

## Range-Bound

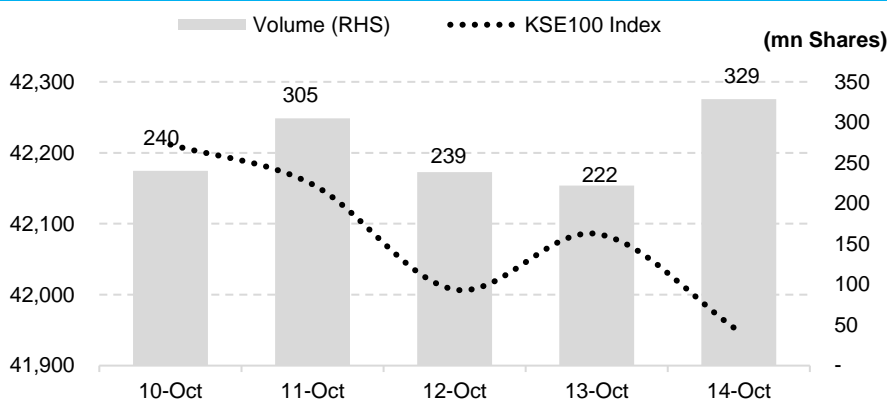
The market commenced on positive note this week as the investors anticipated that the policy rate would remain unchanged at 15%. However, the momentum turned negative after Moodys downgraded rating of five commercial banks of Pakistan, maintaining a negative outlook. Moreover, remittances witnessed a decline of 12% YoY in Sep'22. In addition to this, the Pak Rupee after appreciating against USD since last two weeks, broke the streak and closed the week at PKR 218.43 (up by PKR 1.49 | 0.7% WoW). The SBP reserves depleted by USD 303mn, reaching a 3-Yr low of USD 7.6bn. Furthermore, the automobile sales plummeted by 51% YoY, reaching a 27-month low level. Meanwhile, fall in Govt bond yields post monetary policy and expectation of flood relief support from international financial institutions cushioned the overall dip. The market closed at 41,949 points, shedding 137 points (down by 0.3%) WoW.

Sector-wise negative contributions came from i) Technology & Communication (117pts), ii) Commercial Banks (48pts), iii) Tobacco (32pts), iv) Cement (15pts) and v) Engineering (12pts). Whereas, sectors which contributed positively were i) E&Ps (46pts), and ii) Refinery (22pts). Scrip-wise negative contributors were TRG (207pts), PAKT (32pts), MEBL (24pts), EFERT (19pts) and ENGRO (18pts). Meanwhile, scrip-wise positive contribution came from SYS (83pts), POL (20pts), LOTCHEM (17pts), OGDG (16pts) and NESTLE (15pts).

Foreigners buying continued during this week, clocking in at USD 12.3mn compared to a net buy of USD 4.7mn last week. Major buying was witnessed in Technology (USD 12.4mn), Power (USD 0.8mn) and Cement (USD 0.3mn). On the local front, selling was reported by Broker Proprietary Trading (USD 4.8mn) followed by Companies (USD 4.0mn). Average volumes clocked in at 267mn shares (down by 39% WoW) while average value traded settled at USD 44mn (down by 7% WoW).

Other major news: i) PSO wins arbitration case against Gunvor over LNG payments, ii) SECP registers 2,434 new firms in September, iii) Gas, condensate discovered in Sanghar, iv) Inflation rate at 19.9pc: IMF projects 3.5pc growth for 2023.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

## Outlook and Recommendation

We expect the market to be positive in the upcoming week, given anticipation of FATF decision over expected exit of Pakistan from grey list. Moreover, with the ongoing result season, certain sectors and scrips are expected to stay under the limelight given anticipation of robust results. Our preferred stocks are OGDG, PPL, MARI, MCB, FABL, MEBL, BAFL, LUCK, MLCF, FCCL, ENGRO, FFC, HUBC, PSO, HUMNL and SNGP. The KSE-100 is currently trading at a PER of 4.1x (2023) compared to Asia Pac regional average of 12.0x while offering a dividend yield of ~9.8% versus ~3.0% offered by the region.

