

## Market Review

## Equities

### A Week Painted in Red

#### Market Commentary

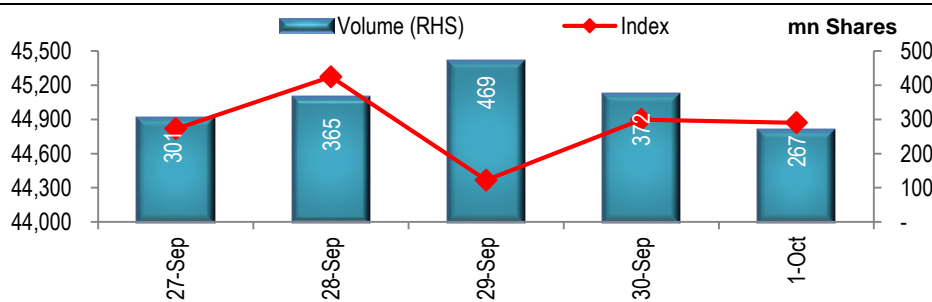
The market commenced on a negative note this week due to high global commodity prices such as all time high coal prices of USD 200.50/ton tagged with Arab Light Price reaching a 3-Yr high of PKR 80.20/bbl. The sentiment was further fueled by continuous depreciation of PKR against USD, climbing up to the highest ever level of PKR 170.66, raising economic concerns. Moreover, the market experienced a meltdown after a month old republican draft proposing to investigate Pakistan's involvement in Taliban's takeover in Afghanistan resurfaced. Meanwhile, investor sentiment turned positive on the back of expectation of re-entry in IMF program along with govt. announcing measures to slow down imports, which cushioned the dip. The market closed at 44,872 points, shedding 202 points (down by 0.4%) WoW.

Sector-wise negative contributions came from i) Commercial Banks (117pts), ii) Pharmaceuticals (47pts), iii) Fertilizers (32pts), iv) Cement (25pts), and v) Insurance (21pts). Whereas, sectors which contributed positively were i) Oil & Gas Exploration Companies (35pts), and ii) Oil & Gas Marketing Companies (20pts). Scrip-wise negative contributors were MCB (84pts), HBL (84pts), FFC (42pts), LUCK (33pts) and UBL (30pts). Meanwhile, scrip-wise positive contribution came from MEBL (55pts), POL (47pts) and KEL (24pts).

Foreign selling was witnessed this week, clocking-in at USD 21.9mn compared to a net buy of USD 6.7mn last week. Major selling was witnessed in Commercial Banks (USD 13.5mn), and Exploration and Production (USD 4.3mn). On the local front, buying was reported by Commercial Banks (USD 10.1mn) followed by Insurance Companies (USD 8.1mn). Average volumes clocked-in at 355mn shares (down by 8% WoW) while average value traded settled at USD 76mn (up by 3% WoW).

Other major news: i) Forex reserves declined to USD 26bn, ii) POL products' prices increased by 10%, iii) OGDC strikes hydrocarbon at Wali-1, iv) FCEPL, SCBPL join hands to support SME sector, and v) Senate body passes 'Special Technology Zones Authority Bill, 2021'.

**Exhibit: KSE100 index and volume**



#### Outlook and Recommendation

The market is expected to be positive in the coming week as scrips are trading at attractive valuations. Furthermore, IMF Review is starting from 4th Oct'21, which if successful may provide much needed respite to the ailing investment sentiment. Moreover, recent statement of US Secretary of State recognizing Pakistan's crucial part in making talks with Taliban successful will ease off investor concerns. Our preferred stocks are EPCL, PSO, OGDC, HUBC, HBL, MCB, UBL, MCB, LUCK, ACPL, FFC, ENGRO, INDU, PTL, SNGP, UNITY, HTL, and ILP. The KSE-100 is currently trading at a PER of 5.3x (2021) compared to Asia Pac regional average of 14.3x while offering a dividend yield of ~8.2% versus ~2.3% offered by the region.

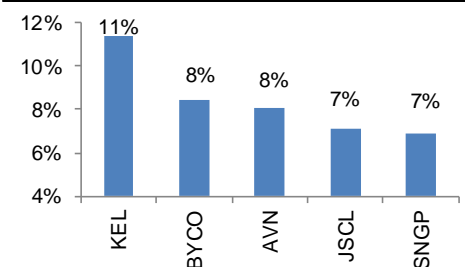
#### PSX Indices Performance

Index	Current	WoW (%)	CY21TD (%)
KSE100	44,872	(0.45)	2.6
KSEAI	30,694	(0.27)	(0.3)
KSE30	17,608	(0.76)	(3.1)
KMI30	72,203	0.42	1.5
BKTI	12,350	(1.59)	(5.6)
OGTI	11,238	0.95	(15.1)

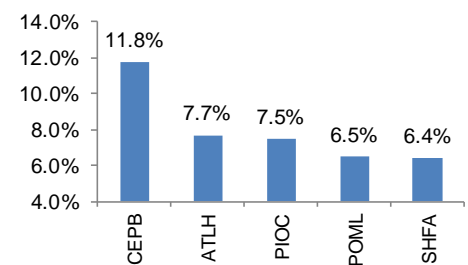
#### PSX Volume Leaders

	Avg. Vol. (mn)	Closing
BYCO	29.1	8.2
WTL	27.8	2.8
TELE	24.0	18.0
UNITY	16.9	31.2
ANL	13.4	20.6

#### Major Gainers (KSE100 Index)



#### Major Losers (KSE100 Index)



#### Analyst

AHL Research

research@arifhabibltd.com

+92-21-32462589

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Analyst: 2020

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Corporate Finance House  
of the Year: 2020

**Business & Economic developments during the week.**
**Import of additional 114 items: SBP imposes 100pc cash margin requirement (BR)**

In order to keep the exchange rate stable and control the rising import bill, the State Bank of Pakistan (SBP) on Thursday announced a 100 percent cash margin requirement (CMR) on the import of additional 114 items. Pakistan's exchange rate has been volatile for the last few weeks and Pak rupee continues to fall against the US dollar. The Pak Rupee is declining primarily due to higher goods imports that increase the demand of the US dollar in the money market. On Thursday the dollar was traded at Rs170.66 in the inter-bank market and it surged to Rs 172.50 in open currency market.

