

Bulls Takeover

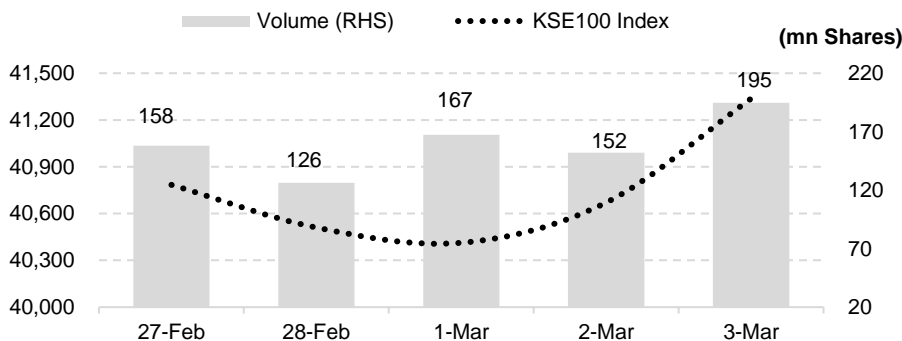
The week kicked-off on a negative note due to uncertainty over the resumption of the IMF program. This uncertainty persisted throughout the week as the market was waiting for the MPC to meet. On Thursday, the State Bank (SBP) decided to increase the policy rate by 300bps to 20%. This was dictated by the Consumer Price Index (CPI), which rose to 31.55% YoY in Feb'23, as food, beverages, and transportation charges substantially increased. The hike in policy rate signalled to investors that Pakistan has met all the pre requisits for the SLA to be signed and propelled the market to gain positive momentum towards the end of the week. Furthermore, the SBP reserves showcased an increase of USD 556mn to USD 3.81bn, mainly due to the inflow of USD 700mn from China. The Rupee depreciated by PKR 18.47 | 7.1 % WoW against USD, closing the week at 278.46/USD. That said, the market closed at 41,337points, up by 629 points | +1.55% WoW.

Sector-wise positive contributions came from i) Banks (328pts), ii) Miscellaneous (169pts), iii) E&Ps (103pts), iv) Power (68pts), and iv) Fertilizer (61pts). Whereas, the sectors which contributed negatively were i) Technology & Communication (71pts), ii) Cement (46pts), and iii) Tobacco (27pts). Scrip-wise positive contributors were PSEL (167pts), UBL (116pts), HUBC (68pts), MEBL (66pts) and MCB (55). Meanwhile, scrip-wise negative contribution came from SYS (55pts), LUCK (33pts), PAKT (27pts), JVDC (13pts), and GHGL (12pts).

Foreigners buy continued during this week, clocking in at USD 0.3mn compared to a net buy of USD 0.8mn last week. Major buying was witnessed in Textile Composite (USD 1.5mn) and OMCs (USD 0.2mn). On the local front, selling was reported by Individuals (USD 9.5mn) followed by Mutual Funds (USD 5.8mn). Average volumes arrived at 138mn shares (down 10% WoW) while average value traded settled at USD 20.1mn (down 21% WoW).

Other major news: i) SSGC seeks 26.9pc raise in gas prices, ii) Petroleum products off-take drops 21pc in Feb, iii) OMO Results: SBP injects Rs125.75bn, iv) Power sector: IMF has concerns about next year's circular debt: Dastgir, and v) Ogra increases prices of LPG cylinders.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

Market participants will be keeping a close watch on the developments regarding the IMF program. In the event of a staff-level agreement (SLA) being reached with the IMF, the equity market is likely to experience positive momentum. Our preferred stocks are OGDC, PPL, MARI, MCB, FABL, MEBL, BAFL, LUCK, MLCF, FCCL, ENGRO, FFC, HUMNL, HUBC, PSO, and SNGP. The KSE-100 is currently trading at a PER of 4.0x (2023) compared to Asia Pac regional average of 11.8x while offering a dividend yield of ~10.7% versus ~2.9% offered by the region.

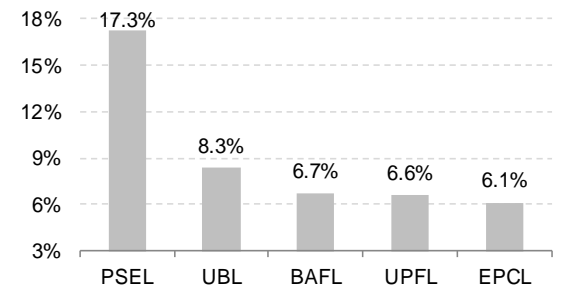
PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	41,337	1.5	2.3
KSEAll	27,044	0.6	(1.8)
KSE30	15,584	1.7	5.0
KMI30	70,738	1.1	3.6
BKTI	9,858	4.5	6.3
OGTI	11,457	2.0	6.0

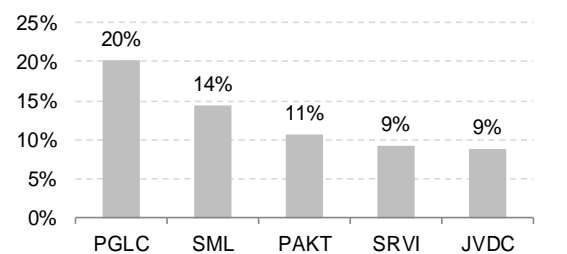
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	21.3	1.3
HUBC	9.7	72.6
OGDC	6.3	88.1
TPLP	6.2	14.5
MLCF	5.7	24.3

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



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Best Securities House: 2022
Best Investment Bank: 2022



Best Equity House: 2022

Business and Economic News of the Week

\$700m Chinese loan lands in SBP account (BR)

The country has received inflows amounting to \$700 million from China to build the sliding foreign exchange reserves. Recently, China Development Bank (CDB) had approved a loan facility of \$700 million for Pakistan to ease its cash crisis. After meeting the loan formalities, the pledged amount has arrived into the State Bank of Pakistan (SBP) account on Friday. "Yes, the State bank has received \$700 million from China as loan," the SBP spokesman confirmed to Business Recorder. Analysts said that these inflows will help shore up the country's depleting foreign exchange reserves. Pakistan for the last one year is facing a serious cash crisis and is in dire need of foreign inflows to meet its external obligations and avoid default. Currently, the SBP's foreign exchange reserves stand at around \$3.25 billion as on February 17, 2023 and hardly enough to cover 20 days imports. With the arrival of CDB inflows, the SBP's reserves are likely to rise to \$3.9 billion, if no major external debt payment was made. China continues to enhance its support for Pakistan's economic stability in a difficult time and overall, it has provided \$3 billion financial support in the shape of loans during the last 8 months.