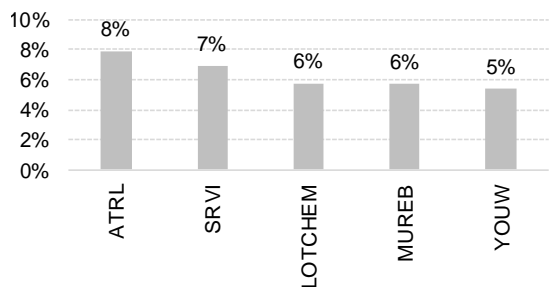
## PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	41,949	(0.3)	(5.9)
KSEAll	28,555	(0.1)	(7.1)
KSE30	15,534	(2.0)	(11.2)
KMI30	70,295	0.4	(1.9)
BKTI	9,907	(0.3)	(23.2)
OGTI	10,132	0.1	(11.7)

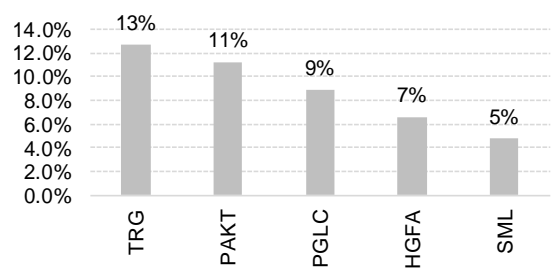
## PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	52.0	1.6
TRG	20.5	125.9
PAEL	13.1	16.5
PRL	12.4	17.6
KEL	11.4	2.9

## Major Gainers (KSE100 Index)



## Major Losers (KSE100 Index)



## Analyst

AHL Research

research@arifhabibltd.com

+92-21-32462589



Best Brokerage House of the Year 2021

Best Economic Research House of the Year: 2021

Corporate Finance House of the Year: 2021

Best Equity Research Analyst: 2021



Best Securities House: 2022  
Best Investment Bank: 2022



Best Broker in Pakistan

## Business & Economic developments during the week.

### SBP forecasts high inflation, weak growth; Policy rate kept unchanged at 15pc (BR)

While maintaining the key policy rate at 15 percent, the Monetary Policy Committee (MPC) of State Bank of Pakistan (SBP) has estimated GDP growth around 2 percent in FY23 against the previous forecast of 3-4 percent before the floods. The meeting of MPC was held on Monday at the SBP head office and was chaired by newly-appointed Governor SBP Jameel Ahmed. During the meeting, based on currently available information, the MPC was of the view that the existing monetary policy stance strikes an appropriate balance between managing inflation and maintaining growth in the wake of the floods. Therefore, the committee decided to maintain the policy rate at 15 percent.

### Thar Coal Project to help save \$6bn: PM Shehbaz Sharif (The News)

Prime Minister Shehbaz Sharif Monday said amid skyrocketing fuel prices, inexpensive energy production from Thar Coal Mines Project would prove to be a game-changer for development of entire Pakistan. Addressing the inauguration of commercial operations of Phase-II of Sindh Engro Coal Mining Company (SECMC) during his visit to Thar Coal Mines Block-II, Shehbaz said the project could help the government save up to \$6 billion, as the expenditure on import of petrol and liquid petroleum touched \$24 billion. He said Thar Coal Project was high on the government' agenda in view of reduced cost of power generation. Shahbaz inaugurated 330MW Power Plant of Thar Energy Limited (TEL) and also inspected the construction site of SECMC Mine Phase-II at Islamkot.

### IMF projects decline in govt gross debt (BR)

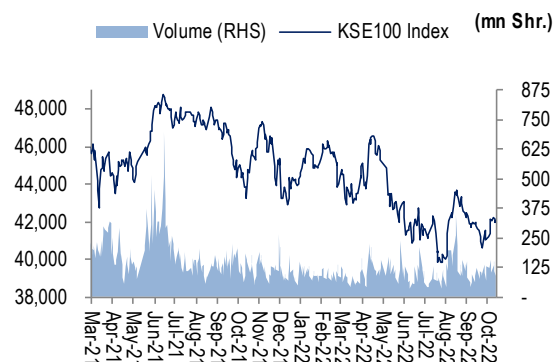
The International Monetary Fund (IMF) has projected a decline in the government gross debt for Pakistan from 77.8 percent of Gross Domestic Product (GDP) in 2022 to 71.1 percent in 2023. However, the fiscal year 2022-23 projections for Pakistan are based on information available as of the end of August 2022 and do not include the impact of the recent floods. According to the IMF report, "Fiscal Monitor, Helping People Bounce Back," the net debt for Pakistan is projected to decline from 71.5 per cent of the GDP in 2022 to 66.1 per cent in 2023.