**Govt eyes \$5bln/year pharma exports by 2025: adviser (The News)**

The government is striving to raise annual pharmaceutical exports to \$5 billion in next four year by extending incentives as well as ensuring ease of doing business for the industry, commerce adviser said on Wednesday. "The government is especially focusing to increase pharmaceutical exports through tariff rationalisation, trade-related investment, institutional reforms, and easing of business regulations," said Abdul Razak Dawood Commerce & Investment Adviser addressing 1st Pharma Export Summit and Awards-2021 (PESA).

**Deferred payments: KSA once again turns oil tap on for Pakistan (BR)**

Finance Minister Shaukat Tarin on Wednesday informed the National Assembly that an agreement to get oil from the Kingdom of Saudi Arabia (KSA) on deferred payment has been finalised. During assembly's question-hour, he said that when Pakistan Tehreek-e-Insaf (PTI) took over in 2018, Saudi Arabia gave a big package that included a deferred oil payment facility. "And now again Saudi Arabia is thinking about new facility for us as oil prices are increasing. We've requested them that we have the burden of oil prices, so an agreement for oil on deferred payment has been finalised, which will become clear in next two to three days,"

**Wapda delays second green bond issue till FY23 (Dawn)**

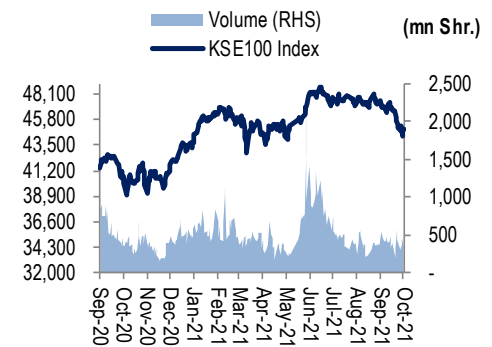
The Water and Power Development Authority (Wapda) has postponed its plan of floating another green Eurobond to raise \$500 million by March next year keeping in view various internal and external factors causing increase in interest rates. The authority now plans to launch the bond in next fiscal year (2022-23) subject to suitability of the situation, Dawn has learnt. "The local and international situation, especially in the wake of current situation in Afghanistan, has turned the overall environment as not feasible to raise funds by launching bonds in the international market as this has led to over-pricing or increasing interest rates on Eurobonds meant for raising funds for the projects," Wapda's Member Finance Naveed Asghar told Dawn on Tuesday.

**Discouraging import: FBR identifies luxury items to impose regulatory duty (The News)**

The Federal Board of Revenue (FBR) has identified over two dozen major import items for slapping massive regulatory duty with an aim to slash down the import bill by \$800 million (135.6 billion) per month. The Tariff Policy Board is expected to meet next week under the chairmanship of Adviser to Prime Minister on Commerce Abdul Razak Dawood, in which different stakeholders, including ministry of industries and FBR will finalize a proposal to levy massive regulatory duty for the purpose of discouraging imports. The high import bill widens current account deficit that has already ballooned to \$2.3 billion in the first two months of the current fiscal year.

**Effective Sept 27: 7pc ACD levied on cars, jeeps and other CKD vehicles (BR)**

The Federal Board of Revenue (FBR) has imposed seven percent additional customs duty, from September 27, on the import of cars, jeeps, light/heavy commercial vehicles in completely knocked down (CKD) condition and components and sub-assemblies of automotive vehicles. The FBR has issued an SRO1265(I)/2021 here on Wednesday to amend the SRO856(I)2021.

**PSX Volume & Index**

**Top Contributors in KSE100 Index**

Companies	Index Contribution
<b>Bullish Companies</b>	
MEBL	54.8
POL	46.9
KEL	24.6
SNGP	21.0
ENGRO	20.3
	<b>167.5</b>
<b>Bearish Companies</b>	
MCB	(84.3)
HBL	(84.2)
FFC	(42.4)
LUCK	(33.3)
UBL	(30.0)
	<b>(274.1)</b>
	<b>Index Contribution</b>
<b>Bullish Sectors</b>	
Oil & Gas Exploration Companies	35.2
Oil & Gas Marketing Companies	19.9
Engineering	16.5
	<b>71.6</b>
<b>Bearish Sectors</b>	
Commercial Banks	(117.0)
Pharmaceuticals	(46.7)
Fertilizer	(32.1)
Cement	(25.3)
Insurance	(21.0)
	<b>(242.1)</b>

