect the AKD Fertilizer Universe to post combined NPAT of PkR10.38/19.81bn in 2QCY18F/1HCY18F as compared to PkR5.84/14.53bn in 2QCY17/1HCY17 - earnings increase of 92%/37%YoY. Higher earnings are expected to arise from significant 8.5ppts/4.1pptsYoY jump in Gross margins to 34.3%/32.9% in 2QCY18F/1HCY17F (avg. urea prices up 13%/10%YoY during 2QCY18F/1HCY18F), despite flattish growth in total fertilizer offtake (-1%YoY) during 1HCY18. The AKD fertilizer Universe has gained 16.4%CYTD, outperforming the market by 12% on improving fundamentals. With exciting 2QCY18F results coupled with decent pay-outs, we anticipate the sector to remain in limelight on the back of: 1) low inventory levels, 2) inevitable urea import at current elevated cost of imported fertilizers and 3) continuous upward trend in local product prices. Maintaining our Marketweight stance on the sector, EFERT (TP of PkR87.8/sh) remains our top pick on the basis of an attractive dividend yield of ~10% (total return 16%).

### Election 2018: PTI hits it out of the Park! (AKD Daily, Jul 26, 2018)

A new day beckons! Breaking the two party hegemony, the Pakistan Tehreek-e-Insaaf (PTI) looks set to form the government at the Center, having grabbed 113 National Assembly (NA) seats, as per provisional results. With Punjab too close to call, governance will be a key question particularly in the event of PML-N forming the govt. in the province – a lot will hinge on independents in this case. That said, with the PTI closing in on a strong NA mandate (albeit with some coalition partners), the market is likely to cheer the result as a hung parliament had seemingly been priced in previously. In its initial days, the PTI govt. will have to grapple an economy with a burgeoning current account deficit (5.7% of the GDP in FY18), dwindling FX reserves (SBP reserves: US\$9.1bn as of Jul 13'18) and narrow tax base (less than 1% of the population files tax return). Much will depend on the initial realistic roadmap while from the market's vantage, investors are likely to wait keenly for newsflow regarding entry into an IMF program. Initial market euphoria is likely to remain strong where thematic exposure in Banks (interest tightening), Oil & Gas (PkR deval.) and IPPs (PkR deval.) is recommended.

### PSMC: LCV demand to the rescue, (AKD Daily, Jul 24, 2018)

PSMC is scheduled to release earnings for 2QCY18 in the backdrop of drastic moves in input costs (PkR vs. US\$ -10.0%, PkR/JpY -11.9% till June'18), and slower sales (total sales for PSMC -3%QoQ) from seasonal swings. We expect the OEM to report 2QCY18E earnings of PkR614mn (EPS:PkR7.45/sh.) recording a slide of 10%YoY, taking cumulative 1HCY18 NPAT to PkR1.52bn (EPS:PkR18.45/sh), marking a decline of 31.2%YoY. Clouds dissenting over the stock follow from the absence of any new model launches and external pressures to input costs keeping margins under pressure, while longer term questions over demand persisting in the face of price hikes (~7%CYTD following three price hikes). These may be overblown, where the core demand base for LCVs (transporters, commercial users, movers) remains in place (Bolan/Ravi sales for 1HCY18 up 17/19%YoY) to support sales numbers. Currently trading at PE's of 7.9x/5.9x for CY18F/19F, we have a BUY stance on the stock with TP of 610/sh.

### Macro swings are a boon for E&Ps, (AKD Daily, Jul 23, 2018)

With expected cumulative YoY earnings growth of 31% in FY19, the recent round of currency devaluation coupled with interest rate hike is set to amplify the revenue stream of Pakistan's E&P sector going forward. OGDC/PPL/POL are currently trading at FY19F P/E of 6.28/7.05/8.00x, as compared to the sector's (3-yr avg.) historical P/E of 9.32x. Index heavyweights (OGDC and PPL) now offer capital upsides of 45.7/32.9% at our FY19/20F intl. oil

### *This Week's Daily Reports*

assumptions of US\$70/65/bbl and long term forecast intact at US\$55/bbl. Significant contribution to PPL's and OGDC's bottom-lines also emanate from exchange gains. Moreover, higher interest rate environment provides additional return on bank deposits and other investments as E&P companies have historically remained cash rich with financial assets representing 24.4/25.4% of the total asset base in FY17/9MFY18. Having said this, we continue to push for OGDC and PPL, and while POL is trading below its fair value, we believe Jhandial's declining production and probability of dry wells cast concerns over its outlook, hence should be gradually offloaded as it derives ~40% of its value through this well only. Our FY19 TPs for OGDC/PPL/POL are PkR217/276/693/sh, respectively.

