

Bulls parade, Bears beware!

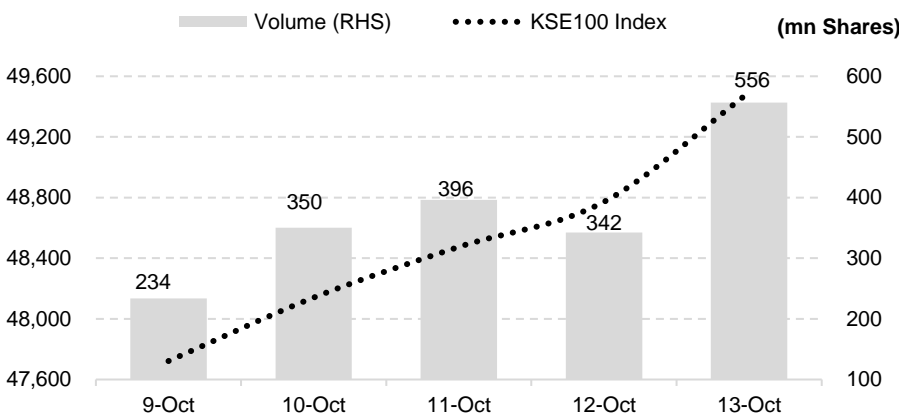
During the week market crossed 49,000 points, level last seen in Jun'17. The market maintained its bullish trend on the back of robust results that exceeded participants' expectations. Along with this, record setting remarkable 27th consecutive session of strengthening of the PKR against the USD boosted investors' confidence. Furthermore, Pakistan was granted GSP+ extension for four years. Also, auto sales number for Aug'23 increased to 7.6k units, up 49% MoM. Moreover, remittances for the month of Sep'23 increased by 5% MoM to settle at USD 2.21bn. On top of this, the SBP forex reserves rose by USD 31mn reaching USD 7.6bn as at Oct 6th, 2023. The Pak Rupee closed at PKR 277.6 against the greenback, appreciating by PKR 5.07 | +1.83% WoW. The market closed at 49,493 points, gaining 2,000 points | +4.2% WoW.

Sector-wise positive contributions came from i) Commercial Banks (498pts), ii) Fertilizer (447pts), iii) E&Ps (283pts), iv) Power (250pts), and v) Cement (127pts). Meanwhile, the sectors which contributed negatively were i) Technology (79pts), and ii) Chemical (21pts). Scrip-wise positive contributors were HUBC (182pts), FFC (178pts), PPL (151pts), UBL (123pts), and ENGRO (118pts). Whereas, scrip-wise negative contributions came from TRG (123pts), COLG (14pts), LOTCHEM (8pts), GHGL (5pts), and FCEPL (3pts).

Foreigner buying was witnessed during this week, clocking in at USD 1.41mn compared to a net selling of USD 12.05mn last week. Major buying was witnessed in Technology & Communication (USD 1.0mn) and Exploration and Production (USD 0.87mn). On the local front, selling was reported by Insurance (USD 2.1mn) followed by individuals (USD 2.0mn). Average volumes arrived at 376mn shares (up 29% WoW) while the average value traded settled at USD 36mn (up by 38% WoW).

Other major news: i) Pak Suzuki may delist from PSX, ii) SIFC seeks information from govts, iii) Surge in Afghan transit cargo raises smuggling concerns, iv) IMF lowers Pakistan's GDP forecast to 2.5pc and v) Govt to borrow Rs10.66tr in Q2 through domestic debt market.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

We anticipate the market to continue to ride the wave of positive momentum in the upcoming week, amid expectations of gas price adjustments to address the circular debt issues. Along with this, result of certain scrips are expected to further fuel the positive sentiment of the market. Our preferred stocks are OGDC, PPL, MARI, MCB, UBL, MEBL, LUCK, MLCF, ENGRO, FFC, HUBC, and INDU. The KSE-100 is currently trading at a PER of 3.9x (2024) as compared to its 5-year average of 5.6x offering a dividend yield of ~11.9% as compared to its 5-year average of ~6.8%.

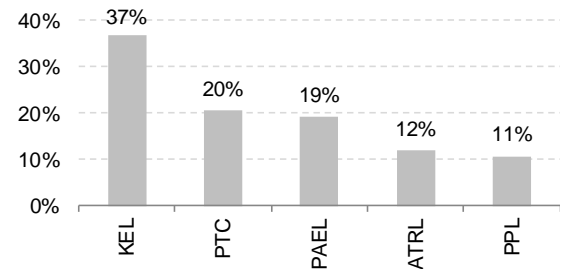
PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	49,493	4.2	22.4
KSEAll	33,049	3.8	20.0
KSE30	17,132	4.6	15.5
KMI30	83,957	5.0	23.0
BKTI	12,074	4.9	30.2
OGTI	12,079	4.8	11.7

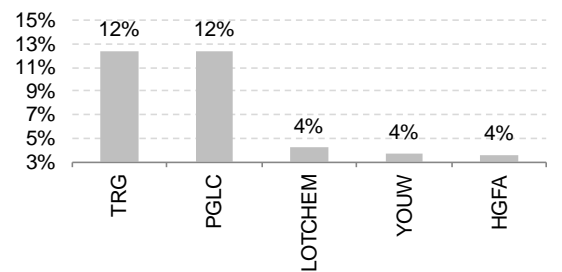
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	93.1	3.1
WTL	21.9	1.3
PRL	13.7	16.1
PAEL	11.2	12.5
PTC	10.9	7.1

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



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Best Brokerage House of the Year 2023

Best Economic Research House of the Year: 2023

Corporate Finance House of the Year: 2023

Best Equity Research Analyst: 2022

Best Equity Sales Person (Runner up): 2023



Best Securities House: 2023
Best Investment Bank: 2023



Best Equity House: 2022

Business and Economic News of the Week

Pakistan-Russia shipping service faces bank hurdles (The News)

Pakistani banks are reluctant to facilitate the opening of letters of credit (LCs) for cargo under a direct shipping service between Pakistan and Russia, which started in May this year, sources familiar with the matter told The News on Wednesday. The direct shipping service, which is the result of an agreement between Pak Shaheen (Private) Limited and Russian express liner service Neco Line, provides Pakistani products immediate access to the Russian market and payments are made through the local banking channel in Chinese yuan.

