

# Market Review

# Equities

## Positive after four weeks

### Market Commentary

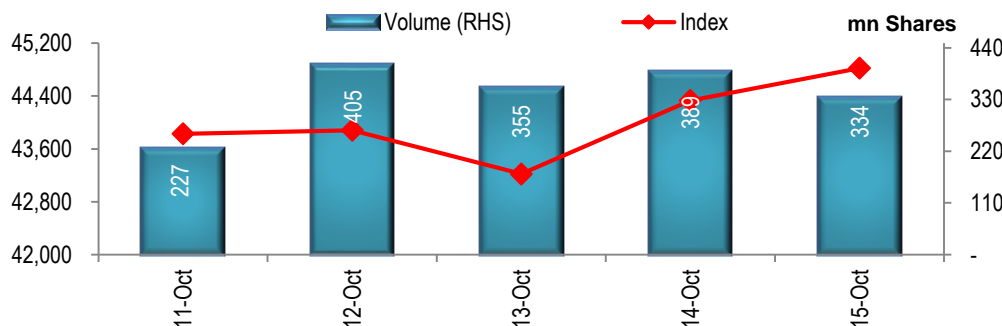
The benchmark equity bourse closed in green after four weeks of bleeding. During the early part of the week investors resorted to panic selling amid lack of clarity on continuation of the IMF package as well as delay in the process to appoint a new Director General of the ISI (DG ISI). Albeit, with Finance Minister assuring that the government would soon address concerns of the global lender and resume the IMF's EFF, as well as PM's statement allaying any rumors of a military-political divide, the KSE-100 index posted two swift back to back bull runs. The market closed at 44,821 points, (gaining 344 points / up by 0.8% WoW).

Sector-wise positive contributions came from i) Commercial Banks (393pts), ii) Oil & Gas Exploration Companies (136pts), iii) Fertilizer (123pts), iv) Cement (98pts), and v) Pharmaceuticals (28pts). Whereas, sectors which contributed negatively were i) Technology & Communication (342pts), and ii) Food & Personal Care Products (50pts). Scrip-wise positive contributors were HBL (153pts), PPL (87pts), UBL (67pts), LUCK (59pts) and OGDC (42pts). Meanwhile, scrip-wise negative contribution came from TRG (260pts), SYS (70pts) and PAKT (27pts).

Foreign selling continued this week, clocking-in at USD 13.3mn compared to a net sell of USD 3.7mn last week. Major selling was witnessed in Fertilizer Sectors (USD 12.1mn), Commercial Banks (USD 7.8mn) and Cement (USD 3.11mn). On the local front, buying was reported by Insurance Companies (USD 12.2mn) followed by Mutual Funds (USD 3.4mn). Average volumes clocked-in at 342mn shares (up by 29% WoW) while average value traded settled at USD 71mn (up by 20% WoW).

Other major news: i) Pakistan gets record \$8bn in Remittances in July-Sept, ii) Gas deficit looms large as PLL fails to procure eight LNG cargoes, iii) OGRA notice pushes RLNG price to 15-month high, iv) Pakistan: IMF projects 4pc GDP growth for 2022, v) Rs1.39/unit hike in base tariff imminent.

**Exhibit: KSE100 index and volume**



### Outlook and Recommendation

As we get closer to resuming the IMF program and receiving a USD 1bn tranche, we expect the market to perform well in-tandem. Whereas recent bouts of selling at the index has once again opened up valuations; we advise investors to cherry-pick blue chip stocks with a long term focus. Key short term risks include: regional volatility and the ensuing security concerns, together with PKR depreciation. Our preferred stocks are EPCL, PSO, OGDC, HUBC, HBL, MCB, UBL, MCB, LUCK, AGHA, FFC, ENGRO, INDU, PTL, SNGP, UNITY, HTL, and ILP. The KSE-100 is currently trading at a PER of 5.2x (2021) compared to Asia Pac regional average of 14.7x while offering a dividend yield of ~8.1% versus ~2.2% offered by the region.

