

## Market remains under pressure

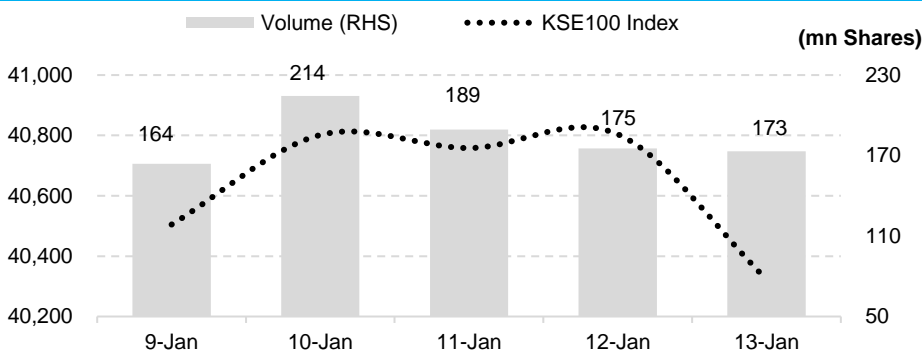
The market commenced on a positive note this week with news of progress on circular debt. Additionally, the market remained in green zone since Pakistan secured over USD 10bn in pledges from international financial institutions and the UAE agreed to lend USD 1bn to Pakistan and roll over an existing USD 2bn loan. However, uncertainty prevailed towards the week due to political concerns. Moreover, foreign exchange fell another USD 1.2bn to USD 4.3bn (lowest level of SBP-held reserves since February 2014). The large drop in Forex reserves was due to external debt repayment. In addition, PKR depreciated by PKR 1.01 | 0.4% WoW against USD, closing the week at 228.14. The index closed at 40,323 points, shedding 684points (down by 1.7%) WoW.

Sector-wise negative contributions came from i) Commercial Banks (222pts), ii) Fertilizer (132pts), iii) Technology & Communication (132pts), iv) Pharmaceuticals (59pts) and v) Oil & Gas Exploration Companies (35pts). Whereas, the sectors which contributed positively were i) Miscellaneous (68pts), ii) Automobile Assembler (39pts), iii) Insurance (6pts), iv) Automobile Parts & Accessories (3pts) and v) Paper & Board (3pts). Scrip-wise negative contributors were TRG (107pts), ENGRO (55pts), BAHF (54pts), MEBL (37pts) and MCB (33pts). Meanwhile, scrip-wise positive contribution came from PSEL (73pts), MTL (54pts), LOTCHEM (15pts), NESTLE (15pts) and JVDC (7pts).

Foreigners buying continued during this week, arriving at USD 1.2mn compared to a net buy of USD 0.3mn last week. Major buying was witnessed in Exploration and Production (USD 0.7mn) and All other sectors (USD 0.6mn). On the local front, selling was reported by Mutual Funds (USD 4.7mn) followed by Banks/DFIs (USD 4.5mn). Average volumes clocked in at 183mn shares (up by 4% WoW) while average value traded settled at USD 27mn (up by 16% WoW).

Other major news: i) Export of services goes up 6pc in July-Nov, ii) Oil & gas sector: Plan to deal with Rs1,500bn circular debt soon, iii) Pakistan repays over \$1bn external debt, and iv) Deal signed with SFD to finance oil derivatives worth \$1bn.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

## Outlook and Recommendation

The equity bourse is expected to remain range bound in the upcoming week as market participants will remain cautious due to the political noise in the country. Furthermore, any positive news coming from friendly countries or IMF 9th review will benefit the market. Our preferred stocks are OGDC, PPL, MARI, MCB, FABL, MEBL, BAFL, LUCK, MLCF, FCCL, ENGRO, FFC, HUBC, PSO, SNGP and HUMNL. The KSE-100 is currently trading at a PER of 3.9x (2023) compared to Asia Pac regional average of 11.7x while offering a dividend yield of ~10.5% versus ~3.0% offered by the region.

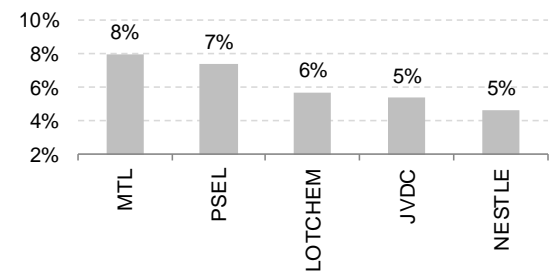
## PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	40,323	(1.7)	(0.2)
KSEAll	27,217	(1.3)	(1.1)
KSE30	14,896	(1.9)	0.4
KMI30	69,290	(1.2)	1.5
BKTI	8,970	(3.0)	(3.3)
OGTI	11,265	(0.7)	4.2

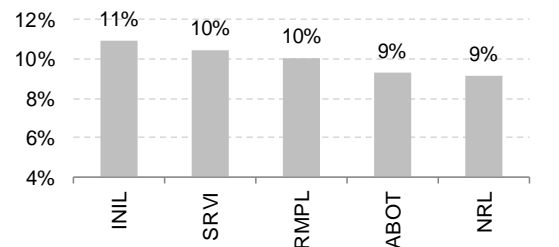
## PSX Volume Leaders

	Avg. Vol. (mn)	Closing
PPL	12.4	76.1
WTL	11.3	1.1
PRL	10.4	13.5
CENERGY	9.5	3.8
KEL	8.8	2.3

## Major Gainers (KSE100 Index)



## Major Losers (KSE100 Index)



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## Business and Economic News of the Week

### Russia all set to discuss oil, LNG deals during IGC (BR)

Pakistan and Russia are all set to discuss oil and LNG deals during 8th session of Pakistan Russia Inter Governmental Commission (IGC) on Trade, Economic, Scientific and Technical cooperation to be held on 18-20 January, 2023 in Islamabad. Islamabad and Moscow are already in close contact on oil and LNG deals in addition to import of Russian wheat. Pakistan's Minister of State for Petroleum and Natural Resources recently undertook an official visit to Moscow for a "feasible" deal on oil. The Russian delegation will be headed by its Minister for Energy, N G Shulginov whereas Minister for Economic Affairs, Sardar Ayaz Sadiq will lead Pakistani team. Technical teams of both countries will discuss matters related to trade and investment, agriculture, energy, customs, industry, education, science and technology, information and communication technologies, Communication (roads and Postal Service), Railways and Finance.