Inflation hits nearly 50-year high in February (The News)

The Consumer Price Index (CPI) inflation rose to 31.55 percent year-on-year from 27.55 percent in January, as food, beverages, and transportation charges substantially increased by up to fifty percent, jacking up the headline inflation, the Pakistan Bureau of Statistics (PBS) reported on Wednesday. Supply constraints of goods and commodities due to the government's policies for limiting imports also affected the prices. Besides, rupee devaluation and Islamabad's belt-tightening measures to increase tax revenues were also major instrumentals in cost-push inflation. The higher inflation would further negatively affect the GDP growth of economy.

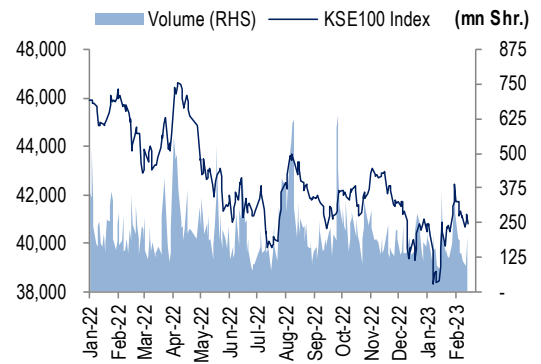
Exports fall for fifth straight month in February, trade deficit narrows (The News)

Exports shrank 18.67 percent in February, falling for the fifth straight month, while the trade deficit narrowed to 43.56 percent to \$1.7 billion from a year ago on slowdown in imports, official data showed on Wednesday. The Pakistan Bureau of Statistics (PBS) reported exports in the July-February period shrank by 8.65 percent to \$18.8 billion from \$20.57 billion in the corresponding month a year ago. Likewise, imports were also down by 23.56 percent to \$40 billion from \$52.45 billion recorded in July-February 2021-22. In February 2023, exports were down 18.67 percent to \$2.3 billion from \$2.83 billion in the same month a year ago, while imports dropped 31.5 percent to \$4 billion from \$5.85 billion in February 2022. According to the monthly trade bulletin, over the last five months, the exports are on nose dive, as exports in October 2022 year-on-year were down by 3.25 percent, in November by 17.6 percent, in December by 16.3 percent, January 15.4 percent and now in February, it declined by 18.67 percent over the corresponding month of last year.

Sukuks, investments in INPCs: Govt decides to re-pledge approved assets (BR)

The government has decided to re-pledge assets approved by Cabinet on June 21, 2022 for Sukuks and Investment in Islamic Naya Pakistan Certificates (INPCs) for other Islamic financing transactions of the government as and when needed, well informed sources told Business Recorder. Sharing details, sources said, Finance Division briefed the Cabinet on February 22, 2023 that the Federal Government was authorized to borrow under Article 166 of the constitution of Pakistan.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies

Companies	Index Contribution
Bullish Companies	
PSEL	166.5
UBL	116.3
HUBC	67.9
MEBL	65.9
MCB	54.7
	471.2
Bearish Companies	
SYS	(55.5)
LUCK	(32.9)
PAKT	(26.6)
JVDC	(13.3)
GHGL	(11.8)
	(140.1)

Sectors

Sectors	Index Contribution
Bullish Sectors	
Commercial Banks	328.4
Miscellaneous	168.8
Oil & Gas Exploration Companies	102.7
Power Generation & Distribution	68.0
Fertilizer	61.5
	729.3
Bearish Sectors	
Technology & Communication	(70.9)
Cement	(45.8)
Tobacco	(26.6)
Glass & Ceramics	(13.1)
Leather & Tanneries	(11.0)
	(167.4)