### Nepra approves reduction of Rs4.89 per unit in FCA for KE consumers (Dawn)

The National Electric Power Regulatory Authority (Nepra) approved on Friday a reduction of Rs4.89 per unit for K-Electric (KE) consumers on account of fuel cost adjustment (FCA) for electricity consumed in August. Meanwhile, the power regulator raised the price by Rs0.19 per unit for the consumers of ex-Wapda Distribution Companies (Discos), also on account of FCA for the month of August. Changes in both rates will be reflected in the bills for October. In its notification for adjustment in electricity rates of KE, Nepra said the negative FCA would be applicable to all consumer categories except lifeline consumers, domestic consumers using up to 300 units, agriculture consumers and electric vehicle charging stations.

### PSDP spending cut to just Rs48b (Tribune)

An acute economic crisis has forced the federal government to drastically cut the development expenditure in the first quarter of current fiscal year to just Rs48 billion, which is hardly 7% of the annual allocation and less than two-thirds of the official target for the quarter. Documents of the Ministry of Finance showed that at least 10 ministries did not spend a penny on development works during the July-September period of current fiscal year due to no budget sanctioning. Another group of 12 ministries received less than 5% of their annual allocation, a reduction made in view of the severity of the economic crisis. According to the documents, the overall spending under the Public Sector Development Programme (PSDP) was slightly over Rs48 billion during the July-September period. The expenditures were hardly 6.6% of the annual allocation.



### Top Contributors in KSE100 Index

Companies	Index Contribution
<b>Bullish Companies</b>	
SYS	82.9
POL	20.1
LOTCHEM	16.9
OGDC	15.6
NESTLE	14.6
	<b>150.0</b>
<b>Bearish Companies</b>	
TRG	(206.8)
PAKT	(32.1)
MEBL	(24.1)
EFERT	(18.7)
ENGRO	(17.7)
	<b>(299.4)</b>

Sectors	Index Contribution
<b>Bullish Sectors</b>	
Oil & Gas Exploration Companies	46.4
Refinery	22.1
Leather & Tanneries	11.1
Food & Personal Care Products	10.4
	<b>89.9</b>
<b>Bearish Sectors</b>	
Technology & Communication	(116.6)
Commercial Banks	(47.9)
Tobacco	(32.1)
Cement	(15.3)
Engineering	(12.1)
	<b>(224.0)</b>