### SBP's foreign exchange reserves sink to three weeks' worth of import cover (Dawn)

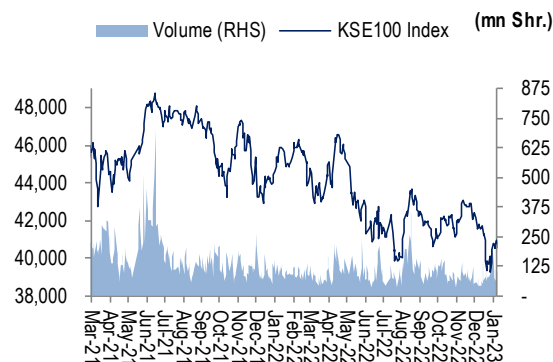
Pakistan's foreign exchange reserves dropped \$1.2 billion to \$4.3bn as of January 6, the central bank said on Thursday, leaving the country with barely three weeks' worth of import cover. The drop was due to external debt repayments, the State Bank of Pakistan (SBP) said in a statement. Net foreign exchange reserves held by commercial banks stood at \$5.8bn, and total liquid reserves at \$10.1bn, the bank added. Despite recent compression measures by the government, Pakistan's import bill for goods was \$5.1bn per month in both November and December, according to the Pakistan Bureau of Statistics. The main imports are critical energy-related fuels. The country is currently in the midst of a severe cash crunch. The falling reserves have already deeply devalued the local currency against the US dollar and other major currencies.

### Govt to take fiscal measures set by IMF: Dar (BR)

Finance Minister Ishaq Dar said Monday that a discussion with the International Monetary Fund (IMF) in Geneva focussed on revenue shortfall and super tax in litigation, as well as, narrowing down of issues on power and gas rates. This was stated by Dar in response to a question during a press conference of Prime Minister Shehbaz Sharif on Wednesday. However, he was neither asked nor did he mention any discussion with the IMF on the widening gap between inter-bank and open market rates. He said that he and his team held a detailed meeting with the IMF on the sidelines of the Geneva Conference and issues have been narrowed down on power and gas sector reform. He added that on the fiscal side a special tax of 10 percent which has been delayed due to a court's stay order and they were informed that it would be recovered by the Federal Board of Revenue (FBR) in staggered manner and this is the reason that the revenue target has not been changed.

### KSA says could boost investments to \$10bn (BR)

The Kingdom of Saudi Arabia (KSA) said it could increase its investments in the cash-strapped Pakistan economy to \$10 billion, the Saudi state news agency reported on Tuesday, as well as increase the ceiling on deposits into the Pakistan central bank to \$5 billion. Crown Prince Mohammed bin Salman has directed a study to increase Saudi Arabian investments to \$10 billion, from the previous \$1 billion announced in August, the news agency reported citing a statement from the Crown Prince.



### Top Contributors in KSE100 Index

Companies Index Contribution

#### Bullish Companies

PSEL	72.5
MTL	53.8
LOTCHEM	15.0
NESTLE	15.0
JVDC	7.4
	<b>163.8</b>

#### Bearish Companies

TRG	(106.8)
ENGRO	(54.8)
BAHL	(53.5)
MEBL	(36.9)
MCB	(32.6)
	<b>(284.6)</b>

Sectors

Index Contribution

#### Bullish Sectors

Miscellaneous	67.7
Automobile Assembler	39.5
Insurance	5.7
Automobile Parts & Accessories	2.5
Paper & Board	2.5
	<b>117.9</b>

#### Bearish Sectors

Commercial Banks	(221.9)
Fertilizer	(132.0)
Technology & Communication	(132.0)
Pharmaceuticals	(59.2)
Oil & Gas Exploration Companies	(35.4)
	<b>(580.4)</b>

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## AHL Universe - Recommendation Summary