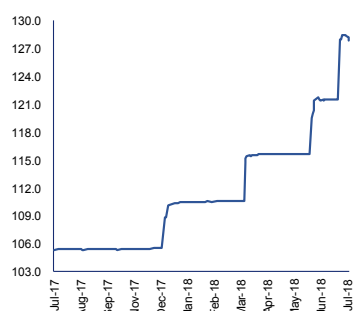
### Regional Valuations (2018)

	EPS Growth	PE(x)
Pakistan	16.71%	7.28
Indonesia	9.94%	13.95
Malaysia	12.07%	13.36
Philippines	7.39%	15.62
Vitenam	12.22%	15.15
India	17.47%	16.16
China	13.46%	9.95

%	ROE	Divd Yld
Pakistan	16.4%	6.92
Indonesia	15.26	2.64
Malaysia	10.53	3.42
Philippines	11.76	1.87
Vitenam	18.87	1.60
India	15.37	1.70
China	12.29	3.04

Source: Bloomberg

### PkR/US\$ Trend



Source: Bloomberg

### TRJ-CRB Index



Source: Bloomberg

### Major World Indices' Performance

Country	Bloomberg Code	27-Jul-18	20-Jul-18	WoW	CYTD
Pakistan	KSE100 Index	42,786	41,222	3.80%	5.7%
Srilanka	CSEALL Index	6,154	6,191	-0.60%	-3.4%
Thailand	SET Index	1,702	1,671	1.84%	-3.0%
Indonesia	JCI Index	5,989	5,873	1.98%	-5.8%
Malaysia	FBMKLCI Index	1,769	1,755	0.82%	-1.5%
Philippines	PCOMP Index	7,701	7,400	4.08%	-10.0%
Vietnam	VNINDEX Index	936	933	0.23%	-5.0%
Hong Kong	HSI Index	28,804	28,224	2.05%	-3.7%
Singapore	FSSTI Index	3,325	3,298	0.82%	-2.3%
Brazil	IBX Index	32,712	32,379	1.03%	3.5%
Russia	RTSSTD Index	15,163	14,873	1.95%	10.9%
India	SENSEX Index	37,337	36,496	2.30%	9.6%
S&P	SPX Index	2,837	2,802	1.27%	6.1%
DJIA	INDU Index	25,527	25,058	1.87%	3.3%
UK	UKX Index	7,701	7,679	0.30%	0.2%
Germany	DAX Index	12,873	12,561	2.48%	-0.3%
Qatar	DSM Index	9,608	9,421	1.99%	12.7%
Abu Dhabi	ADSMI Index	4,844	4,770	1.55%	10.1%
Dubai	DFMGI Index	2,949	2,926	0.78%	-12.5%
Kuwait	KWSEIDX Index	6,633	6,633	0.00%	3.5%
Oman	MSM30 Index	4,336	4,448	-2.53%	-14.1%
Saudi Arabia	SASEIDX Index	8,368	8,450	-0.97%	15.7%
MSCI EM	MXEF Index	1,089	1,070	1.78%	-6.0%
MSCI FM	MXFM Index	576	568	1.31%	-9.7%

Source: Bloomberg

### International Major Currencies

SPOT	27-Jul-18	20-Jul-18	Chg +/-	WoW	CYTD
Dollar Index	94.865	94.476	0.389	0.41%	2.98%
USD/PkR	127.865	128.498	-0.633	-0.49%	15.77%
USD/JPY	111.190	111.410	-0.220	-0.20%	-1.33%
EUR/USD	1.163	1.172	-0.010	-0.84%	-3.17%
GBP/USD	1.309	1.314	-0.004	-0.33%	-3.11%
AUD/USD	0.738	0.742	-0.004	-0.54%	-5.56%
NZD/USD	0.677	0.681	-0.004	-0.62%	-4.66%
CHF/USD	0.997	0.992	0.005	0.51%	2.37%
CAD/USD	1.307	1.315	-0.007	-0.56%	3.99%
USD/KRW	1,118	1,134	-15.600	-1.38%	4.44%
CNY/USD	6.835	6.770	0.065	0.96%	5.04%