Chinese again refuse to renegotiate PPAs (BR)

Chinese power projects have, once again, refused to renegotiate Power Purchase Agreements (PPAs) with the government of Pakistan, a longstanding wish of dollar-hungry Islamabad. The government has to clear about Rs 350 billion of Chinese power projects dues which is why Chinese state-owned insurance company, Sinosure, is reluctant to extend insurance coverage to any new power project.

WB set to provide privatisation template to Islamabad within a week (The News)

The World Bank, in a commitment made on Wednesday, has pledged its support to Pakistan's ongoing power sector reform endeavours. This multilateral donor announced that it will provide a comprehensive privatization template to Islamabad within one week aimed at expediting the privatization process of the Power Distribution Companies (Discos). Simon Stolp, South Asia Practice Manager for Energy at the World Bank, along with his team held a meeting with Caretaker Federal Minister of Privatisation, Fawad Hasan Fawad. The primary focus of the meeting was to engage in discussions for the government's privatization agenda, with a particular emphasis on assessing the performance of Discos within Pakistan's power sector.

IMF sees slight rise in govt expenditure (BR)

The International Monetary Fund (IMF) has projected an increase of 0.6 per cent in the government expenditure for Pakistan from 19.5 per cent of Gross Domestic Product (GDP) in 2023 to 20.1 per cent in 2024. According to the IMF report "Fiscal Monitor", the government gross debt for Pakistan is projected to decline from 76.6 per cent of GDP in 2023 to 72.2 per cent in 2024. The Fund has projected a decline in the net debt for Pakistan from 71.6 per cent of the GDP in 2023 to 68.3 per cent in 2024.

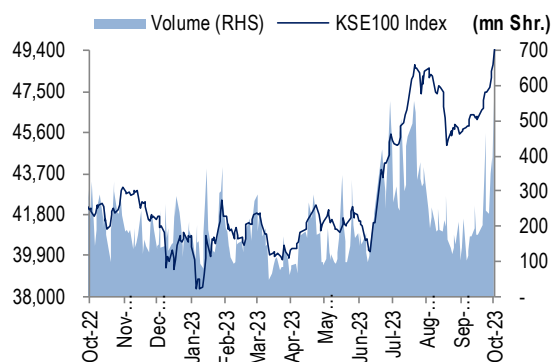
Govt defers privatization of two LNG power plants (The News)

The caretaker federal government has decided to stop privatization process for two Regasified Liquefied Natural Gas (RLNG) power plants, leaving it for the next government to decide their fate. The move of the caretaker government against continuing the privatization of the two RLNG-run power plants may not augur well for an agreement reached with the International Monetary Fund under a loan programme. Pakistan has agreed with the international lender it would complete the privatization process of both Haveli Bahadur Shah and Baloki power plants.

WB for taxation of agri income, property (BR)

The World Bank (WB) has recommended taxation of agricultural income and property, withdrawal of regressive tax exemptions, increased taxation of high-income earners, and simplification of the structure of the personal income tax. This was stated by Tobias Haque, the WB's lead country economist and Najy Benhassine, World Bank country director for Pakistan, while briefing journalists, here on Monday.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies Index Contribution

Bullish Companies

HUBC	182.0
FFC	177.8
PPL	151.1
UBL	122.6
ENGRO	117.9
	751.5

Bearish Companies

TRG	(123.4)
COLG	(14.4)
LOTCHEM	(7.6)
GHGL	(4.9)
FCEPL	(2.8)
	(153.1)

Sectors

Index Contribution

Bullish Sectors

Commercial Banks	498.4
Fertilizer	447.2
Oil & Gas Exploration Companies	283.0
Power Generation & Distribution	250.0
Cement	124.6
	1,603.2

Bearish Sectors

Technology & Communication	(79.2)
Chemical	(21.2)
Miscellaneous	(1.7)
Sugar & Allied Industries	(1.6)
Close - End Mutual Fund	(1.4)
	(105.1)