Code	Company	Price 13-Jan-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	
<b>Exploration &amp; Production</b>																						
PPL	Pakistan Petroleum Ltd.	76.1	110.7	45.5	Buy	19.3	19.7	32.3	30.4	3.50	2.00	3.50	3.00	2.4	2.5	4.6	3.9	0.4	0.4	18.8	15.4	KSE100, KSE30, KM & MSCI
OGDC	Oil and Gas Dev Co.	82.0	137.7	67.9	Buy	21.3	31.1	39.4	36.6	6.90	7.3	8.0	7.5	2.1	2.2	9.8	9.1	0.4	0.3	18.4	14.9	KSE100, KSE30, KM & MSCI
POL	Pakistan Oilfields Ltd.	410.4	550.8	34.2	Buy	47.1	91.4	102.0	94.1	50.00	70.00	82.00	72.00	4.0	4.4	20.0	17.5	2.1	2.0	55.0	47.1	KSE100, KSE30, KM & MSCI
MARI	Mari Petroleum Ltd	1,502.7	2,597.1	72.8	Buy	235.7	247.8	386.5	473.3	141.00	124.00	193.00	237.00	3.9	3.2	12.8	15.8	1.3	1.1	35.9	36.6	KSE100, KSE30, KM & MSCI
<b>Commercial Banks</b>																						
UBL	United Bank Ltd.*	98.6	154.9	57.2	Buy	24.8	20.3	27.4	31.9	18.00	18.00	20.00	23.00	3.6	3.1	20.3	23.3	0.5	0.5	15.0	16.7	KSE100, KSE30 & MSCI
BAFL	Bank Alfalah*	29.6	48.0	62.3	Buy	8.1	11.0	14.4	16.6	4.00	5.00	6.50	7.50	2.0	1.8	22.0	25.4	0.4	0.3	21.0	20.7	KSE100 & MSCI
MCB	MCB Bank Ltd.*	111.5	173.3	55.4	Buy	26.3	24.9	32.8	37.1	19.00	19.00	22.00	23.00	3.4	3.0	19.7	20.6	0.7	0.6	20.6	21.7	KSE100, KSE30 & MSCI
HBL	Habib Bank Ltd.*	62.4	102.4	64.2	Buy	23.9	23.5	32.0	36.8	7.50	6.75	7.00	8.00	1.9	1.7	11.2	12.8	0.3	0.2	13.5	14.0	KSE100, KSE30 & MSCI
ABL	Allied Bank Ltd.*	64.3	101.1	57.4	Buy	15.3	16.0	21.1	24.0	8.00	8.00	10.00	12.00	3.1	2.7	15.6	18.7	0.4	0.4	15.7	15.5	KSE100
NBP	National Bank of Pakistan.*	24.1	34.7	43.7	Buy	13.4	12.2	15.4	17.5	-	2.00	2.50	3.00	1.6	1.4	10.4	12.4	0.1	0.1	9.9	10.4	KSE100
AKBL	Askari Bank Ltd.*	20.5	29.6	44.8	Buy	7.7	12.0	14.9	17.0	-	-	2.00	2.50	1.4	1.2	9.8	12.2	0.2	0.2	21.2	19.5	KSE100
BOP	The Bank of Punjab*	4.6	6.7	44.0	Buy	4.2	3.2	4.1	4.8	-	-	0.50	0.75	1.1	1.0	10.8	16.2	0.2	0.2	16.8	17.7	KSE100
MEBL	Meezan Bank Ltd.*	93.3	165.2	77.0	Buy	15.8	22.3	31.2	35.8	6.00	7.50	10.00	12.00	3.0	2.6	10.7	12.9	1.0	0.8	40.1	35.1	KSE100, KSE30 & KM
FABL	Faysal Bank Ltd.*	24.3	42.3	74.1	Buy	5.4	7.4	10.4	12.1	1.50	8.00	2.50	3.00	2.3	2.0	10.3	12.4	0.5	0.4	22.9	22.4	KSE100
<b>Fertilizer</b>																						
ENGRO	Engro Corporation*	278.2	373.8	34.4	Buy	48.5	39.5	62.8	69.2	25.00	35.00	40.00	45.00	4.4	-	14.4	16.2	0.6	0.6	13.7	-	KSE100, KSE30, KM & MSCI
FFBL	Fauji Fert. Bin Qasim	13.8	16.1	16.3	Buy	4.9	3.1	1.2	2.8	-	-	-	-	11.2	4.9	-	-	0.7	0.6	6.3	13.0	KSE100 & KM
EFERT	Engro Fertilizer	78.1	92.0	17.8	Buy	15.8	9.5	13.3	13.5	16.50	10.50	15.00	15.50	5.9	5.8	19.2	19.8	2.7	3.1	43.0	49.5	KSE100, KSE30, KM & MSCI
FFC	Fauji Fertilizer Co.	101.0	135.6	34.3	Buy	17.2	16.8	21.8	22.5	14.50	13.00	17.00	17.00	4.6	4.5	16.8	16.8	2.2	2.0	50.2	46.3	KSE100, KSE30 & MSCI
FATIMA	Fatima Fertilizer Co.	31.1	na	na	na	8.8	na	na	na	3.50	-	-	-	Group Company: No estimates are given								KSE100 & KM
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
<b>Cement</b>																						
LUCK	Lucky Cement Ltd.	428.2	727.9	70.0	Buy	43.5	47.3	40.1	35.3	-	-	-	10.00	10.7	12.1	-	2.3	1.0	0.9	9.8	8.0	KSE100, KSE30, KM & MSCI
LUCK	Lucky Cement Ltd.*	428.2	727.9	70.0	Buy	70.7	91.2	118.5	137.4	-	-	-	10.00	3.6	3.1	-	2.3	0.6	0.5	17.5	17.2	KSE100, KSE30, KM & MSCI
FFCL	Fauji Cement Co.	11.3	17.5	55.0	Buy	1.4	2.9	3.2	2.2	-	-	-	-	3.5	5.2	-	-	0.4	0.4	16.6	7.5	KSE100 & KM
ACPL	Attock Cement Ltd.	57.9	77.9	34.6	Buy	8.1	8.2	9.1	5.3	4.00	3.50	-	-	6.4	11.0	-	-	0.4	0.4	6.8	3.8	KSEALL & KM
DGKC	D.G. Khan Cement Co.	45.9	68.4	49.2	Buy	8.5	6.8	5.3	2.8	1.00	1.00	-	-	8.7	16.4	-	-	0.3	0.3	3.1	1.7	KSE100, KSE30 & KM