Source: Bloomberg

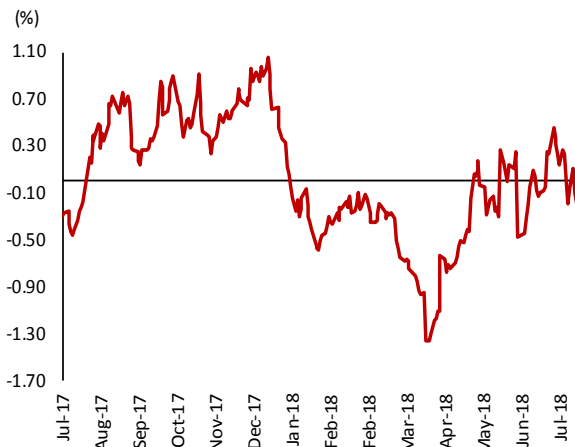
### Commodities

SPOT	Units	27-Jul-18	20-Jul-18	WoW	CYTD
TRJ-CRB	Points	194.8701	192.6214	1.17%	0.52%
Nymex (WTI)	US\$/bbl.	69.46	70.46	-1.42%	14.96%
ICE Brent	US\$/bbl.	74	72.71	1.77%	10.75%
N. Gas Henry Hub	US\$/Mmbtu	2.82	2.77	1.81%	-20.33%
Cotton	Usd/Pound	97.95	97.45	0.51%	9.32%
Gold	US\$/Tr.Oz	1219.2	1232	-1.04%	-6.43%
Sliver	US\$/Tr.Oz	15.3735	15.52	-0.94%	-9.25%
Copper	US\$/MT	6266.5	6122.5	2.35%	-13.05%
Platinum	US\$/Oz	825.4	828.5	-0.37%	-11.30%
Coal	US\$/MT	107.9	107.35	0.51%	13.34%

Source: Bloomberg

## Chart Bank

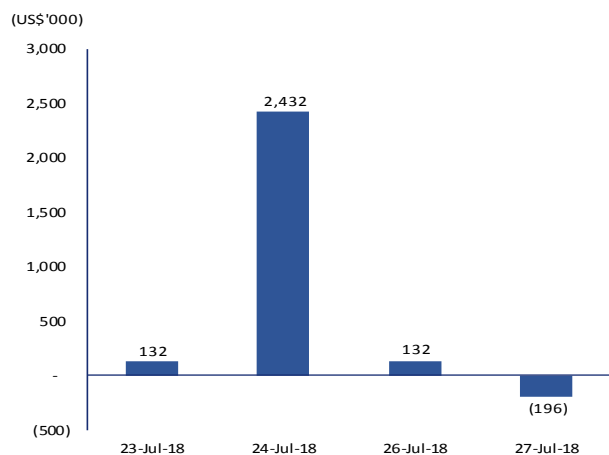
**Earnings Yield vs. T-Bill (12M) Differential**