Best Investment Bank: 2022



Best Equity Advisor: 2021



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Broker- (Islamic) 2021

AHL Universe - Recommendation Summary

Code	Company	Price 3-Mar-23	TP Dec-23	Upside (%)	Stance	EPS (PKR)				DPS (PKR)				P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices
						2021	2022	2023	2024	2021	2022	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	
Exploration & Production																						
PPL	Pakistan Petroleum Ltd.	67.7	110.74	63.6	Buy	19.3	19.7	32.3	30.4	3.50	2.00	3.50	3.00	2.1	2.2	5.2	4.4	0.4	0.3	18.8	15.4	KSE100, KSE30, KMI & MSCI
OGDC	Oil and Gas Dev Co.	88.1	137.7	56.3	Buy	21.3	31.1	39.4	36.6	6.90	7.25	8.00	7.50	2.2	2.4	9.1	8.5	0.4	0.3	18.4	14.9	KSE100, KSE30, KMI & MSCI
POL	Pakistan Oilfields Ltd.	447.1	550.83	23.2	Buy	47.1	91.4	102.0	94.1	50.00	70.00	82.00	72.00	4.4	4.8	18.3	16.1	2.3	2.1	55.0	47.1	KSE100, KSE30, KMI & MSCI
MARI	Mari Petroleum Ltd	1,505.3	2,597.1	72.5	Buy	235.7	247.8	386.5	473.3	141.00	124.00	193.00	237.00	3.9	3.2	12.8	15.7	1.3	1.1	35.9	36.6	KSE100, KSE30, KMI & MSCI
Commercial Banks																						
UBL	United Bank Ltd.*	116.7	154.9	32.8	Buy	24.8	25.8	27.4	31.9	18.00	22.00	22.00	23.00	4.3	3.7	18.9	19.7	0.6	0.6	15.0	16.7	KSE100, KSE30 & MSCI
BAFL	Bank Alfalah*	32.0	48.0	49.8	Buy	8.1	10.4	14.4	16.6	4.00	5.00	6.50	7.50	2.2	1.9	20.3	23.4	0.4	0.4	21.0	20.7	KSE100 & MSCI
MCB	MCB Bank Ltd.*	120.0	173.3	44.4	Buy	26.3	29.0	32.8	37.1	19.00	20.00	22.00	23.00	3.7	3.2	18.3	19.2	0.7	0.7	20.6	21.7	KSE100, KSE30 & MSCI
HBL	Habib Bank Ltd.*	71.6	102.4	43.1	Buy	23.9	23.2	32.0	36.8	7.50	6.75	6.75	8.00	2.2	1.9	9.4	11.2	0.3	0.3	13.5	14.0	KSE100, KSE30 & MSCI
ABL	Allied Bank Ltd.*	66.9	101.1	51.1	Buy	15.3	18.6	21.1	24.0	8.00	8.50	10.00	12.00	3.2	2.8	14.9	17.9	0.5	0.4	15.7	15.5	KSE100
NBP	National Bank of Pakistan.*	23.5	34.7	47.6	Buy	13.4	14.5	15.4	17.5	-	-	2.50	3.00	1.5	1.3	10.7	12.8	0.1	0.1	9.9	10.4	KSE100
AKBL	Askari Bank Ltd.*	18.6	29.6	59.5	Buy	7.7	11.2	14.9	17.0	-	-	2.00	2.50	1.2	1.1	10.8	13.5	0.2	0.2	21.2	19.5	KSE100
BOP	The Bank of Punjab*	4.4	6.7	52.5	Buy	4.1	3.6	4.1	4.8	-	-	0.50	0.75	1.1	0.9	11.4	17.1	0.2	0.2	16.8	17.7	KSE100
MEBL	Meezan Bank Ltd.*	100.1	165.2	64.9	Buy	15.8	25.1	31.2	35.8	6.00	8.50	10.00	12.00	3.2	2.8	10.0	12.0	1.1	0.9	40.1	35.1	KSE100, KSE30 & KMI
FABL	Faysal Bank Ltd.*	23.3	42.3	81.1	Buy	5.5	7.5	10.4	12.1	1.50	7.00	2.50	3.00	2.2	1.9	10.7	12.9	0.5	0.4	22.9	22.4	KSE100
Fertilizer																						
ENGRO	Engro Corporation*	301.4	373.8	24.0	Buy	48.5	42.2	62.8	69.2	25.00	34.00	40.00	45.00	4.8	-	13.3	14.9	0.6	0.6	13.7	-	KSE100, KSE30, KMI & MSCI
FFBL	Fauji Fert. Bin Qasim	12.3	16.1	30.7	Buy	4.9	1.8	1.2	2.8	-	-	-	-	10.0	4.4	-	-	0.6	0.5	6.3	13.0	KSE100 & KMI
EFERT	Engro Fertilizer	87.6	92.0	5.1	Hold	15.8	12.0	13.3	13.5	16.50	13.50	15.00	15.50	6.6	6.5	17.1	17.7	3.0	3.4	43.0	49.5	KSE100, KSE30, KMI & MSCI
FFC	Fauji Fertilizer Co.	102.4	135.6	32.4	Buy	17.2	15.8	21.8	22.5	14.50	12.13	17.00	17.00	4.7	4.5	16.6	16.6	2.2	2.0	50.2	46.3	KSE100, KSE30 & MSCI
FATIMA	Fatima Fertilizer Co.	29.9	na	na	na	8.8	na	na	na	3.50	-	-	-	Group Company: No estimates are given								KSE100 & KMI
AHCL	Arif Habib Corp. Ltd.	32.7	na	na	na	18.3	8.5	na	na	3.00	4.00	-	-	Group Company: No estimates are given								KSEALL
Cement																						
LUCK	Lucky Cement Ltd.	404.7	727.9	79.8	Buy	43.5	47.3	40.1	35.3	-	-	-	10.00	10.1	11.5	-	2.5	1.0	0.9	9.8	8.0	KSE100, KSE30, KMI & MSCI
LUCK	Lucky Cement Ltd.*	404.7	727.9	79.8	Buy	70.7	91.2	125.0	137.4	-	-	-	10.00	3.2	2.9	-	2.5	0.5	0.5	18.5	17.2	KSE100, KSE30, KMI & MSCI
FCCL	Fauji Cement Co.	11.6	17.5	51.1	Buy	1.4	2.9	3.2	2.2	-	-	-	-	3.6	5.3	-	-	0.4	0.4	16.6	7.5	KSE100 & KMI