**AHL Universe - Recommendation Summary**

Code	Company	Price 1-Oct-21	Target Price	Upside (%)	Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices
						2020	2021	2022	2020	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	
<b>Exploration &amp; Production</b>																				
PPL	Pakistan Petroleum Ltd.	74.4	148.7	99.9	Buy	18.5	19.3	20.4	1.00	3.50	2.00	3.9	3.6	4.7	2.7	0.5	0.5	14.4	13.6	KSE100, KSE30, KMI & MSCI
OGDC	Oil and Gas Dev Co.	83.1	187.1	125.1	Buy	23.5	21.3	26.1	6.75	6.90	10.50	3.9	3.2	8.3	12.6	0.4	0.4	11.3	11.6	KSE100, KSE30 & KMI
POL	Pakistan Oilfields Ltd.	372.8	556.6	49.3	Buy	57.7	47.1	60.0	50.00	50.00	54.00	7.9	6.2	13.4	14.5	2.7	2.5	33.6	41.6	KSE100, KSE30, KMI & MSCI
MARI	Mari Petroleum Ltd	1,550.0	1,962.5	26.6	Buy	227.2	235.7	247.5	6.10	141.00	148.51	6.6	6.3	9.1	9.6	1.7	1.4	29.4	24.1	KSE100, KSE30, KMI & MSCI
<b>Commercial Banks</b>																				
UBL	United Bank Ltd.*	117.8	148.7	26.2	Buy	17.1	17.1	22.4	12.00	12.00	14.50	6.9	5.3	10.2	12.3	0.7	0.7	10.3	13.5	KSE100, KSE30 & MSCI
BAFL	Bank Alfalah*	32.7	42.9	31.3	Buy	6.1	6.7	7.2	4.00	4.00	4.00	4.9	4.6	12.2	12.2	0.6	0.6	12.4	12.4	KSE100 & MSCI
MCB	MCB Bank Ltd.*	148.8	225.8	51.7	Buy	24.8	24.8	27.9	20.00	20.00	20.00	6.0	5.3	13.4	13.4	0.9	0.9	15.4	17.3	KSE100, KSE30 & MSCI
HBL	Habib Bank Ltd.*	110.1	179.7	63.2	Buy	21.1	24.1	29.0	4.25	7.00	12.00	4.6	3.8	6.4	10.9	0.6	0.5	12.8	14.3	KSE100, KSE30 & MSCI
ABL	Allied Bank Ltd.*	68.1	103.2	51.7	Buy	16.0	16.5	16.9	8.00	8.00	8.00	4.1	4.0	11.8	11.8	0.6	0.6	14.4	14.5	KSE100
NBP	National Bank of Pakistan.*	33.8	49.4	46.3	Buy	14.4	15.9	16.1	-	-	2.00	2.1	2.1	-	5.9	0.3	0.2	12.5	12.1	KSE100
AKBL	Askari Bank Ltd.*	22.9	27.5	19.8	Buy	8.6	7.7	6.0	3.00	2.00	1.00	3.0	3.8	8.7	4.4	0.5	0.4	16.7	11.7	KSE100
BOP	The Bank of Punjab*	8.2	10.9	33.0	Buy	2.6	2.5	3.0	1.00	0.75	0.75	3.3	2.8	9.2	9.2	0.4	0.4	12.1	13.5	KSE100
MEBL	Meezan Bank Ltd.*	138.8	177.4	27.8	Buy	15.8	18.4	21.5	7.00	8.00	9.50	7.5	6.5	5.8	6.8	2.2	1.9	32.3	31.7	KSE100, KSE30 & KMI
<b>Fertilizer</b>																				
ENGRO	Engro Corporation*	280.2	410.5	46.5	Buy	43.6	43.4	47.2	26.00	33.00	35.00	6.5	5.9	11.8	12.5	0.8	0.7	12.2	12.6	KSE100, KSE30, KMI & MSCI
EFERT	Engro Fertilizer	70.1	77.8	10.9	Buy	13.6	7.5	7.1	13.00	7.50	6.50	9.4	9.9	10.7	9.3	2.2	2.1	22.2	21.7	KSE100, KSE30, KMI & MSCI
FFC	Fauji Fertilizer Co.	101.5	136.5	34.5	Buy	16.4	15.7	16.8	11.15	13.00	14.00	6.5	6.0	12.8	13.8	3.1	2.8	47.3	48.8	KSE100, KSE30 & MSCI
FATIMA	Fatima Fertilizer Co.	29.9	na	na	na	6.3	na	na	2.50	na	na	Group Company: No estimates are given						KSE100 & KMI		
AHCL	Arif Habib Corp. Ltd.	36.7	na	na	na	6.5	18.3	na	1.50	3.00	na	Group Company: No estimates are given						KSEALL		
<b>Cement</b>																				
LUCK	Lucky Cement Ltd.	712.3	1,387.3	94.8	Buy	10.3	43.5	68.8	-	-	22.00	16.4	10.3	-	3.1	2.0	1.7	13.2	18.1	KSE100, KSE30, KMI & MSCI
LUCK	Lucky Cement Ltd.*	712.3	1,387.3	94.8	Buy	19.0	70.7	118.9	-	-	22.00	10.1	6.0	-	3.1	1.5	1.3	15.8	22.6	KSE100, KSE30, KMI & MSCI
FCCL	Fauji Cement Co.	17.6	34.5	95.9	Buy	(0.0)	2.5	3.5	-	-	2.00	7.0	5.0	-	11.4	1.1	1.0	16.5	20.8	KSE100 & KMI
ACPL	Attock Cement Ltd.	141.0	265.1	88.0	Buy	8.1	8.1	21.4	3.50	4.00	7.00	17.5	6.6	2.8	5.0	1.1	1.0	6.5	15.8	KSEALL & KMI
DGKC	D.G. Khan Cement Co.	86.6	183.3	111.7	Buy	(4.9)	8.5	16.4	-	1.00	2.00	10.2	5.3	1.2	2.3	0.5	0.5	5.4	9.8	KSE100, KSE30 & KMI
KOHC	Kohat Cement Co.	172.4	298.3	73.0	Buy	(2.2)	17.4	28.8	-	-	10.00	9.9	6.0	-	5.8	1.6	1.4	17.1	24.2	KSE100 & KMI