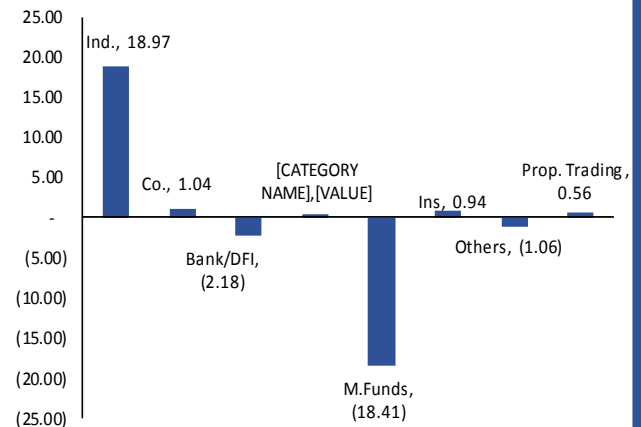
**Advance to Decline Ratio**



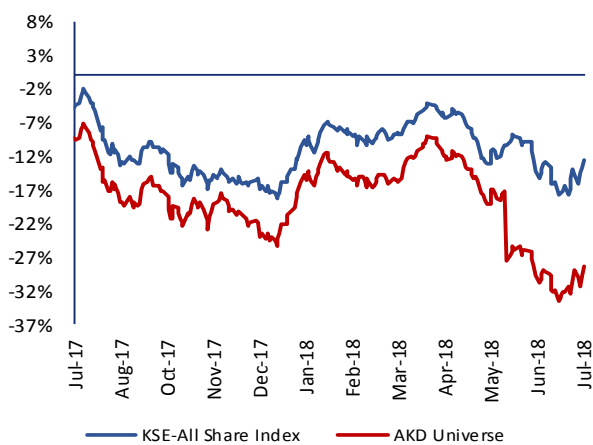
**FIPI Flows for the week**



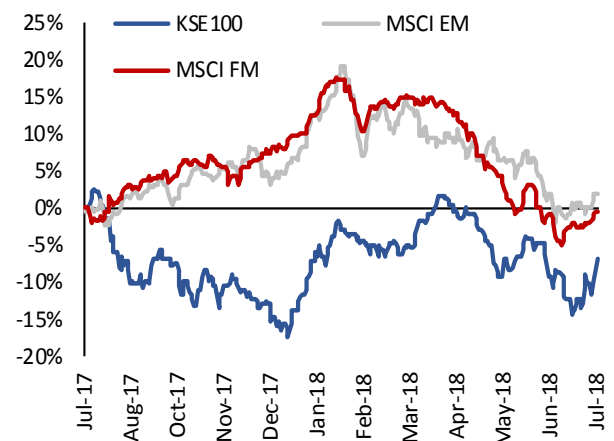
**LIPI Flows for the week**



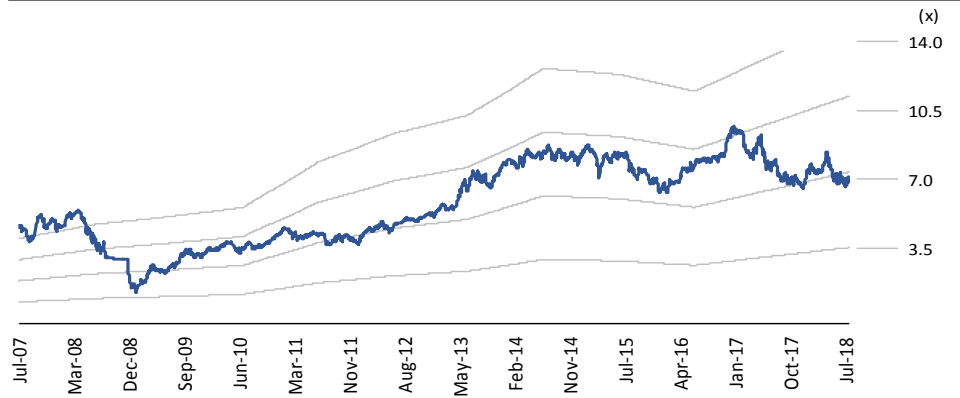
**AKD Universe vs. KSE-100 Index**



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

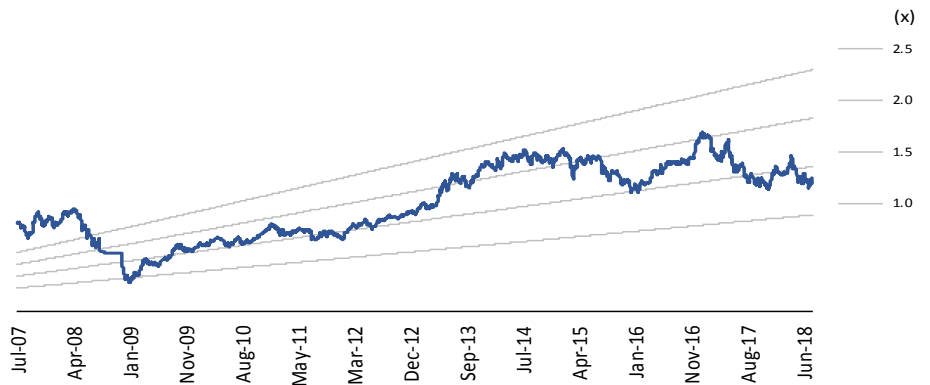


**Market PER Chart 2018**



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
<b>Automobile and Parts</b>																
Indus Motors	INDU	1,354.96	2,191.48	Buy	165.41	188.74	199.71	8.19	7.18	6.78	3.41	2.90	2.50	8.49	8.71	9.23
Pak Suzuki Motors	PSMC	345.18	610.01	Buy	46.49	44.38	59.03	7.43	7.78	5.85	0.96	0.90	0.81	5.39	5.21	6.95
<b>Cements</b>																
DG Khan Cement	DGKC	114.69	118.00	Accumulate	18.20	18.52	15.10	6.30	4.94	6.06	0.67	0.50	0.48	6.54	8.19	6.55
Lucky Cement	LUCK	549.02	666.00	Buy	42.34	39.21	32.51	12.97	16.74	20.20	2.23	2.55	2.37	2.19	1.83	1.52
Maple Leaf Cement Factory	MLCF	51.07	65.00	Buy	9.05	6.39	5.10	5.64	6.29	7.89	1.01	0.74	0.63	8.28	11.10	13.66
Fauji Cement Company Ltd.	FCCL	24.13	25.50	Accumulate	1.89	2.03	1.95	12.74	12.30	12.82	1.69	1.62	1.63	5.80	7.00	7.00
Pioneer Cement Limited	PIOC	51.01	70.00	Buy	12.84	6.96	6.39	3.79	9.85	10.72	0.90	1.19	1.14	11.31	5.47	5.11
Cherat Cement Co Limited	CHCC	94.78	77.00	Reduce	11.08	12.58	7.27	8.56	10.52	18.21	1.60	1.99	1.88	4.75	2.27	2.27
Gharibwal Cement Ltd	GWLC	21.81	36.00	Buy	5.71	3.32	2.25	3.82	7.26	10.73	0.77	0.80	0.80	13.76	14.90	5.18