Best Brokerage House of the Year 2021

Best Economic Research House of the Year: 2021

Corporate Finance House of the Year: 2021

Best Equity Research Analyst: 2021



Best Securities House: 2022  
Best Investment Bank: 2022



Best Broker in Pakistan

## AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
LOTCHEM	32.09	5.77	12.40	165.11	34.08	20.97	34.08	14.19	34.08	11.45
NCPL	14.01	5.10	5.34	43.73	16.40	9.78	16.40	8.71	16.40	7.27
FATIMA	38.19	3.27	(0.37)	15.71	38.87	35.00	41.29	35.00	41.29	26.55
FCCL	14.30	3.06	7.32	(12.43)	14.30	11.32	16.52	11.32	19.10	11.32
NPL	19.36	3.03	0.42	21.35	24.72	17.43	24.72	14.43	24.72	13.70
FFBL	19.59	1.77	0.88	(20.94)	21.06	19.20	24.93	19.20	27.34	19.20
POL	363.88	1.67	4.23	21.67	376.71	329.35	376.71	328.05	376.71	279.96
ACPL	84.70	1.41	5.70	(36.99)	90.38	65.78	121.55	65.33	143.23	65.33
OGDC	73.91	1.24	0.91	(8.30)	84.60	70.13	84.60	70.13	88.81	70.13
MTL	837.71	1.24	1.66	46.54	904.79	808.57	910.70	753.61	910.70	566.20
INDU	960.84	0.98	1.89	(18.18)	1,128.61	943.01	1,348.91	943.01	1,408.28	943.01
KAPCO	31.64	0.83	7.11	10.32	32.81	26.53	32.81	26.24	32.81	23.61
BAFL	31.50	0.80	1.16	3.94	33.35	27.66	33.71	27.66	34.21	27.66
PTL	29.99	0.67	(3.07)	(28.18)	34.69	29.17	34.69	24.62	47.28	24.62
PPL	58.99	0.60	(4.00)	(23.98)	74.31	58.27	79.00	58.27	85.92	58.27
ICI	664.79	0.50	(0.17)	(8.31)	752.17	653.44	810.27	653.44	810.27	653.44
MARI	1,611.26	0.43	2.97	4.90	1,657.95	1,540.80	1,724.77	1,527.94	1,733.59	1,488.92
FFC	101.98	0.30	0.66	11.81	104.80	100.06	120.53	100.06	120.53	87.01
HTL	39.11	0.28	(0.84)	(6.31)	43.74	35.71	47.27	35.71	58.18	35.71
PSO	168.20	0.24	3.55	(7.53)	192.82	160.17	192.82	155.63	196.85	155.63
SNGP	31.78	0.22	1.94	18.77	33.11	28.35	33.11	20.70	34.86	20.70
FML	69.50	0.14	2.22	(2.95)	73.00	63.11	74.64	59.85	99.21	59.85
LUCK	512.41	0.11	3.19	(24.57)	523.37	411.93	609.61	411.93	790.31	411.93
HUBC	63.58	0.08	13.13	20.43	64.18	51.16	64.18	50.67	64.18	50.67
MCB	117.01	(0.03)	(2.09)	(15.73)	128.10	114.53	142.44	114.53	148.79	114.53
NCL	35.93	(0.03)	0.39	(16.35)	49.19	34.05	53.19	34.05	55.46	34.05
HBL	71.55	(0.04)	2.64	(34.96)	96.95	68.19	111.94	68.19	120.72	68.19
UBL	112.75	(0.17)	(1.86)	(7.80)	120.86	104.48	132.90	104.48	134.32	104.48
SGF	36.74	(0.19)	(4.47)	(12.21)	40.69	35.74	46.55	35.74	48.80	35.74
APL	278.60	(0.20)	(0.10)	25.36	293.66	242.82	293.66	221.72	293.66	209.85
ABL	63.38	(0.52)	(2.34)	(16.82)	68.17	61.75	80.56	61.75	84.68	61.75
BOP	5.40	(0.55)	0.19	(28.28)	6.07	5.14	7.13	5.14	7.92	5.14
NBP	25.51	(0.78)	(2.15)	(26.10)	33.44	25.51	33.44	25.51	37.01	25.51
ENGRO	237.43	(0.91)	2.55	(4.71)	248.35	222.27	271.96	222.27	271.96	222.27
AHCL	35.17	(0.93)	4.99	(1.84)	36.96	33.02	40.05	32.65	40.05	32.19
DGKC	59.95	(0.94)	0.55	(26.51)	63.83	51.62	71.89	51.62	94.26	51.62
NML	68.08	(0.97)	(0.06)	(14.45)	80.45	66.30	88.14	66.30	96.77	66.30
HUMNL	6.29	(1.10)	(0.32)	1.73	7.35	6.29	8.15	6.27	8.15	5.18
ILP	59.17	(1.25)	0.96	(10.23)	63.04	55.00	68.90	55.00	74.78	55.00
AKBL	17.54	(1.46)	(2.93)	(20.35)	19.25	16.54	20.24	16.54	24.61	16.54
EFERT	80.75	(1.48)	3.50	18.87	87.75	77.15	95.51	77.15	95.51	59.56
UNITY	22.69	(1.73)	0.58	(14.28)	23.87	16.72	27.48	16.72	32.42	16.72
MEBL	108.78	(1.89)	(0.88)	(7.40)	125.71	104.04	130.17	99.68	134.54	99.68
MLCF	28.27	(1.94)	1.47	(21.36)	29.36	23.22	37.96	23.22	40.01	23.22
EPCL	57.97	(2.06)	5.73	28.61	69.56	54.40	85.77	54.40	85.77	42.40
POWER	4.84	(2.42)	(0.41)	(23.90)	5.46	4.75	6.42	4.75	7.83	4.75
ASTL	26.84	(2.82)	(0.45)	(40.04)	30.86	21.93	32.99	21.93	48.54	21.93
FABL	25.98	(3.17)	(1.33)	19.66	27.89	23.39	27.89	20.04	27.89	20.04
HCAR	178.58	(3.25)	(3.55)	(21.44)	193.98	151.47	199.91	151.47	241.16	151.47
AGHA	15.50	(3.55)	(3.00)	(40.77)	16.56	13.48	18.70	13.48	32.48	13.48
ITTEFAQ	6.96	(4.40)	(4.00)	(41.85)	8.60	6.53	10.39	6.53	15.09	6.53
KOHC	159.08	(4.67)	(0.57)	(15.65)	167.18	118.99	174.82	118.99	201.72	118.99