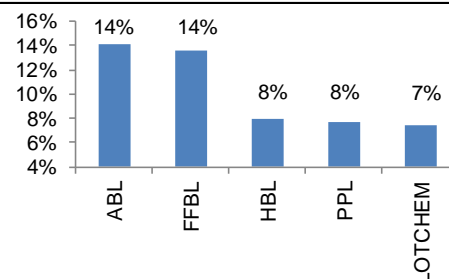
### PSX Indices Performance

Index	Current	WoW (%)	CY21TD (%)
KSE100	44,822	0.77	2.4
KSEAI	30,770	0.56	(0.0)
KSE30	17,521	(0.02)	(3.6)
KMI30	72,065	0.82	1.3
BKTI	12,968	3.95	(0.9)
OGTI	11,311	2.99	(14.5)

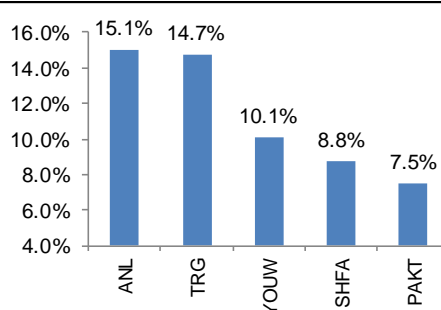
### PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	42.6	2.4
UNITY	18.4	29.9
TELE	17.8	16.5
TREET	16.3	45.7
HASCOL	12.5	5.3

### Major Gainers (KSE100 Index)



### Major Losers (KSE100 Index)



### Analyst

AHL Research  
[research@arifhabibltd.com](mailto:research@arifhabibltd.com)  
 +92-21-32462589

**ASIAMONEY**



Best Domestic Equity House

Top 25 Listed Companies

CFA Society Pakistan  
 Best Equity Research Analyst: 2020

CFA Society Pakistan  
 Corporate Finance House of the Year: 2020

**Business & Economic developments during the week.**
**Pakistan gets record \$8bn in Remittances in July-Sept (Dawn)**

Overseas Pakistanis sent the highest-ever \$8 billion remittances during the first quarter of the current fiscal year, registering a growth of 12.5 per cent over the same period last year. The State Bank of Pakistan (SBP) on Friday reported that with inflows of \$2.7bn in September, workers' remittances continued their strong momentum and remaining above \$2bn since June 2020. "This is the 7th consecutive month when inflows recorded around \$2.7bn on average," said the SBP. In terms of growth, remittances increased by 17pc in September compared to the same month last year, while comparing with August inflows it was 0.5pc higher.

**Gas deficit looms large as PLL fails to procure eight LNG cargoes (The News)**

The unprecedented gas deficit in the forthcoming winter season has become inevitable as Pakistan LNG Limited (PLL) has failed to attract the LNG trading companies in response to its tender floated on September 11, 2021 seeking eight LNG cargoes, four each for December and January. This means the country will not be able to import 1.2 bcfd LNG each in December and January --- peak demand season in winter, instead it will be able to import just 900mmcf in each month with a deficit of 300 mmcf. In November, the government will import 1bcfd against 1.2 bcfd capacity. "The production of local gas has fallen to 2.8 bcfd and the country can import 1.2 bcfd LNG which will not be fully exploited in the coming winter. In the winters the demand goes up to 5 bcfd whereas the country will only have 3.7 bcfd in December and January for failure in purchasing eight LNG cargoes."

**OGRA notice pushes RLNG price to 15-month high (The News)**

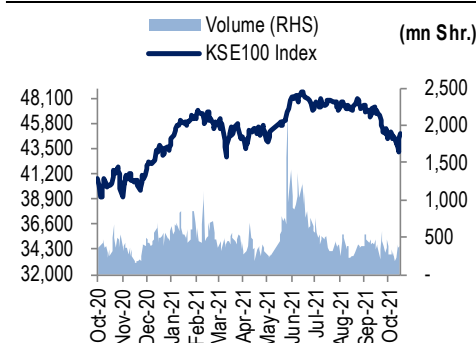
Oil and Gas Regulatory Authority (OGRA) on Tuesday jacked up the average sale price of re-gasified liquefied natural gas (RLNG) for October up to \$0.4362 per million British thermal unit (mmBtu), taking the price to a 15-month high. The decision has increased RLNG prices for SNGPL and SSGC clients by more than double compared to the corresponding month of last year. In the month under review, sale price of imported gas for SNGPL increased 112.85 percent (or \$8.3679/mmBtu) and for SSGC it increased 116.76 percent or \$8.3672/mmBtu. According to the notification for October 2021, the regulator raised the provisional price of RLNG for SNGPL customers by \$0.4294/mmBtu or 2.79 percent and for SSGC customers by \$0.4362/mmBtu or 2.89 percent. Since July 2019, these are the highest prices. Following this hike, the price of RLNG for SNGPL clients increased from \$15.3534/ mmBtu in September to 15.7828/mmBtu in October, and for SSGC consumers it increased from \$15.0918/ mmBtu in September to \$15.528 per mmBtu this month.