FinanceAsia

Best Investment Bank: 2022



Best Equity Advisor: 2021



Excellence Award Leading
Brokerage House for RDA 2021



Best Money Market
Broker- (Islamic) 2021

AHL Universe - Recommendation Summary

Code	Company	Price 13-Oct-23	TP Jun-24	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.	80.6	108.67	34.8	Buy	19.3	19.7	36.0	35.8	3.50	2.00	2.50	3.00	2.2	2.3	3.1	3.7	0.4	0.4	20.4	17.1	KSE100, KSE30, KMI & MSCI		
OGDC	Oil and Gas Dev Co.	98.8	135.4	37.1	Buy	21.3	31.1	52.2	39.2	6.90	7.25	8.55	7.50	1.9	2.5	8.7	7.6	0.4	0.4	23.7	15.4	KSE100, KSE30, KMI & MSCI		
POL	Pakistan Oilfields Ltd.	398.0	553.01	39.0	Buy	47.1	91.4	128.4	98.1	50.00	70.00	80.00	76.00	3.1	4.1	20.1	19.1	1.7	1.8	61.4	42.8	KSE100, KSE30 & MSCI		
MARI	Mari Petroleum Ltd	1,580.1	2,414.8	52.8	Buy	235.7	247.8	420.7	536.7	141.00	124.00	147.00	268.00	3.8	2.9	9.3	17.0	1.3	1.1	37.5	39.7	KSE100, KSE30, KMI & MSCI		
Commercial Banks																								
UBL	United Bank Ltd.*	157.1	187.9	19.6	Buy	24.8	25.8	40.5	46.6	18.00	22.00	38.00	40.00	3.9	3.4	24.2	25.5	0.8	0.7	20.6	21.4	KSE100, KSE30 & MSCI		
BAFL	Bank Alfalah*	40.0	52.8	31.9	Buy	9.2	11.7	20.6	21.4	4.00	5.00	6.00	6.50	1.9	1.9	15.0	16.3	0.5	0.4	28.9	24.2	KSE100 & MSCI		
MCB	MCB Bank Ltd.*	142.5	189.9	33.3	Buy	26.3	29.0	44.6	51.7	19.00	20.00	24.00	26.00	3.2	2.8	16.8	18.2	0.8	0.7	24.6	25.9	KSE100, KSE30 & MSCI		
HBL	Habib Bank Ltd.*	97.2	123.4	26.9	Buy	23.9	23.2	32.6	37.8	7.50	6.75	7.00	7.50	3.0	2.6	7.2	7.7	0.4	0.4	15.6	16.1	KSE100, KSE30 & MSCI		
ABL	Allied Bank Ltd.*	71.4	102.4	43.4	Buy	15.3	18.6	34.3	38.1	8.00	8.50	10.00	11.00	2.1	1.9	14.0	15.4	0.5	0.5	22.8	20.4	KSE100		
NBP	National Bank of Pakistan.*	23.0	30.4	32.2	Buy	13.4	14.5	23.8	25.3	-	-	-	-	1.0	0.9	-	-	0.1	0.1	11.1	11.0	KSE100		
AKBL	Askari Bank Ltd.*	17.2	20.2	17.3	Buy	6.7	9.7	11.4	12.7	-	-	1.00	1.50	1.5	1.4	5.8	8.7	0.3	0.2	20.4	19.0	KSE100		
BOP	The Bank of Punjab*	4.0	6.2	55.1	Buy	3.8	3.2	1.7	1.9	-	-	-	-	2.4	2.1	-	-	0.2	0.2	8.0	8.4	KSE100 & MSCI		
MEBL	Meezan Bank Ltd.*	128.4	151.6	18.1	Buy	15.8	25.1	34.1	37.2	6.00	8.50	12.00	13.00	3.8	3.5	9.3	10.1	1.4	1.1	44.1	36.0	KSE100, KSE30 & KMI		
FABL	Faysal Bank Ltd.*	24.6	34.4	40.0	Buy	5.5	7.5	9.0	10.0	1.50	7.00	2.50	3.50	2.7	2.4	10.2	14.3	0.5	0.4	19.2	19.7	KSE100, KMI & MSCI		
Fertilizer																								
ENGRO	Engro Corporation*	269.4	366.8	36.2	Buy	52.1	45.3	43.4	60.3	25.00	34.00	50.00	62.00	6.2	4.5	18.6	23.0	0.5	0.5	9.0	-	KSE100, KSE30, KMI & MSCI		
FFBL	Fauji Fert. Bin Qasim	15.7	15.2	(3.7)	Hold	4.9	1.8	0.5	2.7	-	-	-	-	31.5	5.9	-	-	0.9	0.8	2.8	13.8	KSE100, KMI & MSCI		
EFFC	Engro Fertilizer	88.3	97.3	10.2	Hold	15.8	12.0	14.7	15.9	16.50	13.50	14.00	15.00	6.0	5.6	15.8	17.0	3.0	3.5	46.9	58.2	KSE100, KSE30, KMI & MSCI		
FFC	Fauji Fertilizer Co.	102.7	136.2	32.7	Buy	17.2	15.8	21.8	25.8	14.50	12.13	17.00	20.00	4.7	4.0	16.6	19.5	2.3	2.0	51.5	54.1	KSE100, KSE30 & MSCI		
FATIMA	Fatima Fertilizer Co.	29.8	na	na	na	8.8	6.7	na	na	3.50	3.50	na	na	Group Company: No estimates are given										KSE100 & KMI
AHCL	Arif Habib Corp. Ltd.	24.7	na	na	na	18.3	8.5	8.4	na	3.00	4.00	-	-	Group Company: No estimates are given										KSEALL
Cement																								
LUCK	Lucky Cement Ltd.	592.4	954.6	61.1	Buy	44.9	48.8	43.8	72.8	-	-	18.00	20.00	13.5	8.1	3.0	3.4	1.4	1.3	10.3	14.8	KSE100, KSE30, KMI & MSCI		
LUCK	Lucky Cement Ltd.*	592.4	954.6	61.1	Buy	72.9	94.1	155.6	204.5	-	-	18.00	20.00	3.8	2.9	3.0	3.4	0.7	0.5	21.2	19.5	KSE100, KSE30, KMI & MSCI		