ACPL	Attock Cement Ltd.	52.1	77.9	49.5	Buy	8.1	8.2	9.1	5.3	4.00	3.50	-	-	5.8	9.9	-	-	0.4	0.4	6.8	3.8	KSEALL & KMI
DGKC	D.G. Khan Cement Co.	40.5	68.4	68.8	Buy	8.5	6.8	5.3	2.8	1.00	1.00	-	-	7.7	14.5	-	-	0.2	0.2	3.1	1.7	KSE100, KSE30 & KMI
KOHC	Kohat Cement Co.	140.1	194.7	38.9	Buy	17.4	25.0	32.3	21.9	-	-	-	-	4.3	6.4	-	-	0.8	0.7	21.3	12.2	KSE100 & KMI
MLCF	Maple Leaf Cement.*	24.3	35.5	46.0	Buy	3.6	4.2	5.6	4.7	-	-	-	0.25	4.4	5.2	-	1.0	0.5	0.5	13.2	10.0	KSE100, KSE30 & KMI
POWER	Power Cement	4.4	na	na	na	0.3	(0.4)	na	na	-	-	-	-	Group Company: No estimates are given								KMI
Oil & Gas Marketing																						
PSO	Pakistan State Oil	119.9	206.7	72.4	Buy	62.1	183.7	39.2	71.1	15.00	10.00	10.00	10.00	3.1	1.7	8.3	8.3	0.3	0.2	8.4	14.2	KSE100, KSE30, KMI & MSCI
APL	Attock Petroleum Ltd.	306.00	394.60	29.0	Buy	39.5	149.0	62.2	45.6	27.00	45.00	19.00	14.00	4.9	6.7	6.2	4.6	0.9	0.9	19.9	13.6	KSE100 & KMI
SNGP	Sui Northern Gas Pipeline Ltd.	41.1	68.4	66.3	Buy	17.3	20.1	16.8	24.1	7.00	8.00	6.00	9.00	2.4	1.7	14.6	21.9	0.5	0.4	149.7	249.7	KSE100 & KMI
Automobile Assemblers																						
PSMC	Pak Suzuki Motor Co.	120.6	160.0	32.7	Buy	32.6	(29.3)	(1.4)	36.4	6.50	-	-	6.00	(87.1)	3.3	-	5.0	0.4	0.4	(0.5)	11.7	KSE100 & KMI
INDU	Indus Motor Co.	887.1	1,218.0	37.3	Buy	163.2	201.0	98.0	131.2	103.50	93.75	46.00	61.00	9.1	6.8	5.2	6.9	1.2	1.1	13.7	17.0	KSE100 & MSCI
HCAR	Honda Atlas Cars (Pak)	118.6	109.0	(8.1)	Hold	12.6	17.6	3.9	13.1	4.52	7.00	2.00	5.00	30.4	9.0	1.7	4.2	0.8	0.8	2.8	9.0	KSE100 & KMI
MTL	Millat Tractors Ltd.	512.7	548.6	7.0	Hold	49.7	46.7	30.5	51.2	100.00	65.00	31.00	51.00	16.8	10.0	6.0	9.9	8.5	8.5	50.4	84.8	KSE100, KSE30, KMI & MSCI
Power Generation & Distribution**																						
HUBC	Hub Power Company*	72.6	119.7	71.5	Buy	26.0	21.9	32.3	36.8	12.00	6.50	27.25	15.00	2.2	2.0	37.5	20.7	0.7	0.5	31.2	30.0	KSE100, KSE30, KMI & MSCI
NCPL	Nishat Chu. Power Ltd.	13.8	19.0	37.6	Buy	6.8	6.8	9.1	8.7	-	10.00	2.00	2.00	1.5	1.6	14.5	14.5	0.2	0.2	13.2	11.5	KSEALL
NPL	Nishat Power Limited	16.5	21.1	27.9	Buy	7.6	9.4	9.5	8.4	1.50	4.50	4.00	2.00	1.7	2.0	24.2	12.1	0.2	0.2	11.6	9.6	KSEALL
Textile Composite																						
NML	Nishat Mills Ltd.	53.9	72.1	33.6	Buy	16.8	29.3	28.3	30.1	4.00	4.00	6.00	6.00	1.9	1.8	11.1	11.1	0.2	0.2	12.3	12.3	KSE100 & KMI
NCL	Nishat (Chunian) Ltd.	20.6	32.7	58.9	Buy	23.3	31.1	4.5	12.0	5.00	7.00	1.00	4.00	4.6	1.7	4.9	19.4	0.2	0.2	4.6	12.2	KSE100
FML	Feroze1888 Mills Ltd.	61.7	91.8	48.8	Buy	10.8	8.5	9.0	11.5	3.43	4.27	5.00	6.00	6.8	5.4	8.1	9.7	0.8	0.7	11.6	13.8	KMI
ILP	Interloop Ltd.	48.2	84.7	75.6	Buy	6.7	13.2	15.5	16.3	2.50	4.00	6.00	6.50	3.1	3.0	12.4	13.5	1.1	0.9	42.0	34.7	KSE100
Chemicals																						
LOTCEM	Lotte Chemical Pak Ltd.	Coverage Restricted due to Advisory Mandate																	KSE100			
EPCL	Engro Polymer & Chem.	48.0	45.5	(5.2)	Hold	16.6	12.9	7.6	8.3	16.30	12.50	5.25	5.75	6.3	5.8	10.9	12.0	1.4	1.3	22.2	22.9	KSE100, KSE30, KMI & MSCI
LCI	Lucky Core Industries Limited	594.6	890.2	49.7	Buy	60.3	91.7	155.6	111.9	40.00	35.00	20.00	20.00	3.8	5.3	3.4	3.4	1.1	1.0	35.2	19.5	KSE100 & KMI
Engineering																						
ASTL	Amreli Steels Ltd.	17.4	24.0	38.1	Buy	4.61	4.46	3.09	4.35	-	-	-	-	5.6	4.0	-	-	0.3	0.3	5.8	7.7	KSEALL
AGHA	Agha Steel Industries Ltd.	11.3	18.3	62.2	Buy	3.37	3.07	1.53	2.16	-	-	-	-	7.4	5.2	-	-	0.4	0.4	5.7	7.6	KSEALL
ASL	Aisha Steel Mills Ltd.	6.1	na	na	na	6.9	1.2	na	na	2.00	-	-	-	Group Company: No estimates are given								KSEALL
Technology & Communication																						
HUMNL	Hum Network Limited.	5.6	10.0	79.3	Buy	0.9	1.2	1.5	1.9	-	0.50	0.75	1.00	3.6	2.9	13.5	18.0	1.0	0.9	30.5	32.6	KSEALL