**Pakistan: IMF projects 4pc GDP growth for 2022 (BR)**

The International Monetary Fund (IMF) has projected GDP growth rate for Pakistan at four percent for 2022 against 3.9 percent in 2021. The IMF World Economic Outlook (WEO) report, "Recovery during a pandemic health concerns, supply disruptions, and price pressures", projected unemployment ratio for Pakistan at 4.8 percent for 2021 compared to five percent in 2021. The Fund has projected inflation rate at 8.5 percent for 2022 against 8.9 percent in 2021. However, the report has projected consumer prices for the end of period of 2022 at 9.2 percent against 9.7 percent in 2021.

**Rs1.39/unit hike in base tariff imminent (BR)**

Following understanding with International Monetary Fund (IMF), Power Division has prepared a summary for the Federal Cabinet to seek final nod for further raise in base tariff by Rs 1.39 per unit from November 1, 2021, official sources told Business Recorder. This in principle is the agreement reached between the Fund and Pakistani authorities last week. IMF team held separate detailed meetings with top officials of Ministry of Energy at the Power Division. However, the final round was held in Finance Division, which was also attended by IMF officials from Washington by video link, the sources added.

**PSX Volume & Index**

**Top Contributors in KSE100 Index**

Companies	Index Contribution
<b>Bullish Companies</b>	
HBL	153.1
PPL	87.2
UBL	67.4
LUCK	58.9
OGDC	41.6
	<b>408.2</b>
<b>Bearish Companies</b>	
TRG	(260.0)
SYS	(70.0)
PAKT	(26.7)
ANL	(24.9)
MTL	(19.4)
	<b>(401.0)</b>
Sectors	Index Contribution
<b>Bullish Sectors</b>	
Commercial Banks	392.6
Oil & Gas Exploration Companies	136.1
Fertilizer	122.5
	<b>651.2</b>
<b>Bearish Sectors</b>	
Technology & Communication	(342.3)
Food & Personal Care Products	(49.7)
Automobile Assembler	(28.8)
Tobacco	(26.7)
Miscellaneous	(13.6)
	<b>(461.1)</b>