FCCL	Fauji Cement Co.	12.5	19.1	53.3	Buy	1.4	2.9	3.0	4.1	-	-	-	-	4.1	3.0	-	-	0.5	0.4	12.1	14.1	KSE100, KMI & MSCI		
ACPL	Attock Cement Ltd.	81.8	149.4	82.7	Buy	8.1	8.2	11.0	28.4	4.00	3.50	6.00	-	7.4	2.9	7.3	-	0.6	0.5	8.3	17.8	KSEALL, KMI & MSCI		
DGKC	D.G. Khan Cement Co.	50.0	72.0	44.1	Buy	8.5	6.8	(8.3)	8.2	1.00	1.00	-	-	(6.0)	6.1	-	-	0.3	0.3	(5.4)	5.1	KSE100, KSE30, KMI & MSCI		
KOHC	Kohat Cement Co.	176.6	291.9	65.4	Buy	17.9	25.7	29.7	36.0	-	-	-	-	5.9	4.9	-	-	1.1	0.9	19.4	19.3	KSE100, KMI & MSCI		
MLCF	Maple Leaf Cement.*	33.4	56.5	69.1	Buy	3.6	4.2	5.4	9.0	-	-	-	2.00	6.2	3.7	-	6.0	0.8	0.6	13.2	18.9	KSE100, KMI & MSCI		
POWER	Power Cement	4.1	na	na	na	0.3	(0.4)	0.2	na	-	-	-	-	Group Company: No estimates are given										KMI
Oil & Gas Marketing																								
PSO	Pakistan State Oil	128.7	202.8	57.6	Buy	62.1	183.7	12.1	64.3	15.00	10.00	7.50	10.00	10.7	2.0	5.8	7.8	0.3	0.2	2.6	12.8	KSE100, KSE30, KMI & MSCI		
APL	Attock Petroleum Ltd.	318.79	398.20	24.9	Buy	39.5	149.0	100.2	53.9	27.00	45.00	27.50	20.00	3.2	5.9	8.6	6.3	0.9	0.9	30.2	15.0	KSE100 & KMI		
SNGP	Sui Northern Gas Pipeline Ltd.	42.0	66.3	57.8	Buy	17.3	16.3	18.8	20.5	7.00	4.00	8.00	8.00	2.2	2.0	19.0	19.0	0.5	0.5	149.7	249.7	KSE100, KSE30, KMI & MSCI		
Automobile Assemblers																								
PSMC	Pak Suzuki Motor Co.	154.2	148.2	(3.9)	Hold	32.6	(77.0)	(152.6)	7.6	6.50	-	-	6.00	nm	20.4	-	3.9	1.1	0.9	(81.3)	5.0	KSE100 & KMI		
INDU	Indus Motor Co.	933.2	1,322.0	41.7	Buy	163.2	201.0	123.0	125.5	103.50	93.75	71.80	61.00	7.6	7.4	7.7	6.5	1.2	1.2	16.9	15.9	KSE100		
HCAR	Honda Atlas Cars (Pak)	156.8	122.2	(22.1)	Sell	12.6	17.6	(0.6)	9.3	4.52	7.00	-	5.00	(269.6)	16.9	-	3.2	1.2	1.1	(0.4)	6.5	KSE100 & KMI		
MTL	Millat Tractors Ltd.	469.0	389.3	(17.0)	Sell	30.1	28.3	17.6	29.6	100.00	65.00	25.00	51.00	26.6	15.9	5.3	10.9	12.8	12.8	48.1	80.8	KSE100, KSE30, KMI & MSCI		
Power Generation & Distribution**																								
HUBC	Hub Power Company*	90.9	126.9	60.2	Buy	26.0	21.9	44.4	37.7	12.00	6.50	30.00	23.75	2.0	2.4	33.0	26.1	0.9	0.7	44.1	32.1	KSE100, KSE30, KMI & MSCI		
NCPL	Nishat Chu. Power Ltd.	22.1	21.03	8.9	Hold	6.8	6.8	10.8	12.8	-	10.00	-	4.00	2.0	1.7	-	18.1	0.3	0.3	16.4	18.2	KMI & MSCI		
NPL	Nishat Power Limited	27.0	23.3	1.2	Hold	7.6	9.4	11.6	13.3	1.50	4.50	7.00	6.00	2.3	2.0	25.9	22.2	0.3	0.3	14.1	15.2	KSEALL & MSCI		
Textile Composite																								
NML	Nishat Mills Ltd.	63.7	84.8	33.2	Buy	16.8	29.3	34.6	37.6	4.00	4.00	5.00	7.50	1.8	1.7	7.9	11.8	0.2	0.2	14.4	13.8	KSE100, KMI & MSCI		
NCL	Nishat (Chunian) Ltd.	23.1	32.7	41.5	Buy	23.3	31.1	(4.2)	12.0	5.00	7.00	-	4.00	(5.6)	1.9	-	17.3	0.3	0.2	(4.4)	12.7	KSEALL		
FML	Feroze1888 Mills Ltd.	96.5	104.3	8.1	Hold	10.8	8.5	22.5	15.5	3.43	4.27	10.93	6.00	4.3	6.2	11.3	6.2	1.1	1.1	26.9	17.3	KMI		
ILP	Interloop Ltd.	45.7	71.4	56.4	Buy	4.5	8.8	14.4	13.6	2.50	4.00	5.00	5.50	3.2	3.4	11.0	12.0	1.5	1.1	54.7	37.6	KSE100 & KMI		
Chemicals																								
LOTCEM	Lotte Chemical Pak Ltd.	26.70	26.32	(1.4)	Hold	3.1	6.7	4.4	4.6	1.50	6.00	3.50	2.50	6.1	5.8	13.1	9.4	1.7	1.5	28.1	27.0	KSE100 & KMI		
EPCL	Engro Polymer & Chem.	42.0	51.9	23.6	Buy	16.6	12.9	6.3	10.3	16.30	12.50	5.00	7.25	6.7	4.1	11.9	17.3	1.4	1.3	20.7	32.1	KSE100, KSE30 & KMI		
LCI	Lucky Core Industries Limited	575.0	920.1	60.0	Buy	60.3	91.7	190.1	86.9	40.00	35.00	43.00	20.00	3.0	6.6	7.5	3.5	1.2	0.8	45.5	14.6	KSE100 & KMI		
Engineering																								
ASTL	Amreli Steels Ltd.	22.2	24.0	8.1	Hold	4.61	4.46	(2.28)	4.35	-	-	-	-	(9.7)	5.1	-	-	0.4	0.4	(4.3)	7.7	KSEALL		