Source: Bloomberg, AHL Research, *Earnings Consolidated Basis, **Upside is total return

Pakistan Weekly Update

Pakistan
Stock Market



March 3, 2023

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
UBL	116.69	8.35	3.25	15.82	116.69	92.11	116.69	92.11	129.51	92.11
BAFL	32.02	6.73	3.16	6.24	32.73	28.32	34.26	28.32	34.26	27.66
EPCL	47.95	6.13	8.68	13.30	50.08	40.36	57.13	40.36	81.94	40.36
MEBL	100.14	5.89	5.49	0.60	108.87	88.27	121.70	88.27	127.81	88.27
MTL	512.68	5.51	2.32	18.35	550.43	426.49	643.85	426.49	661.58	426.49
LCI	594.64	5.13	4.32	(5.66)	681.81	513.64	705.23	513.64	794.89	513.64
MCB	120.01	4.34	2.70	3.31	120.01	107.56	120.01	107.56	137.85	107.56
MARI	1,505.27	4.16	4.56	3.40	1,581.00	1,307.83	1,609.48	1,307.83	1,631.46	1,307.83
HUBC	72.59	3.77	3.11	15.08	72.59	57.75	72.59	51.16	72.59	50.67
HBL	71.59	2.92	3.20	12.33	78.85	59.92	86.08	59.92	109.61	59.92
FABL	23.33	2.50	1.57	(9.68)	27.45	22.08	31.54	20.95	31.54	16.49
AHCL	32.73	2.31	5.58	(4.97)	34.90	31.00	35.00	29.41	35.67	29.08
POL	448.89	2.26	4.44	14.26	453.84	392.85	453.84	341.95	453.84	322.66
EFERT	87.59	2.25	3.73	13.92	87.79	74.91	87.79	74.32	92.01	74.32
FML	61.69	2.05	-	(2.47)	69.50	55.00	71.45	55.00	71.60	55.00
KAPCO	29.19	1.74	1.92	9.53	29.19	26.35	29.19	25.76	29.19	22.88
NML	53.92	1.72	4.92	(1.95)	58.25	49.40	67.52	49.40	85.23	49.40
PPL	67.68	1.56	7.55	(0.68)	83.84	51.73	83.84	51.05	85.19	51.05
POWER	4.35	1.40	0.69	(5.84)	4.79	4.28	5.12	4.28	6.62	4.28
ABL	66.90	1.36	1.36	4.58	68.90	61.90	68.90	60.52	79.80	59.80
LOTCHEM	24.70	1.27	2.11	(4.63)	28.60	22.26	34.08	22.26	34.08	12.41
AKBL	18.56	1.25	1.59	(7.66)	21.22	18.25	21.39	17.53	21.39	16.54
APL	306.00	0.90	2.79	5.62	317.86	287.48	322.96	276.03	322.96	216.67
INDU	887.10	0.90	0.19	(10.71)	1,020.04	793.33	1,020.04	793.33	1,330.21	793.33
ENGRO	301.43	0.81	0.43	15.05	305.72	256.18	305.72	218.37	305.72	213.21
FCCL	11.59	0.78	(0.43)	(3.58)	13.16	10.51	14.79	10.51	16.52	10.51
OGDC	88.12	0.52	6.66	10.62	105.95	69.77	105.95	68.36	105.95	68.36
FFC	102.40	0.44	0.59	3.74	105.52	98.35	105.52	96.99	116.83	94.32
HUMNL	5.55	0.18	(2.29)	(4.97)	6.24	5.45	6.24	5.24	6.79	5.02
DGKC	40.54	0.17	1.22	(21.49)	51.64	39.44	61.27	39.44	74.80	39.44
SNGP	41.09	0.12	3.79	9.43	47.42	35.33	47.42	28.82	47.42	20.70
FATIMA	29.93	0.10	0.84	(10.92)	36.40	28.63	38.87	28.63	41.29	28.63
PTL	15.88	0.06	3.99	(23.36)	24.01	15.17	31.15	15.17	33.53	15.17
ASTL	17.35	(0.29)	1.88	(3.34)	21.53	17.03	28.02	17.03	36.13	17.03
PSMC	120.58	(0.67)	(2.86)	(29.39)	170.77	117.65	187.35	117.65	220.49	117.65
PSO	119.87	(1.12)	6.37	(16.75)	149.90	111.84	159.77	111.84	181.36	111.84
FFBL	12.32	(1.12)	0.24	(19.63)	16.71	12.19	20.77	12.19	24.93	12.19
UNITY	12.80	(1.61)	(0.85)	(9.35)	16.88	12.70	23.87	12.70	28.25	12.70
MLCF	24.29	(1.74)	(2.25)	7.62	25.09	19.34	29.12	19.34	38.44	19.34
AGHA	11.29	(1.74)	-	(18.78)	13.90	11.05	16.56	11.05	20.14	11.05
NCPL	13.84	(1.77)	0.80	(2.74)	17.02	12.78	17.46	12.78	17.46	8.33
NBP	23.47	(1.80)	(1.05)	(0.51)	25.65	23.23	27.62	23.23	33.44	23.23
NPL	16.52	(2.02)	(1.78)	1.22	17.76	15.23	17.76	14.77	19.88	11.61
KOHC	140.12	(2.33)	(2.58)	(5.13)	162.00	115.77	167.18	115.77	174.82	115.77
LUCK	404.74	(2.65)	(2.16)	(9.37)	457.84	383.90	516.76	383.90	643.64	383.90
SGF	25.20	(2.78)	(2.67)	(23.96)	36.64	25.20	39.82	25.20	46.55	25.20
BOP	4.38	(2.88)	(1.13)	(4.16)	5.26	4.36	5.57	4.36	7.38	4.36
ILP	48.23	(3.19)	(3.06)	(14.86)	60.22	48.23	62.43	48.23	71.37	48.23
HCAR	118.63	(3.34)	(1.98)	(28.65)	166.26	116.17	187.97	116.17	202.29	116.17
HTL	22.25	(3.39)	0.59	(13.99)	31.08	21.48	39.18	21.48	44.84	21.48
NCL	20.58	(5.16)	1.78	(1.25)	25.52	20.17	32.56	20.17	49.30	20.17
ITTEFAQ	4.40	(8.14)	1.62	(20.72)	6.38	4.20	7.65	4.20	10.77	4.20