**AHL Universe - Performance**

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
ABL	78.2	14.1	14.9	4.8	79.6	68.0	79.6	65.3	79.6	65.3
FFBL	23.2	13.6	3.0	(8.5)	27.4	20.2	28.3	20.2	29.2	18.4
HBL	119.0	8.0	8.9	(5.1)	129.4	107.8	134.7	107.8	135.8	107.8
PPL	75.4	7.8	3.4	(12.7)	83.2	69.8	92.3	69.8	97.7	69.8
LOTCHEM	15.2	7.4	8.4	5.5	16.4	13.3	17.0	13.3	17.2	10.5
ACPL	137.0	7.2	0.4	(5.7)	174.3	123.4	175.6	123.4	185.2	123.4
BAFL	35.2	7.1	8.8	12.4	35.2	30.2	35.2	27.1	35.2	27.1
HTL	52.9	6.6	5.9	53.9	66.8	45.8	66.8	45.8	74.9	29.7
BOP	8.5	6.4	4.7	3.3	8.9	7.9	8.9	7.7	8.9	7.7
UBL	129.5	4.7	9.2	18.1	129.5	114.4	129.5	111.4	129.5	92.8
AGHA	27.1	4.5	3.4	(27.9)	31.2	25.8	34.3	25.3	39.5	25.3
APL	312.3	4.4	7.7	1.2	317.6	288.9	317.9	288.9	354.9	283.6
FCCL	17.5	4.0	(2.5)	(19.2)	22.9	16.2	24.5	16.2	27.2	16.2
ASTL	38.5	3.5	(1.6)	(20.1)	46.5	36.9	47.7	36.8	51.9	36.8
OGDC	84.2	3.3	0.5	(16.0)	96.0	81.0	100.2	81.0	111.9	81.0
LUCK	682.3	3.3	(5.6)	(2.0)	906.9	641.4	940.7	641.4	940.7	637.4
NBP	34.8	3.2	4.0	(19.1)	35.7	32.5	37.8	32.1	43.9	30.5
EPCL	57.3	2.7	4.0	40.9	58.5	45.2	58.5	41.6	58.5	34.8
MCB	153.3	2.1	1.8	(4.5)	162.9	148.3	163.1	148.2	173.0	140.6
KEL	3.5	2.1	(13.0)	(11.0)	4.0	3.2	4.7	3.2	4.7	3.2
HUBC	74.9	1.7	1.9	4.7	75.3	69.6	76.9	69.0	82.4	65.3
FFC	100.5	1.7	(1.5)	1.2	106.8	96.1	106.8	96.1	106.8	91.5
PSO	190.0	1.7	(0.3)	(4.8)	219.4	182.7	230.7	182.7	240.3	172.7
ILP	73.4	1.6	7.7	14.9	73.9	68.2	73.9	58.7	73.9	50.4
HCAR	247.9	1.4	(5.9)	(23.5)	388.4	236.0	388.4	236.0	388.4	232.4
EFERT	71.5	1.1	1.8	34.3	74.1	68.6	74.1	58.5	74.1	47.9
ENGRO	272.0	1.0	(0.2)	(5.0)	295.0	266.3	300.0	266.3	300.0	254.4
MLCF	33.8	0.9	(3.9)	(24.8)	46.5	31.1	49.3	31.1	49.3	31.1
POL	369.8	0.7	(1.5)	6.3	375.4	351.2	375.4	324.2	390.5	277.7
NPL	18.0	0.4	(2.1)	(17.4)	18.6	16.9	20.6	16.9	27.3	16.9
POWER	6.9	0.1	(1.3)	(29.9)	9.4	6.5	10.6	6.5	11.8	6.5
ICI	771.4	0.1	(2.8)	6.5	897.6	757.0	897.6	757.0	897.6	647.5
KOHC	167.7	0.0	(2.4)	(23.5)	225.4	152.9	234.4	152.9	246.7	152.9
MARI	1,699.7	(0.1)	14.3	38.2	1,701.1	1,417.6	1,701.1	1,417.6	1,701.1	1,129.5
FATIMA	29.6	(0.4)	(0.5)	11.1	30.3	27.9	30.3	26.0	30.3	24.7
MEBL	139.0	(0.4)	(0.7)	59.5	146.7	104.6	146.7	90.9	146.7	67.0
NCL	48.5	(0.6)	(2.0)	15.3	53.5	45.7	54.9	43.6	54.9	34.6
INDU	1,111.6	(0.7)	(4.8)	0.7	1,333.4	1,106.3	1,333.4	1,023.4	1,333.4	914.4
DGKC	81.4	(0.8)	(7.9)	(28.9)	115.3	78.3	131.1	78.3	141.5	78.3
SNGP	42.4	(1.3)	(6.7)	2.9	53.0	40.6	53.0	35.0	55.2	34.0
FML	90.5	(1.6)	1.0	(7.0)	103.1	89.6	109.0	89.6	124.8	89.6
MTL	1,091.8	(2.6)	1.7	16.9	1,120.9	1,064.5	1,134.8	1,043.7	1,134.8	740.4
NCPL	12.1	(2.8)	(2.9)	(19.9)	15.9	11.7	17.5	11.7	20.6	11.7
NML	86.4	(3.0)	(4.9)	(15.1)	99.8	85.8	105.1	80.0	123.1	80.0
AHCL	35.5	(3.8)	(0.6)	(11.4)	39.1	35.5	40.0	34.5	43.5	34.5
PTL	46.7	(4.4)	(5.5)	2.3	63.1	45.7	63.1	45.7	63.1	45.7
KAPCO	28.9	(4.6)	(7.4)	33.8	35.9	28.0	37.0	28.0	37.0	20.6
AVN	119.3	(5.5)	(3.3)	55.8	139.8	109.4	139.8	65.3	139.8	48.6
UNITY	30.3	(5.5)	(3.0)	(5.5)	44.9	26.5	49.4	26.5	49.4	17.7
PSMC	226.5	(6.1)	(15.3)	(6.4)	364.5	223.9	364.5	223.9	364.5	179.3