MLCF	Maple Leaf Cement.*	35.2	70.0	99.2	Buy	(3.2)	3.5	7.6	-	-	1.00	10.1	4.6	-	2.8	1.0	0.8	10.5	19.8	KSE100, KSE30 & KMI
POWER	Power Cement	7.0	na	na	na	(3.4)	0.2	na	-	-	-	Group Company: No estimates are given						KSEALL & KMI		
<b>Oil &amp; Gas Marketing</b>																				
PSO	Pakistan State Oil	198.5	306.5	54.4	Buy	(13.8)	62.1	38.3	-	15.00	15.00	3.2	5.2	7.6	7.6	0.7	0.7	24.0	13.3	KSE100, KSE30, KMI & MSCI
APL	Attock Petroleum Ltd.	296.1	441.5	49.1	Buy	10.1	49.4	47.5	9.00	27.00	27.50	6.0	6.2	9.1	9.3	1.3	1.3	23.9	20.8	KSE100 & KMI
HTL	Hi-Tech Lubricants Ltd.	63.9	105.2	64.5	Buy	1.0	5.6	8.4	-	4.00	4.00	11.4	7.6	6.3	6.3	1.7	1.5	15.7	21.3	KSEALL & KMI
SNGP	Sui Northern Gas Pipeline Ltd.	48.0	91.1	89.7	Buy	9.5	21.6	21.4	4.00	6.00	6.00	2.2	2.2	12.5	12.5	0.8	0.7	49.7	49.7	KSE100 & KMI
<b>Automobile Assemblers and Parts</b>																				
PSMC	Pak Suzuki Motor Co.	264.8	416.5	57.3	Buy	(19.3)	42.1	53.7	-	17.00	22.00	6.3	4.9	6.4	8.3	0.8	0.8	13.6	16.0	KSE100 & KMI
INDU	Indus Motor Co.	1,170.0	1,524.5	30.3	Buy	64.7	163.2	165.7	30.00	103.50	109.00	7.2	7.1	8.8	9.3	1.9	1.9	28.7	26.7	KSE100
HCAR	Honda Atlas Cars (Pak)	264.0	362.7	37.4	Buy	4.8	12.6	34.5	1.00	4.52	14.00	21.0	7.6	1.7	5.3	2.1	1.8	10.5	25.7	KSE100 & KMI
MTL	Millat Tractors Ltd.	1,080.0	1,419.4	31.4	Buy	38.4	103.1	121.8	40.00	100.00	136.00	10.5	8.9	9.3	12.6	14.5	14.3	140.0	162.2	KSE100, KMI & MSCI
PTL	Panther Tyres Ltd.	49.1	94.7	92.8	Buy	1.8	6.1	9.1	-	2.00	2.50	8.1	5.4	4.1	5.1	1.2	1.1	18.7	21.4	KSEALL & KMI
<b>Power Generation &amp; Distribution**</b>																				
HUBC	Hub Power Company*	73.7	149.6	103.1	Buy	19.3	26.0	27.8	-	12.00	12.75	2.8	2.7	16.3	17.3	0.9	0.7	34.8	30.1	KSE100, KSE30, KMI & MSCI
NCPL	Nishat Chu. Power Ltd.	12.1	25.2	107.7	Buy	12.5	6.8	4.5	-	-	3.00	1.8	2.7	-	24.7	0.2	0.2	12.5	7.6	KSEALL
NPL	Nishat Power Limited	20.0	35.0	74.8	Buy	13.8	7.6	5.0	2.00	1.50	9.00	2.6	4.0	7.5	45.0	0.3	0.3	10.8	6.7	KSEALL
KAPCO	Kot Addu Power Co.	35.4	59.2	67.0	Buy	26.8	11.6	21.0	1.50	10.00	10.00	3.0	1.7	28.2	28.2	0.5	0.5	16.3	30.2	KSE100 & KSE30
<b>Textile Composite</b>																				
NML	Nishat Mills Ltd.	90.0	162.3	80.4	Buy	10.0	16.8	22.5	3.00	4.00	7.00	5.3	4.0	4.4	7.8	0.4	0.4	8.0	10.0	KSE100 & KMI
NCL	Nishat (Chunian) Ltd.	49.1	57.7	17.5	Buy	1.1	23.3	14.2	1.00	5.00	4.00	2.1	3.5	10.2	8.1	0.7	0.6	35.9	18.1	KSE100
FML	Feroze1888 Mills Ltd.	95.0	144.9	52.5	Buy	7.8	11.4	17.5	2.34	3.43	6.98	8.3	5.4	3.6	7.4	1.4	1.2	18.6	24.2	KSE100 & KMI
ILP	Interloop Ltd.	71.3	95.4	33.7	Buy	2.1	7.2	10.8	2.00	2.50	5.50	9.9	6.6	3.5	7.7	3.1	2.5	33.4	41.4	KSE100 & KMI
<b>Chemicals</b>																				
LOTICHEM	Lotte Chemical Pak Ltd.	14.0	15.4	9.8	Hold	1.4	2.8	2.2	0.75	0.75	0.55	5.0	6.4	5.3	3.9	1.2	1.1	23.8	17.5	KSE100
EPCL	Engro Polymer & Chem.	56.5	81.1	43.7	Buy	6.3	15.3	16.6	1.25	3.00	5.00	3.7	3.4	5.3	8.9	1.4	1.1	44.0	35.9	KSE100, KSE30 & KMI
ICI	ICI Pakistan Ltd.*	793.0	1,040.3	31.2	Buy	28.1	60.3	66.5	16.00	40.00	40.00	13.2	11.9	5.0	5.0	2.9	2.4	23.2	22.1	KSE100 & KMI
<b>Engineering</b>																				
ASTL	Amreli Steels Ltd.	40.0	47.9	19.9	Buy	(4.2)	4.6	2.9	-	-	0.50	8.7	13.6	-	1.3	1.0	1.0	12.1	7.3	KSEALL
ITTEFAQ	Ittefaq Iron Industries Ltd.	15.1	25.5	69.5	Buy	(1.7)	1.8	2.7	-	-	-	8.1	5.5	-	-	0.5	0.5	6.5	8.8	KSEALL & KMI
AGHA	Agha Steel Industries Ltd.	27.2	48.7	78.8	Buy	2.1	3.5	5.6	-	-	1.00	7.7	4.9	-	3.7	1.1	1.0	18.5	21.2	KMI
<b>Food &amp; Personal Care Product</b>																				
UNITY	Unity Foods Ltd.	31.2	54.4	74.3	Buy	0.2	3.8	4.7	-	0.50	1.00	8.2	6.6	1.6	3.2	2.3	1.8	38.7	30.4	KSE100, KSE30 & KMI