AGHA	Agha Steel Industries Ltd.	11.8	18.3	54.8	Buy	3.37	3.07	1.50	2.16	-	-	-	-	7.9	5.5	-	-	0.4	0.4	5.6	7.6	KMI		
ASL	Aisha Steel Mills Ltd.	6.1	na	na	na	6.9	1.2	(3.5)	na	2.00	-	-	-	Group Company: No estimates are given										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
HCAR	156.78	17.29	29.84	(5.70)	156.78	102.63	156.78	82.41	180.59	82.41
PSMC	154.20	15.68	25.19	(9.70)	154.20	102.53	154.20	82.38	175.80	82.38
PPL	80.62	10.71	8.84	20.02	80.62	66.05	80.62	56.30	82.65	50.33
AKBL	17.22	10.60	10.46	(1.48)	17.22	13.95	17.22	12.12	18.70	12.12
ASTL	22.16	9.87	11.41	23.45	23.10	18.29	23.10	14.99	27.01	14.99
AGHA	11.83	9.64	15.19	(14.89)	11.91	9.19	11.96	9.11	15.57	9.11
FFC	102.68	9.33	10.60	15.60	102.92	90.97	102.92	90.97	102.92	88.50
APL	318.79	7.82	15.33	20.92	321.05	268.70	321.05	268.70	321.05	252.31
EFERT	88.34	7.67	16.36	31.56	88.73	75.37	88.73	75.37	88.73	65.42
HUBC	90.89	7.64	10.37	73.69	90.89	72.77	90.89	59.76	90.89	47.91
ITTEFAQ	5.99	6.21	6.21	7.93	7.12	4.75	7.12	4.40	7.15	4.20
MEBL	128.39	6.18	12.02	41.55	130.06	107.21	130.06	80.38	130.06	80.38
DGKC	50.00	6.04	15.15	(3.18)	57.99	41.54	57.99	41.54	59.95	39.44
ENGRO	269.41	5.96	12.19	19.56	273.62	240.14	280.67	233.99	280.67	194.58
UBL	157.07	5.81	9.38	98.39	157.07	121.84	157.07	90.56	157.07	72.38
MTL	469.02	5.76	12.18	62.41	469.02	394.81	469.02	334.57	469.02	284.33
NCL	23.11	4.90	12.79	10.89	25.02	19.98	25.02	19.98	32.32	19.98
INDU	933.23	4.90	4.27	(0.50)	956.74	885.06	956.74	858.44	963.00	748.97
FML	96.50	4.89	5.75	57.59	96.50	67.98	96.50	56.11	96.50	53.25
FCCL	12.46	4.71	10.17	3.66	13.09	10.54	13.09	10.54	14.79	10.51
MLCF	33.42	4.60	11.62	48.07	33.42	27.05	33.42	26.26	33.42	19.34
PSO	128.66	4.53	4.82	(10.65)	137.47	109.96	137.47	99.03	158.36	99.03
BAFL	40.00	4.41	3.98	54.71	41.97	31.97	41.97	26.34	41.97	24.29
MCB	142.51	4.37	10.17	42.52	145.75	122.15	145.75	104.51	145.75	92.59
FFBL	15.74	4.24	14.56	2.67	15.93	12.94	15.93	11.11	19.69	11.11
SNGP	48.62	4.07	3.49	33.96	48.62	41.02	48.62	38.05	48.62	30.56
MARI	1,580.06	3.36	1.28	12.64	1,643.40	1,474.96	1,643.40	1,439.52	1,643.40	1,260.12
OGDC	98.77	3.00	2.39	29.95	107.66	84.18	107.66	73.69	107.66	65.23
POL	397.97	2.61	2.11	22.87	398.46	361.06	398.46	344.26	398.46	299.86
HBL	97.19	2.38	7.46	61.72	104.31	76.55	104.31	65.98	104.31	56.50
FABL	24.55	2.16	10.09	3.92	25.36	21.25	25.36	19.12	27.60	19.12
LUCK	592.44	2.11	4.98	37.19	605.87	514.35	605.87	379.99	605.87	371.22
FATIMA	29.76	1.88	2.98	6.08	29.78	25.44	29.78	25.44	31.89	23.90
ABL	71.43	1.88	2.03	24.88	72.00	67.53	72.00	58.01	72.00	54.11
ILP	45.65	1.72	5.67	33.67	45.94	34.93	45.94	28.44	45.94	28.44
BOP	4.01	1.52	1.01	(3.49)	4.82	3.42	4.82	3.19	5.06	3.19
HUMNL	5.58	1.09	1.45	(4.45)	6.15	5.35	6.15	5.30	6.24	5.24
NML	63.67	1.06	6.08	15.78	69.51	57.60	69.51	53.59	69.51	49.40
KOHC	176.55	0.90	4.32	19.53	189.83	151.84	189.83	144.06	189.83	115.77
AHCL	24.67	0.69	(2.76)	(28.37)	28.67	24.35	30.45	23.25	35.00	23.25
EPCL	41.99	0.33	6.82	10.62	44.62	39.31	44.62	38.59	49.89	36.20
KAPCO	27.00	0.07	1.20	15.23	27.40	23.46	27.40	20.23	27.40	20.23
LCI	575.01	0.04	0.51	(3.50)	648.47	554.30	648.47	502.50	657.47	485.52
NBP	23.00	-	(0.09)	(2.50)	26.50	20.22	26.50	18.89	26.50	18.89
NPL	26.99	(0.63)	8.05	65.37	27.16	20.41	27.16	16.03	27.16	15.23
POWER	4.06	(2.17)	0.25	(12.12)	4.38	3.49	4.45	3.49	5.06	3.49
NCPL	22.06	(2.48)	(1.34)	55.02	24.22	17.91	24.22	14.11	24.22	12.78
ACPL	81.77	(3.98)	1.44	55.14	90.67	73.13	90.67	53.49	90.67	48.59