<b>Cable &amp; Electrical Goods</b>																
Pak Elektron Ltd	PAEL	38.30	51.70	Buy	6.65	6.08	7.57	4.89	5.34	4.29	0.60	0.56	0.52	8.31	7.39	9.24
<b>Engineering</b>																
Amreli Steels Ltd.	ASTL	71.67	135.00	Buy	3.62	4.68	11.88	19.82	15.31	6.03	1.91	1.69	1.37	2.79	2.79	6.98
<b>Fertilizers</b>																
Engro Corporation	ENGRO	333.81	348.84	Accumulate	20.47	21.56	27.91	15.84	15.03	11.61	2.05	2.02	1.94	6.48	6.17	6.79
Engro Fertilizers Limited	EFERT	81.34	87.75	Accumulate	8.35	9.40	10.25	9.57	8.50	7.80	2.51	2.44	2.37	10.63	10.58	11.54
Fauji Fert. Bin Qasim Ltd.	FFBL	37.62	48.10	Buy	2.03	2.60	2.79	17.91	14.00	13.05	2.53	2.34	2.18	2.33	5.71	6.13
Fauji Fertilizer Company	FFC	100.21	104.57	Neutral	8.42	8.75	10.22	11.83	11.39	9.75	4.32	3.84	3.66	7.03	7.86	8.94
Fatima Fertilizer	FATIMA	35.90	45.11	Buy	5.06	5.44	6.00	6.80	6.33	5.73	1.32	1.22	1.13	-	11.06	12.21
<b>Food Producers</b>																
Engro Foods Limited	EFOODS	94.37	84.20	Reduce	0.75	1.19	1.22	116.94	73.27	71.53	3.63	3.43	3.21	-	-	-
<b>Oil &amp; Gas</b>																
Oil & Gas Development Co.	OGDC	152.43	210.00	Buy	14.83	18.53	23.68	10.21	7.99	6.25	1.27	1.13	1.01	3.63	4.38	5.57
Pak Oilfields	POL	666.73	676.29	Neutral	40.46	47.90	80.10	14.52	12.27	7.34	4.41	4.22	3.56	6.07	6.45	10.20
Pakistan Petroleum	PPL	214.24	258.00	Buy	18.10	22.89	29.45	11.38	9.51	7.39	1.88	1.79	1.58	4.20	5.06	6.50
Hascol Petroleum	HASCOL	315.94	317.69	Neutral	13.61	17.46	22.39	23.22	18.09	14.11	6.19	5.34	4.62	2.77	3.56	4.99