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

Category	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	304.96	308.23	SELL	-3.27	Individuals	276.91	269.78	BUY	7.13
Companies	40.09	43.45	SELL	-3.36	Companies	15.95	31.99	SELL	-16.05
Banks / DFIs	11.28	9.77	BUY	1.51	Banks / DFIs	10.48	9.24	BUY	1.25
NBFC	0.35	0.12	BUY	0.23	NBFC	0.37	0.19	BUY	0.18
Mutual Funds	28.63	25.22	BUY	3.42	Mutual Funds	24.02	20.41	BUY	3.61
Other Organizations	6.60	4.07	BUY	2.54	Other Organizations	4.72	1.46	BUY	3.26
Broker Proprietary Trading	75.46	75.41	BUY	0.05	Broker Proprietary Trading	67.42	65.33	BUY	2.10
Insurance Companies	20.63	8.42	BUY	12.21	Insurance Companies	8.79	6.57	BUY	2.21
<b>Total</b>	<b>488.02</b>	<b>474.68</b>	<b>BUY</b>	<b>13.34</b>	<b>Total</b>	<b>408.67</b>	<b>404.96</b>	<b>BUY</b>	<b>3.70</b>

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

Sector	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	45.26	37.46	BUY	7.80	Commercial Banks	22.68	12.83	BUY	9.85
Fertilizer	23.03	10.94	BUY	12.09	Fertilizer	10.07	5.74	BUY	4.33
Cement	41.93	38.82	BUY	3.11	Cement	49.73	46.97	BUY	2.77
Power Generation & Distribution	7.98	22.86	SELL	-14.88	Power Generation & Distribution	4.69	4.12	BUY	0.57
Exploration & Production	19.53	17.75	BUY	1.78	Exploration & Production	17.87	16.52	BUY	1.35
Oil & Gas Marketing Companies	16.98	15.61	BUY	1.37	Oil & Gas Marketing Companies	6.43	6.62	SELL	-0.20
Food and Personal Care Products	63.77	62.04	BUY	1.74	Food and Personal Care Products	44.09	43.88	BUY	0.21
Textile Composite	13.83	13.58	BUY	0.25	Textile Composite	9.66	9.47	BUY	0.19
Technology and Communication	152.21	152.89	SELL	-0.68	Technology and Communication	145.99	145.21	BUY	0.79
All other Sectors	103.32	102.56	BUY	0.76	All other Sectors	96.60	112.74	SELL	-16.14
<b>Total</b>	<b>487.84</b>	<b>474.50</b>	<b>BUY</b>	<b>13.34</b>	<b>Total</b>	<b>407.82</b>	<b>404.11</b>	<b>BUY</b>	<b>3.70</b>

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

Category	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.06	0.11	SELL	-0.05	Foreign Individuals	0.01	0.03	SELL	-0.01
Foreign Corporates	9.42	44.81	SELL	-35.39	Foreign Corporates	21.73	27.98	SELL	-6.25
Overseas Pakistani	39.56	17.46	BUY	22.10	Overseas Pakistani	19.72	17.16	BUY	2.56
<b>Total</b>	<b>49.04</b>	<b>62.38</b>	<b>SELL</b>	<b>-13.34</b>	<b>Total</b>	<b>41.46</b>	<b>45.16</b>	<b>SELL</b>	<b>-3.70</b>