Source (s): Bloomberg, AHL Research

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

### LIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	222.58	219.51	BUY	3.07
Companies	8.59	12.62	SELL	(4.03)
Banks / DFIs	8.73	10.76	SELL	(2.03)
NBFC	0.13	0.10	BUY	0.03
Mutual Funds	8.46	11.16	SELL	(2.70)
Other Organizations	0.80	1.29	SELL	(0.49)
Broker Proprietary Trading	63.74	68.55	SELL	(4.81)
Insurance Companies	2.25	3.62	SELL	(1.37)
<b>Total</b>	<b>315.29</b>	<b>327.61</b>	<b>SELL</b>	<b>-12.32</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	237.15	230.43	BUY	6.72
Companies	13.33	13.19	BUY	0.13
Banks / DFIs	9.25	13.64	SELL	(4.39)
NBFC	0.16	0.28	SELL	(0.12)
Mutual Funds	13.20	12.93	BUY	0.27
Other Organizations	2.20	2.81	SELL	(0.61)
Broker Proprietary Trading	56.82	57.77	SELL	(0.96)
Insurance Companies	1.55	7.28	SELL	(5.73)
<b>Total</b>	<b>333.65</b>	<b>338.35</b>	<b>SELL</b>	<b>-4.70</b>

### LIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	7.14	6.18	BUY	0.96
Fertilizer	4.24	4.16	BUY	0.08
Cement	17.69	17.97	SELL	(0.27)
Power Generation & Distribution	15.59	16.37	SELL	(0.78)
Exploration & Production	8.12	8.35	SELL	(0.23)
Oil & Gas Marketing Companies	10.84	10.87	SELL	(0.03)
Food and Personal Care Products	9.51	9.59	SELL	(0.08)
Textile Composite	2.09	2.05	BUY	0.04
Technology and Communication	154.07	166.50	SELL	(12.43)
Debt	-	-	SELL	-
All other Sectors	86.00	85.59	BUY	0.41
<b>Total</b>	<b>315.29</b>	<b>327.61</b>	<b>SELL</b>	<b>(12.32)</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	13.02	11.78	BUY	1.23
Fertilizer	5.83	5.45	BUY	0.38
Cement	40.64	40.99	SELL	(0.35)
Power Generation & Distribution	28.89	29.29	SELL	(0.40)
Exploration & Production	4.85	5.17	SELL	(0.32)
Oil & Gas Marketing Companies	8.69	8.44	BUY	0.25
Food and Personal Care Products	8.98	9.22	SELL	(0.23)
Textile Composite	4.27	4.31	SELL	(0.04)
Technology and Communication	154.59	160.57	SELL	(5.98)
Debt	-	-	SELL	-
All other Sectors	63.89	63.12	BUY	0.77
<b>Total</b>	<b>333.65</b>	<b>338.35</b>	<b>SELL</b>	<b>(4.70)</b>

### FIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.01	0.01	SELL	(0.00)
Foreign Corporates	15.64	2.47	BUY	13.17
Overseas Pakistani	15.00	15.84	SELL	(0.84)
<b>Total</b>	<b>30.65</b>	<b>18.32</b>	<b>BUY</b>	<b>12.32</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	7.60	0.62	BUY	6.98
Foreign Corporates	1.76	2.97	SELL	(1.21)
Overseas Pakistani	14.25	15.32	SELL	(1.07)
<b>Total</b>	<b>23.61</b>	<b>18.91</b>	<b>BUY</b>	<b>4.70</b>

### FIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.60	1.56	SELL	(0.96)
Fertilizer	0.19	0.27	SELL	(0.08)
Cement	0.95	0.68	BUY	0.27
Power Generation & Distribution	1.49	0.71	BUY	0.78
Exploration & Production	0.64	0.42	BUY	0.23
Oil & Gas Marketing Companies	0.66	0.63	BUY	0.03
Food and Personal Care Products	0.79	0.72	BUY	0.08
Textile Composite	0.13	0.17	SELL	(0.04)
Technology and Communication	21.12	8.70	BUY	12.43
All other Sectors	4.05	4.47	SELL	(0.41)
<b>Total</b>	<b>30.65</b>	<b>18.32</b>	<b>BUY</b>	<b>12.32</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.61	1.85	SELL	(1.23)
Fertilizer	0.40	0.78	SELL	(0.38)
Cement	1.76	1.41	BUY	0.35
Power Generation & Distribution	1.53	1.13	BUY	0.40
Exploration & Production	0.56	0.23	BUY	0.32
Oil & Gas Marketing Companies	0.55	0.80	SELL	(0.25)
Food and Personal Care Products	0.73	0.50	BUY	0.23
Textile Composite	0.21	0.16	BUY	0.04
Technology and Communication	14.19	8.21	BUY	5.98
All other Sectors	3.07	3.84	SELL	(0.77)
<b>Total</b>	<b>23.61</b>	<b>18.91</b>	<b>BUY</b>	<b>4.70</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 (%)		3.0	1.6	2.1	2.4	3.5	3.2	3.2	5.1	2.5	3.0	9.8	-69.8%
P/E (x)		14.7	18.4	8.5	12.2	10.9	14.1	9.5	10.2	9.6	12.0	4.1	-65.5%
P/B (x)		1.7	2.9	1.5	1.3	8.7	1.5	1.2	1.6	0.8	2.4	0.6	-72.8%