Source: Bloomberg, AHL Research, \*Earnings Consolidated Basis, \*\* Target Price also includes dividends which falls before Dec'21 and upside is total return

**AHL Universe - Performance**

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
KEL	3.6	11.4	(2.4)	(7.4)	4.1	3.2	4.7	3.2	4.7	3.2
AVN	129.6	8.1	6.1	69.3	139.8	91.1	139.8	62.6	139.8	48.6
ITTEFAQ	15.1	7.4	(11.1)	(8.9)	18.9	13.9	21.9	13.6	21.9	13.6
SNGP	48.0	6.9	0.1	16.4	53.0	43.2	53.0	34.7	57.3	34.0
FFBL	22.9	6.0	(9.7)	(9.8)	27.9	21.6	29.2	21.6	29.2	15.4
FML	95.0	4.3	(2.1)	(2.3)	103.1	89.6	109.8	89.6	124.8	89.6
MEBL	138.8	4.2	4.2	59.3	146.7	100.1	146.7	90.9	146.7	62.1
POL	372.8	4.2	3.3	7.2	375.4	351.2	375.4	324.2	390.5	277.7
FATIMA	29.9	4.1	1.6	12.5	30.3	27.9	30.3	26.0	30.3	24.7
LOTCHEM	14.0	4.0	(4.9)	(2.5)	16.4	13.3	17.2	13.3	17.2	10.4
ACPL	141.0	3.3	(16.5)	(6.0)	179.9	136.1	181.3	136.1	191.2	136.1
MLCF	35.2	3.2	(18.9)	(21.9)	46.7	33.7	49.3	33.7	49.3	33.7
INDU	1,170.0	2.3	(11.7)	5.9	1,333.4	1,136.0	1,333.4	1,023.4	1,333.4	914.4
AKBL	22.9	1.8	11.8	12.1	23.2	20.2	23.2	19.0	23.2	15.6
NBP	33.8	1.2	(0.0)	(21.4)	36.5	32.5	37.8	30.5	43.9	30.5
HCAR	264.0	1.2	(23.0)	(18.5)	388.4	254.6	388.4	254.6	388.4	232.4
ENGRO	280.2	1.0	(4.7)	(4.6)	302.7	275.8	307.8	274.9	307.8	261.0
KOHC	172.4	0.9	(17.9)	(21.4)	234.4	164.3	234.4	164.3	246.7	164.3
FCCL	17.6	0.8	(15.5)	(18.8)	23.3	17.0	24.5	17.0	27.2	17.0
DGKC	86.6	0.8	(19.0)	(24.4)	118.6	83.4	131.1	83.4	141.5	83.4
BOP	8.2	0.7	(2.4)	(0.9)	8.9	8.1	8.9	7.7	8.9	7.7
ASTL	40.0	0.5	(11.8)	(17.2)	46.5	37.4	47.7	36.8	51.9	36.8
PPL	74.4	0.4	(9.0)	(16.2)	87.8	72.5	94.9	72.5	100.4	72.5
AHCL	36.7	0.3	1.1	(8.3)	39.1	35.7	40.0	34.5	43.5	34.5
ABL	68.1	0.1	(3.4)	(8.7)	71.0	68.0	72.1	65.3	77.8	65.3
MARI	1,550.0	0.1	0.9	20.7	1,571.7	1,480.6	1,600.3	1,467.8	1,622.1	1,179.7
NML	90.0	(0.0)	(7.7)	(11.6)	99.8	89.0	105.1	80.0	123.1	80.0
PSO	198.5	(0.1)	(8.4)	(5.6)	231.3	195.5	243.2	195.5	253.4	182.0
NPL	20.0	(0.3)	8.6	(15.3)	22.3	18.3	23.0	18.3	29.6	18.3
ICI	793.0	(0.4)	(2.9)	9.5	897.6	776.1	897.6	776.1	897.6	647.5
HTL	63.9	(0.6)	(17.6)	49.8	82.9	62.0	82.9	60.3	92.9	36.8
BAFL	32.7	(0.6)	6.8	4.3	32.9	29.6	32.9	27.1	33.1	27.1
MTL	1,080.0	(0.7)	(2.7)	15.6	1,114.9	1,064.5	1,134.8	1,043.7	1,134.8	711.3
NCL	49.1	(1.0)	(5.1)	16.7	54.9	48.3	54.9	43.6	54.9	34.6
APL	296.1	(1.1)	(2.8)	(4.0)	317.6	288.9	317.9	288.9	354.9	283.6
KAPCO	35.4	(1.1)	(9.2)	46.3	41.1	35.0	41.5	33.8	41.5	20.2
PSMC	264.8	(1.2)	(17.5)	9.4	364.5	264.1	364.5	247.9	364.5	179.3
OGDC	83.1	(1.3)	(10.5)	(17.0)	96.0	81.6	100.2	81.6	111.9	81.6
HUBC	73.7	(1.4)	(1.7)	3.0	75.4	69.6	76.9	69.0	82.4	64.7
LUCK	712.3	(1.7)	(14.2)	2.3	911.5	710.6	940.7	710.6	940.7	629.3
UBL	117.8	(2.1)	(2.6)	7.5	125.7	114.4	128.2	107.2	128.2	92.8
UNITY	31.2	(2.2)	(17.8)	(2.7)	45.7	30.7	49.4	27.3	49.4	14.0
EFERT	70.1	(2.4)	(4.2)	31.6	74.1	67.2	74.1	55.5	74.1	45.9
FFC	101.5	(2.4)	(1.9)	2.2	106.8	101.5	106.8	96.1	106.8	91.5
AGHA	27.2	(2.5)	(13.9)	(30.9)	33.2	27.2	36.0	26.6	41.5	26.6
ILP	71.3	(2.6)	(4.3)	6.8	77.2	70.1	77.2	61.3	77.2	52.6
POWER	7.0	(3.7)	(19.5)	(29.4)	9.8	7.0	10.6	7.0	11.8	7.0
HBL	110.1	(4.2)	(10.8)	(12.2)	129.4	109.4	134.7	109.4	135.8	109.4
MCB	148.8	(5.4)	(7.1)	(7.4)	162.9	148.8	164.9	148.2	173.0	140.6
NCPL	12.1	(6.7)	(12.0)	(19.6)	17.5	12.1	17.5	12.1	20.6	12.1