Source (s): Bloomberg, AHL Research

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.2	1.4	3.0	2.7	2.8	3.4	3.6	3.5	2.0	2.9	11.9	-75.3%
P/E (x)	12.8	18.4	8.9	10.7	12.7	14.4	9.8	15.0	9.1	12.4	3.9	-68.8%
P/B (x)	1.7	2.7	1.4	1.3	1.2	1.4	1.1	2.0	0.8	1.5	0.6	-60.6%

Source: Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	195.58	197.62	SELL	(2.03)
Companies	15.49	12.38	BUY	3.11
Banks / DFIs	6.20	6.72	SELL	(0.53)
NBFC	0.07	0.10	SELL	(0.03)
Mutual Funds	10.04	10.45	SELL	(0.41)
Other Organizations	1.52	1.52	BUY	0.00
Broker Proprietary Trading	42.04	41.48	BUY	0.57
Insurance Companies	1.29	3.37	SELL	(2.08)
Total	272.24	273.64	SELL	(1.41)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	130.34	129.38	BUY	0.97
Companies	10.44	8.32	BUY	2.12
Banks / DFIs	18.38	4.76	BUY	13.61
NBFC	0.03	0.06	SELL	(0.03)
Mutual Funds	7.18	7.38	SELL	(0.20)
Other Organizations	0.69	0.85	SELL	(0.16)
Broker Proprietary Trading	31.88	35.36	SELL	(3.48)
Insurance Companies	0.57	1.34	SELL	(0.77)
Total	199.50	187.46	BUY	12.05

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	14.27	14.82	SELL	(0.55)
Fertilizer	11.51	11.66	SELL	(0.15)
Cement	15.68	16.40	SELL	(0.72)
Power Generation & Distribution	15.06	15.31	SELL	(0.25)
Exploration & Production	35.82	36.70	SELL	(0.88)
Oil & Gas Marketing Companies	28.16	28.32	SELL	(0.15)
Food and Personal Care Products	9.99	9.99	BUY	0.01
Textile Composite	3.24	3.25	SELL	(0.01)
Technology and Communication	33.81	34.85	SELL	(1.04)
Debt	1.24	1.24	SELL	-
All other Sectors	103.45	101.12	BUY	2.33
Total	272.24	273.64	SELL	(1.41)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	26.11	17.24	BUY	8.87
Fertilizer	7.39	5.86	BUY	1.53
Cement	20.01	20.01	BUY	0.00
Power Generation & Distribution	8.08	7.92	BUY	0.16
Exploration & Production	37.91	38.71	SELL	(0.79)
Oil & Gas Marketing Companies	16.44	16.34	BUY	0.10
Food and Personal Care Products	5.17	5.32	SELL	(0.15)
Textile Composite	4.89	5.40	SELL	(0.51)
Technology and Communication	21.01	20.79	BUY	0.22
Debt	-	-	SELL	-
All other Sectors	50.50	47.89	BUY	2.61
Total	197.52	185.47	BUY	12.05

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.08	0.10	SELL	(0.02)
Foreign Corporates	6.58	5.24	BUY	1.34
Overseas Pakistani	13.58	13.50	BUY	0.08
Total	20.24	18.84	BUY	1.41

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.06	0.05	BUY	0.01
Foreign Corporates	4.70	15.13	SELL	(10.43)
Overseas Pakistani	8.68	10.30	SELL	(1.62)
Total	13.44	25.49	SELL	(12.05)

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	2.20	1.65	BUY	0.55
Fertilizer	1.14	1.00	BUY	0.15
Cement	1.66	0.95	BUY	0.71
Power Generation & Distribution	1.15	0.91	BUY	0.24
Exploration & Production	2.86	1.99	BUY	0.87
Oil & Gas Marketing Companies	1.74	1.58	BUY	0.15
Food and Personal Care Products	0.65	0.66	SELL	(0.01)
Textile Composite	0.14	0.13	BUY	0.01
Technology and Communication	3.00	1.96	BUY	1.03
All other Sectors	5.65	7.97	SELL	(2.32)
Total	20.19	18.80	BUY	1.41

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	2.40	11.27	SELL	(8.87)
Fertilizer	0.43	1.97	SELL	(1.53)
Cement	1.16	1.17	SELL	(0.00)
Power Generation & Distribution	0.42	0.58	SELL	(0.16)
Exploration & Production	1.79	1.00	BUY	0.79
Oil & Gas Marketing Companies	0.94	1.04	SELL	(0.10)
Food and Personal Care Products	1.66	1.50	BUY	0.15
Textile Composite	0.80	0.29	BUY	0.51
Technology and Communication	1.02	1.24	SELL	(0.22)
All other Sectors	2.81	5.42	SELL	(2.61)
Total	13.44	25.49	SELL	(12.05)