Source: Bloomberg, AHL Research

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)
Zimbabwe	ZHIALLSH Index	13,832	5.8	(6.4)	30.4	Latvia	RIGSE Index	1,087	(0.2)	1.8	(26.3)
Ireland	ISEQ Index	6,589	3.0	4.2	(33.1)	Canada	SPTSX Index	18,614	(0.2)	1.1	(19.4)
USA	INDU Index	30,039	2.5	4.6	(17.3)	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>41,949</b>	<b>(0.3)</b>	<b>5.9</b>	<b>(24.5)</b>
Finland	HEX Index	10,208	2.5	2.5	(31.5)	Oman	MSM30 Index	4,541	(0.3)	0.3	10.0
Denmark	KFX Index	1,600	2.4	4.6	(25.9)	Croatia	CRO Index	1,926	(0.5)	0.8	(20.1)
Greece	ASE Index	833	2.4	4.8	(20.0)	Philippines	PCOMP Index	5,905	(0.5)	2.4	(28.3)
Hungary	BUX Index	39,591	2.3	6.1	(40.2)	Mongolia	MSETOP Index	33,948	(0.7)	(1.1)	(35.2)
Lebanon	BLOM Index	1,292	2.3	3.7	25.5	Kazakhstan	KZKAK Index	3,126	(0.8)	1.4	(22.3)
France	CAC Index	5,992	2.2	3.8	(28.1)	Luxembourg	LUXXX Index	1,277	(0.9)	3.1	(34.1)
Germany	DAX Index	12,523	2.1	3.2	(31.9)	Nigeria	NGSEINDX Index	47,459	(0.9)	(3.9)	6.9
Sweden	OMX Index	1,886	2.0	1.9	(37.2)	Netherland	AEX Index	640	(0.9)	(0.2)	(31.1)
Kenya	NSEASI Index	129	1.8	0.1	(27.7)	Bahrain	BHSEASI Index	1,868	(1.0)	(0.9)	3.9
Mauritius	SEMDEX Index	2,085	1.8	3.6	(1.5)	South Africa	JALSH Index	65,092	(1.0)	1.8	(22.4)
Turkey	XU100 Index	3,622	1.5	13.5	38.8	Estonia	TALSE Index	1,674	(1.0)	(0.7)	(27.8)
Vietnam	VNIndex Index	1,062	1.5	(7.2)	(33.0)	Bangladesh	DSEX Index	6,494	(1.1)	(1.2)	(19.4)
Europe	SX5E Index	3,419	1.4	2.8	(31.8)	Australia	AS51 Index	6,759	(1.2)	2.4	(21.3)
Italy	FTSEMIB Index	21,141	1.2	2.2	(33.3)	Uae	ADSMI Index	9,776	(1.3)	0.3	15.2
Jordan	JOSMGNFF Inde	2,509	1.1	1.0	18.2	Russia	IMOEX Index	1,942	(1.4)	(4.6)	(38.8)
Belgium	BEL20 Index	3,400	1.1	0.7	(32.3)	Iceland	ICEXI Index	2,162	(1.5)	0.6	(25.8)
Poland	WIG20 Index	1,405	1.1	2.7	(48.9)	Chile	IPSA Index	4,997	(1.5)	0.7	5.4
USA	SPX Index	3,670	0.8	2.4	(23.0)	Egypt	EGX30 Index	9,854	(1.6)	(0.3)	(34.1)
Austria	ATX Index	2,774	0.7	2.8	(38.0)	New Zealand	NZSE Index	1,705	(1.7)	(1.7)	(33.3)
UK	UKX Index	6,937	0.6	1.7	(21.9)	South Korea	KOSPI Index	2,213	(1.7)	2.9	(38.3)
Slovenia	SBITOP Index	988	0.6	2.5	(32.3)	Japan	NKY Index	27,091	(1.8)	2.3	(26.7)
Portugal	PSI20 Index	5,371	0.4	1.1	(17.3)	Romania	BET Index	10,683	(1.8)	0.5	(29.2)
Sri Lanka	CSEALL Index	9,093	0.3	(8.5)	(58.8)	Thailand	SET Index	1,561	(2.1)	(2.2)	(17.3)
Spain	IBEX Index	7,454	0.3	1.0	(26.1)	Qatar	DSM Index	12,718	(2.4)	0.2	9.2
Mexico	MEXBOL Index	45,767	0.3	3.3	(12.0)	Czech Republic	PX Index	1,145	(2.5)	1.6	(30.0)
Norway	OBXP Index	531	0.3	4.6	(21.3)	Russia	RTSI\$ Index	979	(2.6)	(7.3)	(38.7)
Switzerland	SMI Index	10,405	0.2	(0.4)	(26.2)	Singapore	FSTI Index	3,040	(2.6)	(1.9)	(7.8)
Ukraine	PFTS Index	519	0.1	(0.0)	(26.5)	Malaysia	FBMKLCI Index	1,382	(2.8)	(2.3)	(22.0)
Lithuania	VILSE Index	900	0.1	0.3	(19.6)	Brazil	IBOV Index	114,300	(2.8)	6.9	15.3
Dubai	DFMGI Index	3,377	0.1	1.1	5.7	Saudi Arabia	SASEIDX Index	11,422	(2.8)	0.1	1.2
Tunisia	TUSISE Index	8,126	0.1	(2.7)	1.2	Ghana	GGSECI Index	2,462	(3.9)	(5.0)	(50.5)
India	SENSEX Index	57,920	0.0	(0.2)	(9.9)	Indonesia	JCI Index	6,815	(4.0)	(4.4)	(4.3)
China	SHSZ300 Index	3,842	(0.1)	(0.1)	(31.2)	Argentina	MERVAL Index	140,764	(4.0)	(1.5)	14.5
USA	NDX Index	11,034	(0.1)	0.6	(32.4)	Taiwan	TWSE Index	13,128	(5.0)	(2.7)	(37.5)
Serbia	BELEX15 Index	828	(0.1)	(0.1)	(12.7)	Hong Kong	HSI Index	16,588	(6.5)	(3.7)	(29.6)
Bulgaria	SOFIX Index	581	(0.1)	(1.3)	(21.1)						