Source (s): Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	97.13	106.62	SELL	(9.49)
Companies	16.11	7.96	BUY	8.15
Banks / DFIs	5.12	6.27	SELL	(1.14)
NBFC	0.09	0.07	BUY	0.02
Mutual Funds	8.59	14.38	SELL	(5.79)
Other Organizations	2.97	3.75	SELL	(0.78)
Broker Proprietary Trading	27.73	29.39	SELL	(1.66)
Insurance Companies	25.51	15.09	BUY	10.42
Total	183.25	183.52	SELL	(0.26)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	138.49	143.05	SELL	(4.56)
Companies	16.64	10.73	BUY	5.91
Banks / DFIs	2.63	3.72	SELL	(1.09)
NBFC	0.03	0.04	SELL	(0.01)
Mutual Funds	5.31	6.22	SELL	(0.91)
Other Organizations	1.82	1.13	BUY	0.69
Broker Proprietary Trading	47.40	46.24	BUY	1.16
Insurance Companies	1.71	3.65	SELL	(1.94)
Total	214.04	214.78	SELL	-0.75

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	19.42	18.01	BUY	1.41
Fertilizer	14.78	14.71	BUY	0.07
Cement	15.73	15.48	BUY	0.25
Power Generation & Distribution	16.19	16.34	SELL	(0.15)
Exploration & Production	31.59	31.64	SELL	(0.05)
Oil & Gas Marketing Companies	9.67	9.88	SELL	(0.21)
Food and Personal Care Products	2.01	1.97	BUY	0.04
Textile Composite	1.87	3.37	SELL	(1.50)
Technology and Communication	30.56	30.64	SELL	(0.08)
Debt	0.90	0.90	SELL	-
All other Sectors	40.54	40.57	SELL	(0.03)
Total	183.25	183.52	SELL	(0.26)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	8.71	8.63	BUY	0.08
Fertilizer	12.28	11.76	BUY	0.52
Cement	22.97	22.43	BUY	0.53
Power Generation & Distribution	10.99	11.05	SELL	(0.06)
Exploration & Production	28.45	28.50	SELL	(0.05)
Oil & Gas Marketing Companies	12.27	12.37	SELL	(0.10)
Food and Personal Care Products	4.77	4.78	SELL	(0.01)
Textile Composite	3.24	3.46	SELL	(0.22)
Technology and Communication	74.93	75.98	SELL	(1.05)
Debt	1.35	1.35	SELL	-
All other Sectors	34.08	34.46	SELL	(0.39)
Total	214.04	214.78	SELL	(0.75)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.04	0.03	BUY	0.01
Foreign Corporates	12.41	12.16	BUY	0.25
Overseas Pakistani	9.04	9.03	BUY	0.00
Total	21.49	21.23	BUY	0.26

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	4.19	4.11	BUY	0.07
Foreign Corporates	2.01	1.13	BUY	0.88
Overseas Pakistani	10.09	10.29	SELL	(0.21)
Total	16.28	15.54	BUY	0.75

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.86	3.27	SELL	(1.41)
Fertilizer	2.99	3.06	SELL	(0.07)
Cement	0.80	1.05	SELL	(0.25)
Power Generation & Distribution	1.45	1.30	BUY	0.15
Exploration & Production	3.02	2.97	BUY	0.05
Oil & Gas Marketing Companies	0.95	0.73	BUY	0.21
Food and Personal Care Products	0.33	0.36	SELL	(0.04)
Textile Composite	1.79	0.29	BUY	1.50
Technology and Communication	4.34	4.26	BUY	0.08
All other Sectors	3.96	3.93	BUY	0.03
Total	21.49	21.23	BUY	0.26

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.62	0.70	SELL	(0.08)
Fertilizer	0.22	0.74	SELL	(0.52)
Cement	1.20	1.73	SELL	(0.53)
Power Generation & Distribution	0.78	0.72	BUY	0.06
Exploration & Production	1.20	1.15	BUY	0.05
Oil & Gas Marketing Companies	0.89	0.79	BUY	0.10
Food and Personal Care Products	0.39	0.38	BUY	0.01
Textile Composite	0.44	0.22	BUY	0.22
Technology and Communication	8.61	7.56	BUY	1.05
All other Sectors	1.93	1.54	BUY	0.39
Total	16.28	15.54	BUY	0.75

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Pakistan
Stock Market



March 3, 2023

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.1	1.8	1.8	2.3	3.4	3.4	3.1	3.8	2.5	2.9	10.7	-72.8%
P/E (x)	13.6	16.6	7.9	12.9	6.1	14.2	11.0	14.5	9.4	11.8	4.0	-66.4%
P/B (x)	0.5	2.6	1.3	1.6	1.2	1.4	1.3	2.0	0.8	1.4	0.6	-56.3%

Source: Bloomberg, AHL Research

World's Major Stock Market Performance (\$ based return)