**Local & Foreign Investors Portfolio Investment (USD mn)**
**LIPI Normal**
**Current Week**

Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	329.48	326.40	BUY	3.09	Individuals	454.36	461.90	SELL	-7.54
Companies	28.05	26.86	BUY	1.19	Companies	41.18	44.66	SELL	-3.48
Banks / DFIs	23.88	13.74	BUY	10.14	Banks / DFIs	12.86	9.60	BUY	3.26
NBFC	0.62	0.10	BUY	0.53	NBFC	0.37	0.20	BUY	0.17
Mutual Funds	29.96	31.66	SELL	-1.70	Mutual Funds	45.11	46.10	SELL	-0.99
Other Organizations	13.46	8.61	BUY	4.85	Other Organizations	12.86	7.01	BUY	5.85
Broker Proprietary Trading	79.86	84.20	SELL	-4.34	Broker Proprietary Trading	113.01	115.96	SELL	-2.95
Insurance Companies	13.43	5.33	BUY	8.10	Insurance Companies	13.16	14.21	SELL	-1.05
<b>Total</b>	<b>518.75</b>	<b>496.90</b>	<b>BUY</b>	<b>21.85</b>	<b>Total</b>	<b>692.88</b>	<b>699.62</b>	<b>SELL</b>	<b>-6.74</b>

**LIPI Sector Wise**
**Current Week**

Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	38.77	25.23	BUY	13.54	Commercial Banks	22.33	19.97	BUY	2.36
Fertilizer	13.73	11.01	BUY	2.72	Fertilizer	10.17	8.49	BUY	1.68
Cement	38.46	37.85	BUY	0.61	Cement	50.74	49.37	BUY	1.37
Power Generation & Distribution	8.46	8.32	BUY	0.13	Power Generation & Distribution	8.93	9.47	SELL	-0.54
Exploration & Production	24.72	20.38	BUY	4.34	Exploration & Production	17.01	17.19	SELL	-0.18
Oil & Gas Marketing Companies	16.29	16.03	BUY	0.26	Oil & Gas Marketing Companies	19.38	21.18	SELL	-1.80
Food and Personal Care Products	42.53	42.74	SELL	-0.22	Food and Personal Care Products	61.27	61.71	SELL	-0.44
Textile Composite	24.32	24.31	BUY	0.01	Textile Composite	32.85	32.89	SELL	-0.04
Technology and Communication	166.20	166.70	SELL	-0.50	Technology and Communication	278.33	281.34	SELL	-3.02
All other Sectors	144.51	143.56	BUY	0.94	All other Sectors	191.66	197.78	SELL	-6.13
<b>Total</b>	<b>517.99</b>	<b>496.14</b>	<b>BUY</b>	<b>21.85</b>	<b>Total</b>	<b>692.67</b>	<b>699.41</b>	<b>SELL</b>	<b>-6.74</b>

**FIPI Normal**
**Current Week**

Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.13	0.06	BUY	0.07	Foreign Individuals	0.16	0.12	BUY	0.04
Foreign Corporates	13.91	38.06	SELL	-24.15	Foreign Corporates	17.50	15.50	BUY	2.00
Overseas Pakistani	24.95	22.73	BUY	2.22	Overseas Pakistani	33.33	28.64	BUY	4.69
<b>Total</b>	<b>38.99</b>	<b>60.85</b>	<b>SELL</b>	<b>-21.85</b>	<b>Total</b>	<b>50.99</b>	<b>44.25</b>	<b>BUY</b>	<b>6.74</b>

**FIPI Sector Wise**
**Current Week**

Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	10.45	23.99	SELL	-13.54	Commercial Banks	2.61	4.97	SELL	-2.36
Fertilizer	1.25	3.98	SELL	-2.72	Fertilizer	0.76	2.44	SELL	-1.68
Cement	1.94	2.56	SELL	-0.61	Cement	2.52	3.88	SELL	-1.37
Power Generation & Distribution	0.44	0.57	SELL	-0.13	Power Generation & Distribution	1.16	0.62	BUY	0.54
Exploration & Production	3.03	7.37	SELL	-4.34	Exploration & Production	3.10	2.92	BUY	0.18
Oil & Gas Marketing Companies	1.69	1.95	SELL	-0.26	Oil & Gas Marketing Companies	3.56	1.76	BUY	1.80
Food and Personal Care Products	1.85	1.63	BUY	0.22	Food and Personal Care Products	2.56	2.12	BUY	0.44
Textile Composite	0.90	0.91	SELL	-0.01	Textile Composite	1.72	1.68	BUY	0.04
Technology and Communication	9.98	9.48	BUY	0.50	Technology and Communication	15.87	12.85	BUY	3.02
All other Sectors	7.45	8.40	SELL	-0.94	All other Sectors	17.14	11.02	BUY	6.13
<b>Total</b>	<b>38.99</b>	<b>60.85</b>	<b>SELL</b>	<b>-21.85</b>	<b>Total</b>	<b>50.99</b>	<b>44.25</b>	<b>BUY</b>	<b>6.74</b>

Source: NCCPL, AHL Research

***Forward Estimates***

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.2	1.3	1.4	1.8	2.7	2.8	2.6	4.0	1.8	2.3	8.2	-72.0%
P/E (x)	15.0	21.7	12.9	15.6	11.3	16.7	11.4	13.4	10.7	14.3	5.3	-62.9%
P/B (x)	1.9	3.2	2.2	1.6	8.7	1.7	1.4	2.2	1.1	2.7	0.9	-67.7%