Attock Petroleum	APL	559.58	724.84	Buy	63.89	73.88	80.18	8.76	7.57	6.98	2.85	2.73	2.60	7.59	11.62	12.51
Pakistan State Oil	PSO	322.34	399.08	Buy	55.90	53.54	58.22	5.77	6.02	5.54	1.02	0.95	0.88	6.46	8.38	9.31
<b>Power</b>																
Hub Power Co.	HUBC	94.75	142.70	Buy	8.26	10.16	10.38	9.92	9.01	8.82	3.45	3.39	3.50	8.46	8.46	8.74
K-Electric Co.	KEL	5.64	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR	UR
Kot Addu Power Company	KAPCO	54.75	64.38	Accumulate	10.73	11.09	10.79	5.10	4.94	5.07	1.48	1.42	1.37	16.53	17.35	16.89
<b>Personal Goods</b>																
Nishat Mills	NML	139.28	169.10	Buy	12.12	15.48	18.09	11.49	9.00	7.70	0.55	0.53	0.51	3.59	5.03	5.92
Nishat Chunian Ltd.	NCL	51.67	57.15	Accumulate	6.75	5.48	7.60	7.66	9.44	6.80	1.03	0.98	0.89	5.32	4.35	5.81
<b>Banks</b>																
Allied Bank Limited	ABL	109.95	100.20	Reduce	11.29	11.75	13.49	9.74	8.49	7.40	1.53	1.32	1.23	6.82	7.28	8.19
Bank Alfalah	BAFL	57.95	55.20	Neutral	5.37	6.12	6.70	10.80	9.12	8.33	1.39	1.23	1.09	2.59	2.59	2.59
Habib Bank Limited	HBL	179.66	237.60	Buy	5.54	18.24	23.97	32.41	8.59	6.54	1.40	1.11	0.99	4.45	3.90	7.79
MCB Bank Limited	MCB	213.63	253.80	Accumulate	18.51	17.86	24.26	10.78	11.17	8.23	1.52	1.35	1.29	7.49	7.49	7.96
National Bank of Pakistan	NBP	50.03	71.50	Buy	10.97	9.30	10.49	4.48	5.28	4.68	0.82	0.62	0.58	-	10.99	16.99
United Bank Ltd	UBL	186.03	253.30	Buy	21.39	16.87	24.54	8.70	10.08	6.93	1.31	1.15	1.09	7.53	7.53	7.53