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)
Lebanon	BLOM Index	1,744	12.1	9.7	23.7	UK	UKX Index	7,952	1.3	(0.0)	5.7
Sri Lanka	CSEALL Index	9,445	9.4	9.9	20.8	Bulgaria	SOFIX Index	624	1.2	(1.0)	2.7
Ireland	ISEQ Index	8,442	5.4	2.8	17.6	Saudi Arabia	SASEIDX Index	10,278	1.2	1.7	(1.7)
Zimbabwe	ZHIALLSH Index	29,197	4.1	2.3	49.8	Romania	BET Index	12,384	1.0	0.7	5.6
Oman	MSM30 Index	4,821	3.7	1.4	(0.7)	Greece	ASE Index	1,117	0.9	(1.1)	19.0
Czech Republic	PX Index	1,422	3.7	0.6	20.3	Iceland	ICEX Index	2,393	0.9	1.6	8.7
Chile	IPSA Index	5,423	3.7	2.6	7.9	Slovenia	SBITOP Index	1,204	0.8	1.0	13.9
Luxembourg	LUXXX Index	1,647	3.6	3.0	11.7	Jordan	JOSMGNFF Index	2,673	0.6	0.6	6.9
Russia	RTSI\$ Index	947	3.5	0.0	(2.5)	USA	NDX Index	12,045	0.6	0.0	10.1
Italy	FTSEMIB Index	27,769	3.5	1.1	16.0	USA	INDU Index	33,004	0.6	1.1	(0.4)
South Africa	JALSH Index	78,390	3.4	1.8	0.7	Tunisia	TUSISE Index	8,095	0.5	1.5	(0.6)
Kazakhstan	KZKAK Index	3,310	3.4	2.5	9.4	Canada	SPTSX Index	20,337	0.5	0.5	4.2
Croatia	CRO Index	2,260	3.3	1.5	13.4	Uae	ADSMI Index	9,907	0.5	0.6	(3.0)
Russia	IMOEX Index	2,267	3.2	0.1	2.1	Taiwan	TWSE Index	15,608	0.5	0.5	10.8
Austria	ATX Index	3,544	3.2	(0.1)	12.3	New Zealand	NZSE Index	1,846	0.4	(0.1)	0.9
Spain	IBEX Index	9,434	3.1	0.4	13.6	Belgium	BEL20 Index	3,886	0.4	(1.0)	(3.1)
Europe	SX5E Index	4,280	3.0	1.0	11.7	Belgium	BEL20 Index	3,886	0.4	(1.0)	(3.1)
Mexico	MEXBOL Index	53,330	2.9	2.2	18.3	USA	SPX Index	3,981	0.3	0.3	3.7
Hong Kong	HSI Index	20,568	2.8	3.9	3.3	Dubai	DFMGI Index	3,420	0.0	(0.5)	2.5
France	CAC Index	7,340	2.7	1.0	12.3	Australia	AS51 Index	7,284	0.0	0.3	2.4
China	SHSZ300 Index	4,131	2.5	1.9	6.5	Philippines	PCOMP Index	6,655	(0.1)	2.3	2.9
Germany	DAX Index	15,491	2.4	0.8	10.2	Switzerland	SMI Index	11,159	(0.1)	0.3	2.1
Serbia	BELEX15 Index	890	2.4	1.6	7.2	Ukraine	PFTS Index	507	(0.2)	0.0	(2.4)
Estonia	TALSE Index	1,909	2.3	1.1	7.0	Bahrain	BHSEASI Index	1,930	(0.5)	(0.1)	1.8
Netherlands	AEX Index	759	2.3	0.8	9.1	Malaysia	FBMKLCI Index	1,454	(0.6)	0.2	(4.3)
Finland	HEX Index	11,378	2.1	0.3	4.3	Hungary	BUX Index	44,629	(0.6)	(0.5)	6.1
Portugal	PSI20 Index	6,072	2.0	0.3	5.0	Mauritius	SEMDEX Index	2,010	(0.8)	(0.5)	(7.5)
Poland	WIG20 Index	1,831	2.0	(1.1)	0.5	Kenya	NSEASI Index	126	(0.8)	(0.2)	(4.1)
Norway	OBXP Index	578	2.0	0.5	(1.6)	Thailand	SET Index	1,607	(0.8)	0.5	(3.8)
India	SENSEX Index	59,809	1.9	2.4	(0.7)	Indonesia	JCI Index	6,814	(0.9)	(0.8)	0.7
Japan	NKY Index	27,927	1.9	1.4	2.9	Ghana	GGSECI Index	2,388	(1.0)	(0.0)	(22.0)
Sweden	OMX Index	2,241	1.6	(0.1)	8.8	Vietnam	VNIndex Index	1,025	(1.2)	0.3	1.3
Denmark	KFX Index	1,946	1.6	0.7	4.9	Mongolia	MSETOP Index	39,654	(1.3)	(1.9)	2.9
Lithuania	VILSE Index	1,010	1.6	0.4	5.6	Singapore	FSSTI Index	3,232	(1.3)	(1.0)	(1.2)
Latvia	RIGSE Index	1,204	1.5	0.7	3.4	Egypt	EGX30 Index	16,847	(1.4)	(1.3)	(7.2)
South Korea	KOSPI Index	2,432	1.5	2.0	5.4	Brazil	IBOV Index	103,326	(2.4)	(1.2)	(4.4)
Qatar	DSM Index	10,622	1.5	0.6	(0.4)	Argentina	MERVAL Index	242,749	(3.3)	(2.3)	7.5
Turkey	XU100 Index	5,134	1.4	(2.1)	(7.7)	Pakistan	KSE100 Index	41,337	(5.2)	(4.2)	(16.8)
Nigeria	NGSEINDX Index	55,652	1.3	(0.3)	8.5						