KOHC	Kohat Cement Co.	134.1	194.7	45.2	Buy	17.4	25.0	32.3	21.9	-	-	-	-	4.1	6.1	-	-	0.8	0.7	21.3	12.2	KSE100 & KM
MLCF	Maple Leaf Cement.*	21.0	35.5	69.3	Buy	3.6	4.2	5.6	4.7	-	-	-	0.25	3.8	4.4	-	1.2	0.5	0.4	13.2	10.0	KSE100, KSE30 & KM
POWER	Power Cement	4.5	na	na	na	0.3	(0.4)	na	na	-	-	-	-	Group Company: No estimates are given								KM
<b>Oil &amp; Gas Marketing</b>																						
PSO	Pakistan State Oil	142.4	206.7	45.1	Buy	62.1	183.7	39.2	71.1	15.00	10.00	10.00	10.00	3.6	2.0	7.0	7.0	0.3	0.3	8.4	14.2	KSE100, KSE30, KM & MSCI
APL	Attock Petroleum Ltd.	296.5	394.6	33.1	Buy	39.5	149.0	62.2	45.6	27.00	45.00	19.00	14.00	4.8	6.5	6.4	4.7	0.9	0.9	19.9	13.6	KSE100 & KM
SNGP	Sui Northern Gas Pipeline Ltd.	40.3	68.4	69.8	Buy	17.3	20.1	16.8	24.1	7.00	8.00	6.00	9.00	2.4	1.7	14.9	22.4	0.5	0.4	149.7	249.7	KSE100 & KM
<b>Automobile Assemblers</b>																						
PSMC	Pak Suzuki Motor Co.	138.8	160.0	15.3	Buy	32.6	(29.3)	(1.4)	36.4	6.50	-	-	6.00	(100.2)	3.8	-	4.3	0.5	0.4	(0.5)	11.7	KSE100 & KM
INDU	Indus Motor Co.	960.0	1,218.0	26.9	Buy	163.2	201.0	98.0	131.2	103.50	93.75	46.00	61.00	9.8	7.3	4.8	6.4	1.3	1.2	13.7	17.0	KSE100 & MSCI
HCAR	Honda Atlas Cars (Pak)	136.8	109.0	(20.3)	Sell	12.6	17.6	3.9	13.1	4.52	7.00	2.00	5.00	35.1	10.4	1.5	3.7	1.0	0.9	2.8	9.0	KSE100 & KM
MTL	Millat Tractors Ltd.	524.6	548.6	4.6	Hold	49.7	46.7	30.5	51.2	100.00	65.00	31.00	51.00	17.2	10.2	5.9	9.7	8.7	8.7	50.4	84.8	KSE100, KSE30, KM & MSCI
<b>Power Generation &amp; Distribution**</b>																						
HUBC	Hub Power Company*	60.7	119.7	105.0	Buy	26.0	21.9	32.3	36.8	12.00	6.50	22.00	15.00	1.9	1.6	36.2	24.7	0.6	0.4	31.2	30.0	KSE100, KSE30, KM & MSCI
NCPL	Nishat Chu. Power Ltd.	15.2	19.0	25.3	Buy	6.8	6.8	9.1	8.7	-	10.00	2.00	2.00	1.7	1.7	13.2	13.2	0.2	0.2	13.2	11.5	KSEALL
NPL	Nishat Power Limited	17.5	21.1	20.5	Buy	7.6	9.4	9.5	8.4	1.50	4.50	4.00	2.00	1.8	2.1	22.8	11.4	0.2	0.2	11.6	9.6	KSEALL
<b>Textile Composite</b>																						
NML	Nishat Mills Ltd.	50.4	72.1	43.0	Buy	16.8	29.3	21.9	30.1	4.00	4.00	4.50	6.00	2.3	1.7	8.9	11.9	0.2	0.2	9.5	12.3	KSE100 & KM
NCL	Nishat (Chunian) Ltd.	21.5	32.7	52.4	Buy	23.3	31.1	4.5	12.0	5.00	7.00	1.00	4.00	4.8	1.8	4.7	18.6	0.2	0.2	4.6	12.2	KSE100
FML	Feroze1888 Mills Ltd.	61.0	91.8	50.5	Buy	10.8	8.5	9.0	11.5	3.43	4.27	5.00	6.00	6.8	5.3	8.2	9.8	0.8	0.7	11.6	13.8	KM
ILP	Interloop Ltd.	53.5	84.7	58.3	Buy	6.7	13.2	15.5	16.3	2.50	4.00	6.00	6.50	3.4	3.3	11.2	12.1	1.3	1.0	42.0	34.7	KSE100
<b>Chemicals</b>																						
LOTCEM	Lotte Chemical Pak Ltd.	Coverage Restricted due to Advisory Mandate																			KSE100	
EPCL	Engro Polymer & Chem.	42.9	45.5	5.9	Hold	16.6	13.7	7.6	8.3	16.30	12.50	5.25	5.75	5.6	5.2	12.2	13.4	1.2	1.1	22.2	22.9	KSE100, KSE30, KM & MSCI
LCI	Lucky Core Industries Limited	586.3	890.2	51.8	Buy	60.3	91.7	115.3	112.5	40.00	35.00	20.00	20.00	5.1	5.2	3.4	3.4	1.1	0.9	26.1	19.6	#N/A
<b>Engineering</b>																						
ASTL	Amreli Steels Ltd.	18.8	24.0	27.5	Buy	4.61	4.46	3.09	4.35	-	-	-	-	6.1	4.3	-	-	0.3	0.3	5.8	7.7	KSEALL
AGHA	Agha Steel Industries Ltd.	12.6	18.3	45.0	Buy	3.37	3.07	1.53	2.16	-	-	-	-	8.3	5.9	-	-	0.5	0.4	5.7	7.6	KSEALL
ASL	Aisha Steel Mills Ltd.	7.2	na	na	na	6.9	1.2	na	na	2.00	-	-	-	Group Company: No estimates are given								KSEALL
<b>Technology &amp; Communication</b>																						
HUMNL	Hum Network Limited.	6.2	10.0	61.0	Buy	0.9	1.2	1.5	1.9	-	0.50	0.75	1.00	4.0	3.2	12.1	16.2	1.1	1.0	30.5	32.6	KSEALL