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

## Key Economic Data & Commodities Prices

Month end	Units	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Current*
<b>Money Market Data</b>														
03-M T-Bill	%	8.2	9.7	10.4	10.2	10.5	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.5
06-M T-Bill	%	8.8	10.2	11.3	10.6	10.9	12.4	14.6	14.5	15.2	15.7	15.8	15.7	15.6
12-M T-Bill	%	9.1	10.7	11.4	10.8	11.0	12.5	14.6	14.6	15.3	15.8	15.9	15.7	15.6
03-Y PIB	%	9.9	11.4	11.4	10.8	10.9	12.2	13.2	13.6	13.5	13.4	13.7	13.8	13.7
05-Y PIB	%	10.2	11.5	11.5	10.9	11.0	12.0	12.9	12.6	12.9	13.4	13.0	13.1	12.9
10-Y PIB	%	8.2	9.7	10.4	10.2	10.5	11.8	14.5	14.3	15.0	15.5	15.8	15.5	15.5
06-M KIBOR	%	8.9	10.3	11.5	10.7	11.0	12.5	15.0	14.7	0.2	15.8	16.0	15.9	15.7
Policy Rate	%	7.25	8.75	9.75	9.75	9.75	9.75	12.25	13.75	13.75	15.00	15.00	15.00	15.00
<b>Inflation (YoY)</b>														
Headline (CPI New Base)	%	9.2	11.5	12.3	13.0	13.0	12.7	13.4	13.8	21.3	24.9	27.3	23.2	23.2
<b>Monetary Sector</b>														
M1	PKR bn	19,902	20,128	20,444	20,204	20,210	20,683	21,179	21,448	22,141	22,256	22,361	n.a	22,361
M2	PKR bn	23,646	23,933	24,369	24,211	24,176	24,727	25,155	25,634	26,768	26,799	26,894	n.a	26,894
M3	PKR bn	27,576	27,854	28,273	28,122	28,097	28,648	28,927	29,346	30,417	30,372	30,432	n.a	30,432
<b>Banking Sector</b>														
Deposits	PKR bn	19,344	19,668	20,972	19,949	19,914	20,476	20,052	21,151	22,810	22,101	22,152	22,820	22,820
Advances	PKR bn	9,394	9,646	10,149	9,944	9,961	10,328	10,638	10,822	10,886	10,858	10,922	11,084	11,084
Investment	PKR bn	13,796	13,556	14,124	14,424	14,541	15,012	15,210	15,556	17,419	17,608	18,183	17,484	17,484
WALR	%	7.9	8.0	8.7	9.34	9.6	9.6	10.26	10.78	11.4	12.59	13.1	n.a	13.1
WADR	%	3.7	3.8	4.6	5.08	5.0	4.9	5.24	6.18	7.0	7.01	7.5	n.a	7.5
Spread	%	4.2	4.2	4.1	4.26	4.6	4.7	5.02	4.6	4.4	5.58	5.56	n.a	5.6
<b>External Sector</b>														
Forex Reserves	USD bn	23.8	22.3	23.9	22.1	22.9	18.6	16.4	15.8	16.2	14.0	13.4	13.6	13.2
With SBP	USD bn	17.2	16.0	17.7	15.7	16.5	12.0	10.5	9.7	10.3	8.4	7.7	7.9	7.6
With Banks	USD bn	6.6	6.4	6.2	6.4	6.4	6.5	5.9	6.0	5.9	5.6	5.7	5.7	5.7
Exchange rate	PKR/USD	171.7	175.7	176.5	176.7	177.5	183.5	185.9	198.5	204.8	239.4	218.8	228.5	218.43
C/A Balance	USD mn	(1,760)	(1,908)	(1,863)	(2,531)	(519.0)	(1,028.0)	(623.0)	(1,425.0)	(2,187.0)	(1,215.0)	(703.0)	n.a	(703)
Exports	USD bn	2.4	2.7	2.9	2.5	2.9	3.1	3.2	2.5	3.1	2.3	2.8	n.a	2.8