Source (s): NCCPL, AHL Research

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)
Argentina	MERVAL Index	760,674	21.0	35.2	90.5	Ukraine	PFTS Index	507	0.4	1.3	(1.1)
Poland	WIG20 Index	1,982	6.5	5.0	12.2	Egypt	EGX30 Index	20,002	0.3	(0.9)	9.8
Pakistan	KSE100 Index	49,493	6.1	11.0	(0.13)	Chile	IPSA Index	5,820	0.3	(5.9)	(0.5)
Denmark	KFX Index	2,251	6.0	5.4	20.1	India	SENSEX Index	66,283	0.3	0.5	8.2
Russia	IMOEX Index	3,195	5.1	1.3	11.6	Indonesia	JCI Index	6,927	0.2	(1.6)	(0.2)
Norway	OBXP Index	585	4.8	(1.0)	(4.9)	Singapore	FSSTI Index	3,186	0.2	(1.1)	(4.1)
Russia	RTSI\$ Index	1,034	4.8	2.7	6.6	Belgium	BEL20 Index	3,520	0.1	(0.2)	(5.4)
South Africa	JALSH Index	73,195	4.6	1.2	(9.5)	Belgium	BEL20 Index	3,520	0.1	(0.2)	(5.4)
Brazil	IBOV Index	117,051	4.6	(0.6)	11.4	Europe	SX5E Index	4,164	0.1	(0.6)	8.0
Japan	NKY Index	32,316	4.1	1.4	8.5	Germany	DAX Index	15,301	0.1	(0.9)	8.1
Zimbabwe	ZHIALSH Index	138,487	3.1	(0.4)	(18.2)	Spain	IBEX Index	9,273	0.0	(2.0)	10.9
Thailand	SET Index	1,451	2.5	(0.8)	(17.1)	Czech Republic	PX Index	1,347	(0.0)	(1.7)	7.9
Portugal	PSI20 Index	6,053	2.4	(1.0)	4.0	Tunisia	TUSISE Index	8,486	(0.1)	0.0	2.6
Sweden	OMX Index	2,199	2.2	1.6	2.3	Slovenia	SBITOP Index	1,168	(0.1)	(0.9)	9.8
Vietnam	VNIndex Index	1,155	2.1	(0.4)	10.8	Philippines	PCOMP Index	6,266	(0.1)	(1.2)	(6.5)
Mexico	MEXBOL Index	49,745	2.0	(5.0)	11.9	Kenya	NSEASI Index	94	(0.1)	(2.3)	(39.2)
Hong Kong	HSI Index	17,813	2.0	0.1	(10.2)	Kazakhstan	KZKAK Index	4,055	(0.2)	(1.0)	21.0
Greece	ASE Index	1,163	1.9	(4.2)	23.1	Latvia	RIGSE Index	1,364	(0.2)	0.7	16.4
Finland	HEX Index	9,575	1.7	(0.4)	(12.8)	Lithuania	VILSE Index	938	(0.2)	(0.9)	(2.6)
Italy	FTSEMIB Index	28,359	1.6	0.0	17.7	Bahrain	BHSEASI Index	1,946	(0.3)	0.3	2.7
Malaysia	FBMKLCI Index	1,444	1.6	0.7	(10.1)	Bulgaria	SOFIX Index	752	(0.5)	(0.9)	23.1
South Korea	KOSPI Index	2,456	1.5	0.2	2.7	France	CAC Index	7,045	(0.6)	(1.6)	7.1
Mongolia	MSETOP Index	35,299	1.5	(0.2)	(6.4)	Ghana	GGSECI Index	3,146	(0.6)	(2.6)	10.6
Hungary	BUX Index	56,222	1.4	0.8	29.9	Ireland	ISEQ Index	8,260	(0.8)	(2.2)	14.3
USA	NDX Index	15,184	1.4	3.2	38.8	China	SHSZ300 Index	3,663	(0.8)	(0.8)	(10.6)
Switzerland	SMI Index	10,928	1.3	0.7	3.7	Lebanon	BLOM Index	1,777	(1.0)	(0.1)	26.0
Canada	SPTSX Index	19,500	1.3	(1.1)	(0.4)	Estonia	TALSE Index	1,820	(1.1)	(2.2)	1.4
Taiwan	TWSE Index	16,783	1.3	2.7	13.2	Mauritius	SEMDEX Index	2,123	(1.2)	(0.8)	0.9
Romania	BET Index	14,257	1.3	(0.7)	19.8	New Zealand	NZSE Index	1,708	(1.3)	(1.7)	(11.2)
UK	UKX Index	7,618	1.3	(0.0)	3.0	Serbia	BELEX15 Index	882	(1.4)	(0.9)	5.6
Netherland	AEX Index	739	1.3	1.0	5.5	Sri Lanka	CSEALL Index	10,813	(1.5)	(4.7)	44.8
Oman	MSM30 Index	4,786	1.1	2.3	(1.5)	Jordan	JOSMGNFF Index	2,434	(1.6)	0.8	(2.7)
Luxembourg	LUXXX Index	1,398	1.0	(1.4)	(5.9)	Saudi Arabia	SASEIDX Index	10,586	(1.7)	(4.3)	1.3
USA	SPX Index	4,350	1.0	1.4	13.3	Croatia	CRO Index	2,374	(1.8)	(2.7)	18.3
USA	INDU Index	33,631	0.7	0.4	1.5	Iceland	ICEXI Index	1,885	(2.3)	(3.3)	(12.8)
Austria	ATX Index	3,153	0.7	(0.9)	(0.8)	Uae	ADSMI Index	9,483	(2.8)	(3.1)	(7.1)
Nigeria	NGSEINDX Index	67,180	0.6	1.7	(21.7)	Dubai	DFMGI Index	3,965	(4.8)	(4.8)	18.8
Australia	AS51 Index	7,051	0.6	(1.8)	(7.1)	Turkey	XU100 Index	8,118	(4.8)	(4.0)	(0.9)
Qatar	DSM Index	10,120	0.5	(1.3)	(5.1)						