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

## AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
MTL	524.61	7.97	8.14	8.14	721.02	477.61	736.07	477.61	740.88	475.11
NCPL	15.20	6.67	6.82	6.82	17.46	12.78	17.46	9.78	17.46	8.33
LOTCHEM	27.55	5.72	6.37	6.37	32.11	22.26	34.08	21.37	34.08	12.41
ACPL	57.89	3.17	2.37	2.37	85.99	55.55	90.38	55.55	134.38	55.55
AKBL	20.45	2.10	1.74	1.74	21.39	17.53	21.39	16.54	23.57	16.54
UNITY	14.37	1.63	1.77	1.77	23.08	13.58	23.87	13.58	32.42	13.58
NCL	21.47	0.70	3.02	3.02	32.32	20.56	43.73	20.56	49.30	20.56
ABL	64.25	0.39	0.44	0.44	65.00	60.52	66.01	59.80	81.99	59.80
ITTEFAQ	5.63	0.36	1.44	1.44	7.15	5.19	8.60	5.19	12.39	5.19
HUMNL	6.18	0.16	5.82	5.82	6.24	5.24	6.24	5.24	6.79	5.02
PPL	76.11	0.08	11.70	11.70	82.12	51.05	82.12	51.05	85.19	51.05
POWER	4.50	(0.22)	(2.60)	(2.60)	5.06	4.30	5.46	4.30	6.64	4.30
KAPCO	27.16	(0.26)	1.91	1.91	28.16	26.01	28.61	23.14	28.61	22.88
OGDC	82.04	(0.33)	2.99	2.99	87.57	68.36	87.57	68.36	87.57	68.36
NPL	17.53	(0.40)	(3.73)	(3.73)	19.48	16.99	22.18	15.64	22.18	12.95
FCCL	11.30	(0.62)	(5.99)	(5.99)	14.79	11.11	14.79	11.11	16.52	11.11
NBP	24.11	(0.70)	2.20	2.20	25.92	23.23	33.44	23.23	37.01	23.23
POL	410.42	(0.91)	4.47	4.47	420.35	363.70	420.35	331.20	420.35	320.19
HUBC	60.70	(1.11)	(3.77)	(3.77)	70.01	59.59	70.01	51.16	70.01	50.67
LUCK	428.18	(1.14)	(4.12)	(4.12)	513.72	422.15	523.37	411.93	695.19	411.93
FFC	101.00	(1.27)	2.32	2.32	103.66	98.35	103.66	96.99	116.83	91.79
PSMC	138.80	(1.47)	(18.72)	(18.72)	175.80	121.89	198.56	121.89	223.07	121.89
PTL	19.23	(1.49)	(7.19)	(7.19)	28.99	18.69	33.53	18.69	39.73	18.69
BOP	4.64	(1.49)	1.53	1.53	5.56	4.51	6.07	4.51	7.76	4.51
ASTL	18.78	(1.57)	4.62	4.62	27.01	17.16	30.86	17.16	45.00	17.16
HCAR	136.78	(1.65)	(17.73)	(17.73)	180.59	134.33	193.98	134.33	215.06	134.33
MARI	1,502.72	(1.68)	(2.86)	(2.86)	1,710.23	1,502.38	1,710.23	1,502.38	1,733.59	1,502.38
PSO	142.38	(1.83)	(1.12)	(1.12)	158.36	124.40	181.36	124.40	185.15	124.40
NML	50.40	(2.17)	(8.35)	(8.35)	64.46	50.25	75.69	50.25	91.05	50.25
ENGRO	278.17	(2.29)	6.17	6.17	284.68	226.25	284.68	213.21	284.68	213.21
INDU	960.00	(2.34)	(4.47)	(4.47)	1,031.76	893.65	1,111.38	893.65	1,395.65	893.65
UBL	98.58	(2.39)	(2.15)	(2.15)	110.96	97.47	116.53	97.47	129.51	97.47
AGHA	12.63	(2.40)	(9.14)	(9.14)	15.57	11.45	16.56	11.45	26.04	11.45
KOHC	134.10	(2.40)	(9.21)	(9.21)	167.18	130.35	167.18	120.07	183.52	118.99
MCB	111.51	(2.59)	(4.00)	(4.00)	119.99	109.16	122.82	109.16	142.65	109.16
HBL	62.37	(2.61)	(2.13)	(2.13)	70.00	59.92	94.85	59.92	115.09	59.92
APL	296.45	(2.89)	2.33	2.33	322.96	277.26	322.96	248.36	322.96	216.67
SNGP	40.26	(3.01)	7.22	7.22	42.42	31.62	42.42	28.35	42.42	20.70
LCI	591.53	(3.05)	(7.94)	(7.94)	709.00	591.53	769.05	591.53	828.45	591.53
MEBL	93.33	(3.21)	(6.24)	(6.24)	113.59	93.33	123.44	93.33	127.81	93.33
FABL	24.28	(3.54)	(6.00)	(6.00)	31.54	20.95	31.54	19.44	31.54	16.49
BAFL	29.56	(3.71)	(1.92)	(1.92)	34.26	29.44	34.26	27.66	34.26	27.66
MLCF	20.95	(3.72)	(7.18)	(7.18)	28.69	20.57	29.36	20.57	38.44	20.57
AHCL	32.68	(3.77)	(5.11)	(5.11)	35.00	31.33	35.00	29.41	35.67	29.08
DGKC	45.86	(3.86)	(11.19)	(11.19)	59.95	45.86	63.83	45.86	79.74	45.86
EPCL	42.94	(4.00)	1.47	1.47	55.62	40.36	64.14	40.36	81.94	40.36
FML	61.00	(4.69)	(3.56)	(3.56)	71.45	61.00	71.45	60.54	71.60	57.41
SGF	30.00	(4.73)	(9.47)	(9.47)	36.80	30.00	40.69	30.00	47.86	30.00
HTL	24.85	(4.83)	(3.94)	(3.94)	37.46	23.69	41.49	23.69	45.37	23.69
ILP	53.50	(5.31)	(5.56)	(5.56)	62.43	53.50	63.04	53.50	74.78	53.50
FATIMA	31.07	(5.88)	(7.53)	(7.53)	38.19	31.07	38.87	31.07	41.29	31.07