Imports	USD bn	6.0	6.4	6.5	6.3	5.2	6.2	6.0	5.7	7.0	5.3	5.8	n.a	5.8
Trade Balance	USD bn	(3.7)	(3.7)	(3.6)	(3.8)	(2.3)	(3.1)	(2.8)	(3.2)	(3.9)	(3.1)	(2.9)	n.a	(2.9)
Remittances	USD bn	2.5	2.4	2.5	2.1	2.2	2.8	3.1	2.3	2.8	2.5	2.7	2.4	2.4
<b>Key Commodities Prices</b>														
<b>International</b>														
Coal	USD/ton	220.0	117.0	137.3	174.0	261.0	254.4	295.0	341.5	341.7	332.0	346.5	295.0	247.5
Steel (HRC)	USD/ton	848.0	744.9	747.2	766.4	785.8	830.8	773.2	726.0	659.8	587.0	577.8	566.3	553.0
PTA	USD/ton	780.0	735.0	725.0	815.0	875.0	935.0	960.0	995.0	965.0	870.0	860.0	870.0	910.0
Gold	USD/oz	1,783.4	1,774.5	1,829.2	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	1,666.4
Cotton (COTLOOK A)	USD/lb	123.1	123.3	125.9	135.9	135.2	153.6	154.3	157.5	135.5	131.4	135.3	107.1	106.7
Crude oil (WTI)	USD/bbl	83.6	66.2	75.2	88.2	95.7	100.3	105.4	114.7	105.8	98.6	89.6	79.5	89.1
Crude oil (Arab Light)	USD/bbl	83.9	72.8	79.2	91.1	99.9	109.3	110.6	124.6	116.3	111.9	105.2	98.4	97.1
Crude oil (Brent)	USD/bbl	84.4	70.6	77.8	91.2	101.0	107.9	107.6	122.8	114.8	110.0	96.5	88.0	94.6
<b>Local</b>														
Cotton	PKR/maund	15,400	17,500	18,000	19,400	20,000	20,500	21,000	22,500	17,200	19,200	21,500	19,000	18,300
Cement	PKR/bag	722.6	741.6	738.5	737.1	748.4	865.5	869.9	874.9	1,023.0	1,042.4	1,035.8	1,029.5	1,028.24
Gold	PKR/10 grms	102,280	101,680	107,940	108,880	111,460	110,940	116,430	121,740	121,660	138,890	123,890	123,970	126,760

\*Current Price

## Disclaimer

**Analyst Certification:** The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

### Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'22 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 +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -10% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -10% from last closing of market price(s)

\* Upside for Power Generation Companies 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**

This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.

© 2022 Arif Habib Limited: Corporate Member of the Pakistan Stock Exchanges. No part of this publication may be copied, reproduced, stored or disseminated in any form or by any means without the prior written consent of Arif Habib Limited.

## Disclosure required under Research Analyst Regulations, 2015:

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

Arif Habib Limited (AHL) has shareholding in OGDC, NBP, DGKC, FCCL, PSO, SNGP and UNITY.