Source: Bloomberg, AHL Research

**World's Major Stock Market Performance (USD based return)**

Country	Index	Index Closing*	WTD (%)	CY21TD (%)	Country	Index	Index Closing*	WTD (%)	CY21TD (%)
Zimbabwe	ZHIALSH Index	8,580	9.1	225.5	Tunisia	TUSISE Index	7,279	(0.6)	0.8
Ghana	GGSECI Index	2,859	6.6	43.1	Morocco	MOSEMDX Index	10,662	(0.7)	14.4
Sri Lanka	CSEALL Index	9,442	5.6	29.2	Belgium	BEL20 Index	4,142	(0.9)	8.6
Iceland	ICEXI Index	2,516	5.4	31.4	Serbia	BELEX15 Index	801	(0.9)	1.6
Argentina	MERVAL Index	77,364	4.1	28.7	Greece	ASE Index	872	(1.0)	2.4
Nigeria	NGSEINDX Index	40,221	3.3	(3.2)	UK	UKX Index	7,047	(1.1)	8.1
Bulgaria	SOFIX Index	584	2.5	23.2	Vietnam	VNINDEX Index	1,335	(1.2)	22.7
Mauritius	SEMDEX Index	2,021	2.4	14.1	Luxembourg	LUXXX Index	1,654	(1.3)	16.7
Qatar	DSM Index	11,485	2.3	10.5	Egypt	EGX30 Index	10,517	(1.3)	(2.9)
Saudi Arabia	SASEIDX Index	11,496	2.0	32.3	New Zealand	NZSE Index	2,146	(1.3)	(4.2)
Hungary	BUX Index	53,170	2.0	21.7	Slovenia	SBITOP Index	1,166	(1.4)	22.3
Hong Kong	HSI Index	24,576	1.6	(10.1)	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>44,872</b>	<b>(1.4)</b>	<b>(4.0)</b>
Croatia	CRO Index	2,024	1.4	10.6	Lithuania	VILSE Index	944	(1.6)	9.2
Turkey	XU100 Index	1,404	1.4	(20.1)	South Africa	JALSH Index	64,015	(1.6)	5.60
Indonesia	JCI Index	6,229	1.4	2.4	Uae	ADSMI Index	7,699	(1.6)	52.6
Russia	RTSI\$ Index	1,767	1.1	27.3	Spain	IBEX Index	8,800	(1.8)	3.5
Czech Republic	PX Index	1,330	1.1	26.6	Canada	SPTSX Index	20,070	(1.9)	15.8
Russia	IMOEX Index	4,097	1.1	27.1	Chile	IPSA Index	4,363	(1.9)	(7.7)
Kazakhstan	KZKAK Index	3,412	0.8	25.9	Italy	FTSEMIB Index	25,688	(2.0)	9.1
Bangladesh	DSEX Index	7,329	0.7	34.3	Mexico	MEXBOL Index	51,386	(2.1)	12.9
China	SHSZ300 Index	4,866	0.7	(5.4)	Australia	AS51 Index	7,186	(2.2)	2.8
Poland	WIG20 Index	2,325	0.7	10.5	Thailand	SET Index	1,605	(2.4)	(1.4)
Norway	OBXP Index	552	0.6	16.9	India	SENSEX Index	58,766	(2.6)	21.3
Oman	MSM30 Index	3,943	0.40	7.8	Mongolia	MSETOP Index	42,313	(2.7)	119.5
Ukraine	PFTS Index	526	0.4	12.2	France	CAC Index	6,523	(2.7)	11.5
Romania	BET Index	12,595	0.3	19.4	Switzerland	SMI Index	11,545	(2.7)	2.5
Dubai	DFMGI Index	2,845	0.2	14.2	USA	INDU Index	33,844	(2.7)	10.6
Kenya	NSEASI Index	178	0.2	15.8	Germany	DAX Index	15,230	(2.9)	4.8
Bahrain	BHSEASI Index	1,706	0.2	14.5	Finland	HEX Index	12,455	(3.0)	8.2
Portugal	PSI20 Index	5,482	0.1	6.2	USA	SPX Index	4,308	(3.3)	14.7
Lebanon	BLOM Index	982	0.1	49.3	South Korea	KOSPI Index	3,019	(3.6)	(3.2)
Philippines	PCOMP Index	6,924	0.0	(8.0)	Europe	SX5E Index	4,047	(3.6)	8.1
Jordan	JOSMGNFF Index	2,073	0.0	25.1	Netherland	AEX Index	769	(3.7)	16.9
Austria	ATX Index	3,677	0.0	24.9	Sweden	OMX Index	2,248	(3.9)	12.3
Malaysia	FBMKLCI Index	1,524	(0.3)	(9.9)	USA	NDX Index	14,690	(4.2)	14.0
Singapore	FSSTI Index	3,051	(0.6)	4.5	Brazil	IBOV Index	110,979	(4.2)	(11.7)
Estonia	TALSE Index	1,947	(0.6)	36.8	Ireland	ISEQ Index	8,465	(4.3)	8.9
Latvia	RIGSE Index	1,295	(0.6)	7.6					