Source (s): Bloomberg, AHL Research

## Local & Foreign Investors Portfolio Investment (USD mn)

### LIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	123.74	117.20	BUY	6.55
Companies	11.52	11.25	BUY	0.27
Banks / DFIs	4.75	9.28	SELL	(4.53)
NBFC	0.09	0.08	BUY	0.00
Mutual Funds	12.44	17.18	SELL	(4.74)
Other Organizations	2.45	1.36	BUY	1.08
Broker Proprietary Trading	34.44	34.18	BUY	0.26
Insurance Companies	2.13	2.24	SELL	(0.11)
<b>Total</b>	<b>191.56</b>	<b>192.77</b>	<b>SELL</b>	<b>(1.21)</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	103.90	104.13	SELL	(0.23)
Companies	9.06	5.85	BUY	3.21
Banks / DFIs	6.55	7.27	SELL	(0.72)
NBFC	0.03	0.01	BUY	0.02
Mutual Funds	9.34	12.33	SELL	(2.99)
Other Organizations	1.14	0.85	BUY	0.29
Broker Proprietary Trading	26.28	25.40	BUY	0.88
Insurance Companies	1.36	2.07	SELL	(0.71)
<b>Total</b>	<b>157.66</b>	<b>157.92</b>	<b>SELL</b>	<b>-0.26</b>

### LIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	11.90	12.10	SELL	(0.19)
Fertilizer	5.58	5.09	BUY	0.48
Cement	15.97	15.56	BUY	0.41
Power Generation & Distribution	4.45	4.97	SELL	(0.53)
Exploration & Production	49.36	50.04	SELL	(0.67)
Oil & Gas Marketing Companies	14.18	14.28	SELL	(0.09)
Food and Personal Care Products	3.65	3.72	SELL	(0.07)
Textile Composite	2.19	2.25	SELL	(0.06)
Technology and Communication	32.69	32.58	BUY	0.11
Debt	0.52	0.52	SELL	-
All other Sectors	51.05	51.65	SELL	(0.60)
<b>Total</b>	<b>191.56</b>	<b>192.77</b>	<b>SELL</b>	<b>(1.21)</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	7.53	6.99	BUY	0.54
Fertilizer	9.79	9.78	BUY	0.00
Cement	6.80	7.11	SELL	(0.31)
Power Generation & Distribution	4.10	4.44	SELL	(0.34)
Exploration & Production	28.43	28.69	SELL	(0.26)
Oil & Gas Marketing Companies	16.91	17.00	SELL	(0.09)
Food and Personal Care Product	3.08	3.14	SELL	(0.06)
Textile Composite	1.73	1.59	BUY	0.14
Technology and Communication	37.76	37.91	SELL	(0.15)
Debt	0.04	0.04	SELL	-
All other Sectors	41.49	41.21	BUY	0.27
<b>Total</b>	<b>157.66</b>	<b>157.92</b>	<b>SELL</b>	<b>(0.26)</b>

### FIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.02	0.00	BUY	0.02
Foreign Corporates	5.91	5.09	BUY	0.82
Overseas Pakistani	9.32	8.95	BUY	0.38
<b>Total</b>	<b>15.26</b>	<b>14.04</b>	<b>BUY</b>	<b>1.21</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.04	0.02	BUY	0.02
Foreign Corporates	2.98	2.07	BUY	0.91
Overseas Pakistani	7.91	8.58	SELL	(0.67)
<b>Total</b>	<b>10.93</b>	<b>10.68</b>	<b>BUY</b>	<b>0.26</b>

### FIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	2.51	2.32	BUY	0.19
Fertilizer	0.25	0.74	SELL	(0.48)
Cement	1.77	2.19	SELL	(0.41)
Power Generation & Distribution	0.70	0.17	BUY	0.53
Exploration & Production	2.90	2.23	BUY	0.67
Oil & Gas Marketing Companies	0.83	0.74	BUY	0.09
Food and Personal Care Products	0.35	0.28	BUY	0.07
Textile Composite	0.10	0.05	BUY	0.06
Technology and Communication	2.48	2.59	SELL	(0.11)
All other Sectors	3.35	2.75	BUY	0.60
<b>Total</b>	<b>15.26</b>	<b>14.04</b>	<b>BUY</b>	<b>1.21</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.48	1.03	SELL	(0.54)
Fertilizer	1.99	1.99	SELL	(0.00)
Cement	0.56	0.25	BUY	0.31
Power Generation & Distribution	0.52	0.18	BUY	0.34
Exploration & Production	1.66	1.40	BUY	0.26
Oil & Gas Marketing Companies	1.01	0.92	BUY	0.09
Food and Personal Care Product	0.20	0.14	BUY	0.06
Textile Composite	0.11	0.25	SELL	(0.14)
Technology and Communication	2.53	2.38	BUY	0.15
All other Sectors	1.88	2.16	SELL	(0.27)
<b>Total</b>	<b>10.93</b>	<b>10.68</b>	<b>BUY</b>	<b>0.26</b>

Source (s): NCCPL, AHL Research

## Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.1	1.5	2.3	2.2	3.6	3.1	3.3	4.4	2.6	3.0	10.5	-71.3%
P/E (x)	12.5	18.4	8.8	12.0	10.1	14.4	9.0	11.2	8.9	11.7	3.9	-66.7%
P/B (x)	1.6	2.9	1.3	1.4	8.7	1.5	1.1	1.7	0.8	2.3	0.6	-73.8%