UR Under Review

Source: AKD Research

## AKD Universe Coverage Cluster's Performance

Stocks	Symbol	Price 27-Jul-18	Absolute Performance (%)					1 Year High	1 Year Low
			1M	3M	6M	12M	CYTD		
<b>KSE-100 Index</b>		<b>42,786.45</b>	<b>2.6</b>	<b>-6.1</b>	<b>-4.0</b>	<b>-5.0</b>	<b>5.7</b>	<b>47,084.3</b>	<b>37,919.4</b>
<b>Automobile and Parts</b>									
Indus Motors	INDU	1354.96	-2.6	-28.3	-27.8	-22.0	-19.4	1941.95	1251.61
Pak Suzuki Motors	PSMC	345.18	-9.5	-28.8	-33.7	-48.3	-30.7	667.19	346.92
<b>Cements</b>									
DG Khan Cement	DGKC	114.69	0.3	-18.6	-31.0	-40.7	-14.2	201.02	91.54
Lucky Cement	LUCK	549.02	12.2	-15.7	-16.6	-27.8	6.1	760.73	445.80
Maple Leaf Cement Factory	MLCF	51.07	1.6	-26.7	-41.1	-53.0	-25.4	118.53	39.90
Fauji Cement Company Ltd.	FCCL	24.13	5.3	-12.8	-18.7	-40.1	-3.5	41.29	19.24
Pioneer Cement Limited	PIOC	51.01	13.6	-19.8	-34.0	-57.4	-19.2	123.91	39.59
Cherat Cement Limited	CHCC	94.78	-3.2	-24.3	-32.0	-40.5	-14.5	168.88	80.79
Gharibwal Cement Limited	GWLC	21.81	8.0	-13.5	-26.6	-50.6	-9.5	47.50	18.38
<b>Engineering</b>									
Amreli Steel Ltd	ASTL	71.67	4.4	-12.5	-26.1	-35.1	-22.7	115.56	54.40
<b>Fertilizers</b>									
Dawood Hercules	DAWH	114.01	0.6	-14.5	-7.3	-13.0	1.9	138.47	99.49
Engro Fertilizers Ltd.	EFERT	81.34	8.4	12.1	18.3	50.9	20.1	79.98	54.91
Engro Chemical	ENGRO	333.81	5.1	5.3	9.5	6.4	21.5	339.82	253.43
Fatima Fertilizer	FATIMA	35.90	13.2	6.1	12.7	14.6	16.3	34.33	26.83
Fauji Fert. Bin Qasim Ltd.	FFBL	37.62	-1.1	-14.3	-1.9	3.4	5.9	44.81	32.17
Fauji Fertilizer Company	FFC	100.21	2.0	0.7	14.2	21.8	26.7	102.02	70.07
<b>Food Producers</b>									
Engro Foods Limited	EFOODS	94.37	7.2	-6.4	4.1	-18.2	17.5	134.23	70.19
<b>Cable &amp; Electrical Goods</b>									
Pak Elektron Limited	PAEL	38.30	10.9	-14.5	-37.0	-60.5	-19.4	110.33	31.82
<b>Oil &amp; Gas</b>									
Oil & Gas Development Co.	OGDC	152.43	-2.2	-9.4	-10.8	2.2	-6.4	177.31	141.10
Pak Oilfields	POL	666.73	0.6	0.1	17.8	46.9	12.2	707.34	451.17
Pakistan Petroleum Ltd.	PPL	214.24	-1.4	-0.2	3.2	24.2	4.0	222.96	159.38
Pakistan State Oil	PSO	322.34	1.3	-5.5	2.3	-15.1	10.0	466.59	265.17
Attock Petroleum Ltd.	APL	559.58	-4.5	-11.5	-2.6	-15.2	7.0	703.86	490.02
Hascol Petroleum	HASCOL	315.94	4.5	-1.0	12.0	-7.3	27.9	348.42	211.63
<b>Power</b>									
Hub Power Co.	HUBC	94.75	3.0	-7.5	-4.2	-18.0	4.1	125.88	87.19
K-Electric Limited	KEL	5.64	8.7	-15.6	-18.1	-12.4	-10.6	7.46	5.14
Kot Addu Power Company	KAPCO	54.75	-0.4	-8.4	-5.7	-25.1	1.6	77.44	49.39
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication	PTC	11.95	6.7	-2.0	-11.0	-16.1	-8.4	15.07	10.79
<b>Personal Goods</b>									
Nisaht (Chunian) Ltd.	NCL	51.67	8.8	-3.6	-5.5	4.6	12.9	62.35	43.70
Nishat Mills	NML	139.28	-1.9	-7.9	-17.5	-10.2	-6.8	171.56	126.05
<b>Banks</b>									
Allied Bank Limited	ABL	109.95	8.6	7.3	14.7	24.2	29.4	107.39	76.72
Bank Alfalah	BAFL	57.95	7.3	10.1	26.0	43.9	36.4	57.25	38.15
Habib Bank Limited	HBL	179.66	9.3	-8.6	-11.0	-28.8	7.5	253.13	152.41
MCB Bank Limited	MCB	213.63	7.3	1.4	-8.4	1.5	0.6	236.56	189.90
National Bank of Pakistan	NBP	50.03	4.9	-1.5	2.0	-17.2	3.0	61.97	43.01
United Bank Ltd	UBL	186.03	9.0	-6.9	-8.4	-11.9	-1.0	215.56	152.57