Key Economic Data & Commodities Prices

Month end	Units	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Current*
Money Market Data														
03-M T-Bill	%	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.6	16.8	16.7	17.75	19.53	19.86
06-M T-Bill	%	12.4	14.6	14.5	15.2	15.7	15.8	15.7	15.7	16.9	17.0	17.87	19.82	19.95
12-M T-Bill	%	12.5	14.6	14.6	15.3	15.8	15.9	15.7	15.7	16.9	17.0	17.95	19.93	19.98
03-Y PIB	%	12.2	13.2	13.6	13.5	13.4	13.7	13.8	14.1	15.1	15.6	16.83	18.20	18.21
05-Y PIB	%	12.0	12.9	12.6	12.9	13.4	13.0	13.1	13.2	14.0	14.6	15.48	15.80	15.83
10-Y PIB	%	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.6	16.8	16.7	17.75	19.53	19.86
06-M KIBOR	%	12.5	15.0	14.7	15.3	15.8	16.0	15.9	15.8	17.0	17.0	17.97	20.06	20.14
Policy Rate	%	9.75	12.25	13.75	13.75	15.00	15.00	15.00	15.00	16.00	16.00	17.00	17.00	20.00
Inflation (YoY)														
Headline (CPI New Base)	%	12.7	13.4	13.8	21.3	24.9	27.3	23.2	26.6	23.8	24.5	27.6	31.6	31.6
Monetary Sector														
M1	PKR bn	20,683	21,179	21,448	22,141	22,256	22,361	22,661	22,578	22,805	22,962.8	22,797.9	n.a	22,798
M2	PKR bn	24,727	25,155	25,634	26,768	26,799	26,894	27,261	27,296	27,387	27,335	27,292	n.a	27,292
M3	PKR bn	28,648	28,927	29,346	30,417	30,372	30,432	30,737	30,737	30,818	30,744.4	30,688.5	n.a	30,688
Banking Sector														
Deposits	PKR bn	20,476	20,052	21,151	22,810	22,101	22,152	22,820	22,412	22,732	22,467	22,754	n.a	22,754
Advances	PKR bn	10,328	10,638	10,822	10,886	10,858	10,922	11,084	11,052	11,092	11,913	11,659	n.a	11,659
Investment	PKR bn	15,012	15,210	15,556	17,419	17,608	18,183	17,484	18,285	18,483	17,902	19,293	n.a	19,293
WALR	%	9.6	10.26	10.78	11.4	12.8	13.2	13.7	14.0	14.12	14.6	15.1	n.a	15.1
WADR	%	4.9	5.24	6.18	7.0	7.1	7.5	7.6	7.7	7.79	8.1	8.0	n.a	8.0
Spread	%	4.7	5.02	4.6	4.4	5.8	5.7	6.0	6.2	6.33	6.5	7.1	n.a	7.1
External Sector														
Forex Reserves	USD bn	18.6	16.6	15.8	15.4	14.0	13.4	13.3	14.7	13.4	10.8	8.7	9.3	9.3
With SBP	USD bn	12.0	10.5	9.7	9.8	8.4	7.7	7.9	8.9	7.5	5.3	5.7	5.5	5.5
With Banks	USD bn	6.5	6.1	6.0	5.6	5.6	5.7	5.4	5.8	5.9	5.6	3.1	3.8	3.8
Exchange rate	PKR/USD	183.5	185.9	198.5	204.8	239.4	218.8	228.5	220.9	223.9	226.4	267.9	261.5	278.5
C/A Balance	USD mn	(1,028.0)	(623.0)	(1,425.0)	(2,187.0)	(1,215.0)	(676.0)	(363.0)	(569.0)	(252.0)	(290.0)	(242.0)	n.a	(242.0)
Exports	USD bn	3.1	3.2	2.5	3.1	2.3	2.8	2.5	2.3	2.2	2.3	2.2	n.a	2.2
Imports	USD bn	6.2	6.0	5.7	7.0	5.3	5.8	4.8	4.6	4.3	4.2	3.9	n.a	3.9
Trade Balance	USD bn	(3.1)	(2.8)	(3.2)	(3.9)	(3.1)	(3.0)	(2.3)	(2.3)	(2.0)	(1.9)	(1.7)	n.a	(1.7)
Remittances	USD bn	2.8	3.1	2.3	2.8	2.5	2.7	2.4	2.2	2.1	2.1	1.9	n.a	1.9
Key Commodities Prices														
International														
Coal	USD/ton	254.4	295.0	341.5	341.7	332.0	346.5	295.0	214.6	250.8	205.6	141.7	143.1	140.1
Steel (HRC)	USD/ton	830.8	773.2	726.0	659.8	587.0	577.8	566.3	509.5	550.6	595.5	635.9	628.8	635.6
PTA	USD/ton	935.0	960.0	995.0	965.0	870.0	860.0	870.0	805.0	795.0	790.0	830.0	785.0	785.0
Gold	USD/oz	1,937.4	1,894.5	1,837.4	1,807.3	1,765.9	1,711.0	1,660.6	1,633.6	1,768.5	1,824.0	1,928.4	1,826.9	1,835.9
Cotton (COTLOOK A)	USd/lb	153.6	154.3	157.5	135.5	131.4	135.3	107.1	92.5	97.5	99.3	102.0	99.4	98.6
Crude oil (WTI)	USD/bbl	100.3	105.4	114.7	105.8	98.6	89.6	79.5	86.5	80.6	80.3	78.9	77.1	78.2
Crude oil (Arab Light)	USD/bbl	109.3	110.6	124.6	116.3	111.9	105.2	98.4	95.6	85.3	84.2	82.9	83.4	85.1
Crude oil (Brent)	USD/bbl	107.9	107.6	122.8	114.8	110.0	96.5	88.0	94.8	85.4	85.9	84.5	83.9	84.8
Local														
Cotton	PKR/maund	20,500.0	21,000.0	22,500.0	17,200.0	19,200.0	21,500.0	19,000.0	16,000.0	16,500.0	17,000.0	21,000.0	20,000.0	20,000
Cement	PKR/bag	865.5	869.9	874.9	1,023.0	1,042.4	1,035.8	1,029.5	1,033.2	1,043.5	1,043.7	1,043.0	1,109.9	1,114.9
Gold	PKR/10 grms	110,940	116,430	121,740	121,660	138,890	123,890	123,970	128,090	138,460	158,780	173,190	166,580	175,160

*Current Price

Disclaimer

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'23 for Target Price. In addition, return excludes all type of taxes. For more details kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -15% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -15% from last closing of market price(s)

* Upside for Power Generation Companies 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, PPL, NBP, AKBL and UNITY.