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 (%)
Russia	IMOEX Index	2,198	8.6	9.8	9.8	Romania	BET Index	12,291	2.7	6.5	6.5
Argentina	MERVAL Index	234,154	8.5	13.4	13.4	Canada	SPTSX Index	20,211	2.7	5.6	5.6
Russia	RTSI\$ Index	1,014	7.5	4.5	4.5	Zimbabwe	ZHIALLSH Index	21,857	2.6	12.1	12.1
Croatia	CRO Index	2,102	7.5	7.4	7.4	Malaysia	FBMKLXI Index	1,495	2.5	1.5	1.5
Poland	WIG20 Index	1,925	6.4	8.2	8.2	UK	UKX Index	7,817	2.3	5.6	5.6
Slovenia	SBITOP Index	1,116	6.2	7.7	7.7	Thailand	SET Index	1,682	2.3	5.6	5.6
Sweden	OMX Index	2,207	6.1	8.0	8.0	USA	SPX Index	3,983	2.3	3.7	3.7
Brazil	IBOV Index	111,850	5.8	5.8	5.8	Nigeria	NGSEINDX Index	52,330	2.1	2.0	2.0
Mexico	MEXBOL Index	53,594	5.3	14.4	14.4	Saudi Arabia	SASEIDX Index	10,744	2.1	2.6	2.6
South Korea	KOSPI Index	2,386	5.2	8.4	8.4	Austria	ATX Index	3,285	2.0	6.0	6.0
Philippines	PCOMP Index	6,952	4.9	7.2	7.2	Indonesia	JCI Index	6,642	1.9	(1.0)	(1.0)
Germany	DAX Index	15,050	4.7	9.1	9.1	Kazakhstan	KZKAK Index	3,286	1.8	1.2	1.2
Taiwan	TWSE Index	14,824	4.7	6.4	6.4	Latvia	RIGSE Index	1,167	1.8	2.1	2.1
South Africa	JALSH Index	79,162	4.6	9.2	9.2	USA	INDU Index	34,190	1.7	3.1	3.1
Greece	ASE Index	968	4.5	5.2	5.2	India	SENSEX Index	60,261	1.6	0.5	0.5
Europe	SX5E Index	4,132	4.5	9.9	9.9	Jordan	JOSMGNFF Index	2,624	1.5	5.0	5.0
Netherlands	AEX Index	744	4.4	9.0	9.0	Singapore	FSSTI Index	3,294	1.4	2.5	2.5
Tunisia	TUSISE Index	8,271	4.4	3.2	3.2	New Zealand	NZSE Index	1,832	1.4	2.4	2.4
Australia	AS51 Index	7,328	4.2	6.0	6.0	Norway	OBXP Index	552	1.1	(1.1)	(1.1)
Luxembourg	LUXXX Index	1,598	4.2	10.4	10.4	Switzerland	SMI Index	11,266	1.0	4.1	4.1
Belgium	BEL20 Index	3,938	4.0	7.4	7.4	Lebanon	BLOM Index	1,408	1.0	(0.2)	(0.2)
Bulgaria	SOFIX Index	618	3.9	3.8	3.8	Vietnam	VNINDEX Index	1,060	0.9	6.1	6.1
China	SHSZ300 Index	4,074	3.9	8.0	8.0	Dubai	DFMGI Index	3,324	0.7	(0.4)	(0.4)
Estonia	TALSE Index	1,828	3.9	4.4	4.4	Oman	MSM30 Index	4,879	0.2	0.5	0.5
USA	NDX Index	11,460	3.8	4.8	4.8	Uae	ADSMI Index	10,210	0.1	(0.0)	(0.0)
Finland	HEX Index	11,230	3.7	4.8	4.8	Mongolia	MSETOP Index	37,061	(0.1)	(1.8)	(1.8)
Italy	FTSEMIB Index	25,681	3.6	9.3	9.3	Bahrain	BHSEASI Index	1,890	(0.1)	(0.2)	(0.2)
Iceland	ICEXI Index	2,328	3.5	4.9	4.9	Ukraine	PFTS Index	514	(0.2)	(0.8)	(0.8)
Hong Kong	HSI Index	21,739	3.5	9.8	9.8	Denmark	KFX Index	1,839	(0.3)	1.0	1.0
Portugal	PSI20 Index	6,017	3.5	6.0	6.0	Bangladesh	DSEX Index	6,215	(0.3)	(1.1)	(1.1)
France	CAC Index	6,984	3.4	8.8	8.8	Qatar	DSM Index	10,990	(0.7)	3.1	3.1
Czech Republic	PX Index	1,274	3.4	7.4	7.4	Mauritius	SEMDEX Index	2,041	(0.8)	(1.0)	(1.0)
Spain	IBEX Index	8,849	3.3	8.5	8.5	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>40,323</b>	<b>(2.1)</b>	<b>(1.0)</b>	<b>(1.0)</b>
Japan	NKY Index	26,120	3.3	2.0	2.0	Sri Lanka	CSEALL Index	8,263	(2.2)	(2.5)	(2.5)
Chile	IPSA Index	5,201	3.3	1.7	1.7	Kenya	NSEASI Index	124	(2.4)	(3.0)	(3.0)
Ireland	ISEQ Index	7,758	3.2	10.1	10.1	Turkey	XU100 Index	4,983	(7.0)	(9.9)	(9.9)
Serbia	BELEX15 Index	842	3.2	3.2	3.2	Egypt	EGX30 Index	15,551	(10.9)	(10.9)	(10.9)
Lithuania	VILSE Index	969	3.0	3.2	3.2	Ghana	GGSECI Index	2,439	(14.2)	(15.4)	(15.4)
Hungary	BUX Index	46,159	2.9	6.8	6.8						