Source: Bloomberg, AHL Research, \* Last Closing

**Key Economic Data & Commodities Prices**

Month end	Units	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Current*
<b>Money Market Data</b>																
03-M T-Bill	%	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.4	7.3	7.4	7.3	7.2	7.2	7.6	7.6
06-M T-Bill	%	7.2	7.2	7.2	7.2	7.2	7.2	7.4	7.8	7.5	7.6	7.5	7.5	7.4	8.0	8.0
12-M T-Bill	%	7.3	7.3	7.3	7.3	7.3	7.3	7.7	7.9	7.7	7.7	7.8	7.7	7.6	8.7	8.7
03-Y PIB	%	8.3	8.3	8.3	8.3	8.3	8.3	8.7	9.4	8.9	9.0	9.0	8.9	8.7	9.7	9.7
05-Y PIB	%	8.9	9.1	9.1	9.3	9.3	9.3	9.5	9.9	9.4	9.4	9.5	9.4	9.3	10.0	10.0
10-Y PIB	%	9.5	9.8	9.6	10.0	10.0	10.0	10.0	10.4	10.0	9.9	9.9	10.0	9.9	10.5	10.5
06-M KIBOR	%	7.3	7.3	7.4	7.4	7.4	7.4	7.6	7.9	7.6	7.7	7.7	7.6	7.5	8.2	8.2
Policy Rate	%	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.25	7.25
<b>Inflation (YoY)</b>																
Headline (CPI New Base)	%	8.2	9.0	8.9	8.3	8.0	5.7	8.7	9.1	11.1	10.9	9.7	8.4	8.4	9.0	9.0
<b>Monetary Sector</b>																
M1	PKR bn	17,128	17,232	17,317	17,541	17,951	17,930	18,186	18,403	18,723	18,935	19,824	19,888	na	na	19,888
M2	PKR bn	20,519	20,743	20,811	21,063	21,604	21,429	21,683	21,985	22,213	22,476	23,722	23,576	na	na	23,576
M3	PKR bn	24,853	25,083	25,163	25,419	25,970	25,708	25,935	26,228	26,441	26,606	27,731	27,563	na	na	27,563
<b>Banking Sector</b>																
Deposits	PKR bn	16,327	16,886	16,664	16,841	17,876	17,086	17,257	17,906	17,561	17,955	19,796	18,839	19,208	na	19,208
Advances	PKR bn	8,053	8,094	8,116	8,166	8,497	8,467	8,527	8,600	8,665	8,811	8,996	8,878	8,936	na	8,936
Investment	PKR bn	10,869	11,090	10,942	11,071	11,552	11,421	11,612	12,553	12,418	13,068	13,742	14,102	13,902	na	13,902
WALR	%	8.7	8.3	8.4	8.1	8.0	8.0	7.9	7.8	8.0	7.9	8.0	7.8	na	na	7.8
WADR	%	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.6	na	na	3.6
Spread	%	4.9	4.6	4.7	4.5	4.4	4.4	4.4	4.3	4.5	4.5	4.5	4.2	na	na	4.2
<b>External Sector</b>																
Forex Reserves	USD bn	19.9	19.4	19.4	20.3	20.5	20.1	20.1	20.6	22.7	23.3	23.3	24.9	27.2	na	26.2
With SBP	USD bn	12.7	12.2	12.2	13.1	13.4	13.0	13.0	13.5	15.6	16.1	16.1	17.8	20.1	na	19.3
With Banks	USD bn	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.1	na	6.9
Exchange rate	PKR/USD	166.24	165.70	160.26	159.42	160.28	159.83	160.22	152.76	153.45	154.40	157.54	162.43	166.39	170.66	170.48
C/A Balance	USD mn	255	27	448	563	(629)	(219)	(34)	(364)	(188)	(650)	(1,619)	(814)	(1,476)	na	(1,476)
Exports	USD bn	1.5	2.0	2.0	2.2	2.3	2.1	2.2	2.6	2.3	2.1	2.5	2.3	2.4	na	2.4
Imports	USD bn	3.2	3.8	3.5	4.1	5.0	4.4	4.5	5.2	5.0	5.0	6.3	5.4	6.0	na	6.0
Trade Balance	USD bn	(1.6)	(1.9)	(1.5)	(1.8)	(2.8)	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.4)	(4.0)	na	(4.0)
Remittances	USD bn	2.1	2.5	2.3	2.3	2.4	2.3	2.3	2.7	2.8	2.5	2.7	2.7	2.7	na	2.7
<b>Key Commodities Prices</b>																
<b>International</b>																
Coal	USD/ton	59.2	62.3	59.4	83.7	87.7	87.1	83.3	96.9	93.2	108.3	114.9	123.0	146.8	200.5	200.5
Steel (HRC)	USD/ton	582.9	567.4	580.2	629.0	699.5	700.9	697.1	818.6	888.4	886.2	836.9	918.7	887.4	900.1	900.1
PTA	USD/ton	450.0	440.0	455.0	465.0	510.0	510.0	585.0	690.0	695.0	695.0	745.0	750.0	745.0	745.0	745.0
Gold	USD/oz	1,968	1,886	1,868	1,777	1,894	1,899	1,861	1,708	1,769	1,907	1,770	1,814	1,814	1,757	1,757
Cotton (COTLOOK A)	USD/lb	71.1	71.2	77.0	79.0	82.9	84.6	86.6	87.2	91.9	89.7	96.6	100.3	103.7	110.2	110.2
Crude oil (WTI)	USD/bbl	42.6	40.2	36.2	45.3	48.4	48.5	53.6	59.2	63.6	66.3	73.5	74.0	68.5	75.0	75.0
Crude oil (Arab Light)	USD/bbl	46.9	40.3	36.7	46.6	50.1	49.9	55.6	63.4	66.1	68.7	75.0	75.4	72.2	79.0	79.0
Crude oil (Brent)	USD/bbl	45.3	41.0	37.7	47.6	51.3	51.8	56.4	63.5	67.3	69.3	75.1	76.3	73.0	78.5	78.5
<b>Local</b>																
Cotton	PKR/maund	8,600	8,950	10,100	9,450	10,000	10,200	10,800	11,500	11,300	12,300	12,600	13,000	14,200	14,100	14,100
Cement	PKR/bag	558.2	565.9	568.2	573.6	581.7	587.2	597.0	610.6	614.9	615.2	640.1	653.9	673.6	678.1	678.1
Gold	PKR/10 grms	100,652	95,850	97,094	94,993	97,436	97,737	97,136	90,880	89,510	93,020	92,770	93,880	92,250	97,310	97,310

\*Current Price



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Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -10% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -10% from last closing of market price(s)

\* Upside for Power Generation Companies (Ex. KEL) is upside plus dividend yield.

### Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- **Discounted Cash Flow (DCF)**
- **Dividend Discounted Model (DDM)**
- **Sum of the Parts (SoTP)**
- **Justified Price to Book (JPTB)**
- **Reserved Base Valuation (RBV)**

### Risks

The following risks may potentially impact our valuations of subject security (ies);

- **Market risk**
- **Interest Rate Risk**
- **Exchange Rate (Currency) Risk**

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In order to avoid any conflict of interest, we hereby disclosed that;

- Arif Habib Limited (AHL) has shareholding in OGDC, NBP, PSO, DGKC, KAPCO, NCL, SNGP, BOP, and AKBL.