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

Key Economic Data & Commodities Prices

Month end	Units	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Current*
Money Market Data														
03-M T-Bill	%	15.6	16.8	16.7	17.75	19.53	21.60	21.90	22.09	22.65	22.95	23.13	22.46	22.21
06-M T-Bill	%	15.7	16.9	17.0	17.87	19.82	21.32	21.80	22.00	22.87	22.99	23.20	22.81	22.51
12-M T-Bill	%	15.7	16.9	17.0	17.95	19.93	21.39	21.76	22.00	22.93	23.02	23.28	22.90	22.60
03-Y PIB	%	14.1	15.1	15.6	16.83	18.20	18.33	18.30	19.10	19.47	19.46	20.57	19.11	18.53
05-Y PIB	%	13.2	14.0	14.6	15.48	15.80	15.23	15.00	15.10	16.08	16.86	17.22	17.23	16.51
10-Y PIB	%	12.9	13.5	13.7	14.45	15.50	15.22	15.10	15.10	15.32	15.96	16.31	16.12	15.98
06-M KIBOR	%	15.8	17.0	17.0	17.97	20.06	22.03	22.06	22.18	22.97	23.22	23.21	22.95	22.76
Policy Rate	%	15.00	16.00	16.00	17.00	17.00	20.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00
Inflation (YoY)														
Headline (CPI New Base)	%	26.6	23.8	24.5	27.6	31.6	35.4	36.4	38.0	29.4	28.3	27.4	31.4	31.4
Monetary Sector														
M1	PKR bn	22,578	22,805	22,963	22,798	23,131	24,074	24,802	25,017	26,157	25,857	25,964	n.a	25,964
M2	PKR bn	27,296	27,387	27,335	27,292	27,878	28,732	29,433	29,859	31,280	30,966	31,209	n.a	31,209
M3	PKR bn	30,737	30,818	30,744	30,688	31,241	32,070	32,743	33,140	34,545	34,246	34,483	n.a	34,483
Banking Sector														
Deposits	PKR bn	22,412	22,732	22,467	22,754	22,921	23,562	23,429	24,388	25,508	25,702	26,110	n.a	26,110
Advances	PKR bn	11,052	11,092	11,913	11,659	11,723	11,836	12,111	12,072	12,202	11,898	11,775	n.a	11,775
Investment	PKR bn	18,285	18,483	17,902	19,293	18,993	19,236	19,695	20,144	20,896	21,468	22,016	n.a	22,016
WALR	%	14.0	14.12	14.6	15.0	15.5	16.3	17.6	17.7	18.2	18.4	18.9	na	18.9
WADR	%	7.7	7.79	8.1	8.0	8.7	8.7	9.7	10.2	10.5	11.3	11.3	na	11.3
Spread	%	6.2	6.33	6.5	7.0	6.8	7.5	7.9	7.6	7.7	7.1	7.6	na	7.6
External Sector														
Forex Reserves	USD bn	14.7	13.4	10.8	8.4	9.3	9.8	10.0	9.5	9.2	13.5	13.2	13.0	13.0
With SBP	USD bn	8.9	7.5	5.3	3.1	3.8	4.2	4.5	4.1	4.4	8.2	7.8	7.6	7.6
With Banks	USD bn	5.8	5.9	5.6	5.3	5.5	5.6	5.6	5.4	4.7	5.3	5.3	5.4	5.4
Exchange rate	PKR/USD	220.9	223.9	226.4	267.9	261.5	283.7	283.8	285.5	286.0	286.6	305.5	287.7	277.6
C/A Balance	USD mn	(569.0)	(252.0)	(290.0)	(230.0)	(36.0)	750.0	78.0	220.0	504.0	(775.0)	(160.0)	n.a	(160.0)
Exports	USD bn	2.3	2.2	2.3	2.2	2.2	2.4	2.1	2.6	2.1	2.1	2.4	n.a	2.4
Imports	USD bn	4.6	4.3	4.2	3.9	3.9	4.0	3.7	3.8	3.2	4.2	4.3	n.a	4.3
Trade Balance	USD bn	(2.3)	(2.1)	(1.9)	(1.7)	(1.7)	(1.6)	(1.6)	(1.2)	(1.1)	(2.1)	(1.9)	n.a	(1.9)
Remittances	USD bn	2.2	2.1	2.0	1.9	2.0	2.5	2.2	2.1	2.2	2.0	2.1	2.2	2.2
Key Commodities Prices														
International														
Coal	USD/ton	214.6	250.8	205.6	141.7	143.1	132.5	127.9	100.2	100.3	102.7	113.1	122.5	132.9
Steel (HRC)	USD/ton	509.5	550.6	595.5	635.9	628.8	636.2	574.0	519.9	531.7	569.1	543.3	532.3	519.6
PTA	USD/ton	805.0	795.0	790.0	830.0	785.0	840.0	875.0	780.0	770.0	825.0	800.0	830.0	775.0
Gold	USD/oz	1,633.6	1,768.5	1,824.0	1,928.4	1,826.9	1,980.4	1,990.0	1,962.7	1,913.7	1,965.1	1,940.2	1,864.9	1,868.9
Cotton (COTLOOK A)	USd/lb	92.5	97.5	99.3	102.0	99.4	96.5	93.2	93.8	89.3	94.9	97.0	98.4	95.9
Crude oil (WTI)	USD/bbl	86.5	80.6	80.3	78.9	77.1	74.4	76.8	68.1	67.7	81.8	83.6	91.7	82.9
Crude oil (Arab Light)	USD/bbl	95.6	85.3	84.2	82.9	83.4	78.8	80.9	74.7	77.8	88.8	90.5	97.7	91.7
Crude oil (Brent)	USD/bbl	94.8	85.4	85.9	84.5	83.9	79.3	79.5	72.7	72.3	85.6	86.9	95.4	86.0
Local														
Cotton	PKR/maund	16,000.0	16,500.0	17,000.0	21,000.0	20,000.0	18,700.0	20,000.0	20,000.0	17,500.0	17,935.0	20,100.0	17,700.0	16,600.0
Cement	PKR/bag	1,033.2	1,043.5	1,043.7	1,043.0	1,109.9	1,125.8	1,120.9	1,121.4	1,144.7	1,140.8	1,177.0	1,196.1	1,201.8
Gold	PKR/10 grms	128,090	138,460	158,780	173,190	166,580	178,160	188,230	197,620	185,270	190,590	207,050	176,270	172,330

*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 Jun'24 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 a shareholding in NBP, FCCL, MLCF and UNITY.