Source (s): Bloomberg, AHL Research, \* Last Closing

## Key Economic Data & Commodities Prices

Month end	Units	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Current*
<b>Money Market Data</b>														
03-M T-Bill	%	10.2	10.5	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.6	16.8	16.7	16.96
06-M T-Bill	%	10.6	10.9	12.4	14.6	14.5	15.2	15.7	15.8	15.7	15.7	16.9	17.0	17.01
12-M T-Bill	%	10.8	11.0	12.5	14.6	14.6	15.3	15.8	15.9	15.7	15.7	16.9	17.0	17.04
03-Y PIB	%	10.8	10.9	12.2	13.2	13.6	13.5	13.4	13.7	13.8	14.1	15.1	15.6	16.17
05-Y PIB	%	10.9	11.0	12.0	12.9	12.6	12.9	13.4	13.0	13.1	13.2	14.0	14.6	15.11
10-Y PIB	%	10.2	10.5	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.6	16.8	16.7	16.96
06-M KIBOR	%	10.7	11.0	12.5	15.0	14.7	15.3	15.8	16.0	15.9	15.8	17.0	17.0	17.13
Policy Rate	%	9.75	9.75	9.75	12.25	13.75	13.75	15.00	15.00	15.00	15.00	16.00	16.00	16.00
<b>Inflation (YoY)</b>														
Headline (CPI New Base)	%	13.0	13.0	12.7	13.4	13.8	21.3	24.9	27.3	23.2	26.6	23.8	24.5	24.5
<b>Monetary Sector</b>														
M1	PKR bn	20,204	20,210	20,683	21,179	21,448	22,141	22,256	22,361	22,661	22,578	22,805	n.a	22,805
M2	PKR bn	24,211	24,176	24,727	25,155	25,634	26,768	26,799	26,894	27,261	27,296	27,387	n.a	27,387
M3	PKR bn	28,122	28,097	28,648	28,927	29,346	30,417	30,372	30,432	30,737	30,737	30,818	n.a	30,818
<b>Banking Sector</b>														
Deposits	PKR bn	19,949	19,914	20,476	20,052	21,151	22,810	22,101	22,152	22,820	22,412	22,732	22,467	22,467
Advances	PKR bn	9,944	9,961	10,328	10,638	10,822	10,886	10,858	10,922	11,084	11,052	11,092	11,913	11,913
Investment	PKR bn	14,424	14,541	15,012	15,210	15,556	17,419	17,608	18,183	17,484	18,285	18,483	17,902	17,902
WALR	%	9.3	9.6	9.6	10.26	10.78	11.4	12.8	13.2	13.7	14.0	14.2	n.a	14.2
WADR	%	5.1	5.0	4.9	5.24	6.18	7.0	7.1	7.5	7.6	7.7	7.8	n.a	7.8
Spread	%	4.3	4.6	4.7	5.02	4.6	4.4	5.8	5.7	6.0	6.2	6.4	n.a	6.4
<b>External Sector</b>														
Forex Reserves	USD bn	22.1	22.9	18.6	16.4	15.8	16.2	14.0	13.4	13.6	14.7	13.4	11.4	10.2
With SBP	USD bn	15.7	16.5	12.0	10.5	9.7	10.3	8.4	7.7	7.9	8.9	7.5	5.6	4.3
With Banks	USD bn	6.4	6.4	6.5	5.9	6.0	5.9	5.6	5.7	5.7	5.8	5.9	5.8	5.8
Exchange rate	PKR/USD	176.7	177.5	183.5	185.9	198.5	204.8	239.4	218.8	228.5	220.9	223.9	226.4	228.2
C/A Balance	USD mn	(2,531)	(519.0)	(1,028.0)	(623.0)	(1,425.0)	(2,187.0)	(1,215.0)	(676.0)	(363.0)	(569.0)	(276.0)	n.a	(276.0)
Exports	USD bn	2.5	2.9	3.1	3.2	2.5	3.1	2.3	2.8	2.5	2.3	2.2	n.a	2.2
Imports	USD bn	6.3	5.2	6.2	6.0	5.7	7.0	5.3	5.8	4.8	4.6	4.3	n.a	4.3
Trade Balance	USD bn	(3.8)	(2.3)	(3.1)	(2.8)	(3.2)	(3.9)	(3.1)	(3.0)	(2.3)	(2.3)	(2.0)	n.a	(2.0)
Remittances	USD bn	2.1	2.2	2.8	3.1	2.3	2.8	2.5	2.7	2.4	2.2	2.1	2.0	2.0
<b>Key Commodities Prices</b>														
<b>International</b>														
Coal	USD/ton	174.0	261.0	254.4	295.0	341.5	341.7	332.0	346.5	295.0	214.6	250.8	205.6	169.7
Steel (HRC)	USD/ton	766.4	785.8	830.8	773.2	726.0	659.8	587.0	577.8	566.3	509.5	550.6	595.5	622.8
PTA	USD/ton	815.0	875.0	935.0	960.0	995.0	965.0	870.0	860.0	870.0	805.0	795.0	790.0	760.0
Gold	USD/oz	1,797.2	1,909.0	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	1,897.1
Cotton (COTLOOK A)	USD/lb	135.9	135.2	153.6	154.3	157.5	135.5	131.4	135.3	107.1	92.5	97.5	99.3	100.8
Crude oil (WTI)	USD/bbl	88.2	95.7	100.3	105.4	114.7	105.8	98.6	89.6	79.5	86.5	80.6	80.3	78.4
Crude oil (Arab Light)	USD/bbl	91.1	99.9	109.3	110.6	124.6	116.3	111.9	105.2	98.4	95.6	85.3	84.2	82.4
Crude oil (Brent)	USD/bbl	91.2	101.0	107.9	107.6	122.8	114.8	110.0	96.5	88.0	94.8	85.4	85.9	84.0
<b>Local</b>														
Cotton	PKR/maund	19,400	20,000	20,500	21,000	22,500	17,200	19,200	21,500	19,000	16,000	16,500	17,000	20,000
Cement	PKR/bag	737.1	748.4	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	1,044.4
Gold	PKR/10 grms	108,880	111,460	110,940	116,430	121,740	121,660	138,890	123,890	123,970	128,090	138,460	158,780	159,120

\*Current Price



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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, MLCF, NBP and AKBL.