Source: PSX & AKD Research



## Economic Snapshot

End Month Data	Units	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Monetary Rates</b>										
T-Bills - 3M	%	5.99	5.99	5.99	6.21	6.26	6.26	6.24	6.26	6.76
T-Bills - 6M	%	6.01	6.01	6.01	n.a	n.a	n.a	6.35	6.35	6.85
T-Bills - 12M	%	5.91	5.91	5.92	n.a	n.a	n.a	n.a	n.a	n.a
PIB 10Y	%	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
KIBOR 6M	%	6.17	6.18	6.21	6.23	6.44	6.51	6.25	6.34	6.73
Discount rate	%	6.25	6.25	6.25	6.5	6.5	6.5	6.5	6.5	6.5
Policy rate	%	5.75	5.75	5.75	6.0	6.0	6.25	6.00	6.00	6.00
<b>Inflation</b>										
Headline inflation	%	3.8	4.0	4.6	4.4	3.8	3.2	3.7	4.2	5.2
Core inflation	%	5.3	5.5	5.5	5.2	5.2	5.8	7.0	7.0	7.1
Food inflation	%	2.2	2.4	3.8	3.7	2.2	0.1	(0.20)	1.0	3.0
<b>External Indicators</b>										
Export (PBS)	US\$ (mn)	1,888	1,974	1,977	1,971	1,902	2,231	2,133	2,144	n.a
Import (PBS)	US\$ (mn)	4,929	4,898	4,910	5,607	4,797	5,280	5,066	5,814	n.a
Trade Deficit (PBS)	US\$ (mn)	(3,041)	(2,924)	(2,933)	(3,636)	-2,895	-3,049	1947	1934	n.a
Export (SBP)		2,380	2,546	2,464	2,111	2,059	2,305	2,246	2,266	n.a
Import (SBP)		5,258	5,346	5,140	4874	4,334	4,943	4,949	5,149	n.a
Trade Deficit (SBP)		(2,878)	(2,800)	(2,676)	(2,763)	(2,275)	(2,638)	(2,703)	(2,883)	n.a
Home Remittances	US\$ (mn)	1,654	1,577	1,724	1,639	1,672	n.a	1,651	1,771	n.a
Current Account	US\$ (mn)	(1,315)	(1,441)	(1,256)	-1,617	-1,241	1,160	1947	1934	n.a
<b>Banking Sector</b>										
Deposits	PkR (bn)	11,777	11,969	12,362	12,002	11,933	12,571	12,277	12,258	13,063
Advances	PkR (bn)	6,151	6,280	6,530	6,556	6,629	6,812	6,839	7,046	7,362
Investments	PkR (bn)	8,342	8,475	8,542	7,637	8,127	6,853	7,784	6,733	8,179
W. A. lending rate	%	7.82	7.81	7.74	7.72	7.99	7.60	7.75	7.74	n.a
W. A. deposit rate	%	2.91	2.91	2.89	2.89	2.92	2.95	2.91	2.92	n.a
Spread rate	%	4.90	4.90	4.85	4.83	5.07	4.65	4.84	4.83	n.a
<b>Public Finance</b>										
Tax collection	PkR (mn)	541,120	547,902	841,472	546,994	527,652	720,486	n.a	n.a	n.a
Direct taxes	PkR (mn)	270,560	273,951	420,736	273,497	263,826	360,243	n.a	n.a	n.a
Indirect Taxes	PkR (mn)	270,560	273,951	420,736	273,497	263,826	360,243	n.a	n.a	n.a
<b>Currency</b>										
Fx Reserves	US\$ (mn)	19,584	18,774	20,154	18,957	18,317	17,796	17,540	15,977	16,386
USDPkR - Interbank	PkR/USD	105.41	105.44	109.13	110.53	110.55	111.73	115.60	115.61	119.57

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
Usman Zahid	+92 111 253 111 (693)	usman.zahid@akdsecurities.net	Executive Director Research & Business Development
Zoya Ahmed	+92 111 253 111 (603)	zoya.ahmed@akdsecurities.net	Banks, Telecoms & Consumers
Haris Imtiaz	+92 111 253 111 (639)	haris.imtiaz@akdsecurities.net	Economy
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
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
Tariq Mehmood	+92 111 253 111 (643)	tariq.mehmood@akdsecurities.net	Library Operations

## 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.