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

Sector	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	6.95	14.76	SELL	-7.80	Commercial Banks	5.15	15.00	SELL	-9.85
Fertilizer	0.76	12.85	SELL	-12.09	Fertilizer	0.72	5.04	SELL	-4.33
Cement	3.37	6.48	SELL	-3.11	Cement	2.13	4.89	SELL	-2.77
Power Generation & Distribution	16.54	1.67	BUY	14.88	Power Generation & Distribution	0.43	1.00	SELL	-0.57
Exploration & Production	2.11	3.88	SELL	-1.78	Exploration & Production	1.74	3.09	SELL	-1.35
Oil & Gas Marketing Companies	0.65	2.02	SELL	-1.37	Oil & Gas Marketing Companies	0.44	0.24	BUY	0.20
Food and Personal Care Products	2.95	4.68	SELL	-1.74	Food and Personal Care Products	1.31	1.51	SELL	-0.21
Textile Composite	0.54	0.79	SELL	-0.25	Textile Composite	0.39	0.58	SELL	-0.19
Technology and Communication	9.35	8.67	BUY	0.68	Technology and Communication	7.34	8.13	SELL	-0.79
All other Sectors	5.82	6.58	SELL	-0.76	All other Sectors	21.81	5.67	BUY	16.14
<b>Total</b>	<b>49.04</b>	<b>62.38</b>	<b>SELL</b>	<b>-13.34</b>	<b>Total</b>	<b>41.46</b>	<b>45.16</b>	<b>SELL</b>	<b>-3.70</b>

Source: NCCPL, AHL Research

***Forward Estimates***

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.1	1.3	1.4	1.7	2.5	2.8	2.6	4.0	1.8	2.2	8.1	-72.4%
P/E (x)	16.0	22.4	13.2	16.6	11.6	16.7	11.4	13.6	10.7	14.7	5.2	-64.9%
P/B (x)	2.1	3.3	2.3	1.7	8.7	1.7	1.4	2.2	1.1	2.7	0.8	-69.2%

Source: Bloomberg, AHL Research

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

Country	Index	Index Closing*	WTD (%)	CY21TD (%)	Country	Index	Index Closing*	WTD (%)	CY21TD (%)
Zimbabwe	ZHIALLSH Index	10,597	10.7	302.0	Vietnam	VNIndex Index	1,393	1.5	28.1
Kazakhstan	KZKAK Index	3,646	5.8	34.7	Hungary	BUX Index	54,426	1.4	24.0
Luxembourg	LUXXX Index	1,701	5.1	20.0	New Zealand	NZSE Index	2,106	1.4	(4.1)
Sweden	OMX Index	2,312	4.6	17.2	Uae	ADSMI Index	7,812	1.3	54.8
Iceland	ICEXI Index	2,603	4.4	36.0	Russia	IMOEX Index	4,258	1.3	35.4
South Africa	JALSH Index	66,977	4.3	12.5	Slovenia	SBITOP Index	1,175	1.2	23.3
Egypt	EGX30 Index	10,996	4.2	1.5	Croatia	CRO Index	2,048	1.2	11.8
Philippines	PCOMP Index	7,213	4.1	(4.4)	Taiwan	TWSE Index	16,781	1.2	14.3
Norway	OBXP Index	564	4.0	22.8	Russia	RTSI\$ Index	1,882	1.1	35.6
Indonesia	JCI Index	6,633	3.6	10.9	Nigeria	NGSEINDX Index	41,345	1.1	(0.6)
Netherland	AEX Index	795	3.3	20.8	Qatar	DSM Index	11,664	1.1	12.5
Austria	ATX Index	3,793	3.2	28.8	USA	SPX Index	4,438	1.1	18.2
Argentina	MERVAL Index	80,138	3.1	32.8	Brazil	IBOV Index	113,400	1.0	(10.4)
Portugal	PSI20 Index	5,663	3.0	9.7	Jordan	JOSMGNFF Index	2,111	0.9	27.44
South Korea	KOSPI Index	3,015	3.0	(3.5)	Saudi Arabia	SASEIDX Index	11,699	0.9	34.7
Canada	SPTSX Index	20,820	2.9	23.3	USA	INDU Index	35,137	0.8	14.4
Estonia	TALSE Index	1,909	2.9	34.2	Bulgaria	SOFIX Index	574	0.7	21.1
Denmark	KFX Index	1,747	2.9	12.6	Morocco	MOSEMDX Index	10,772	0.6	15.5
UK	UKX Index	7,229	2.8	12.7	Spain	IBEX Index	8,980	0.6	5.6
Mexico	MEXBOL Index	52,140	2.8	14.7	Dubai	DFMGI Index	2,790	0.6	11.9
France	CAC Index	6,720	2.8	14.9	Kenya	NSEASI Index	177	0.6	14.6
Europe	SX5E Index	4,172	2.8	11.5	Bahrain	BHSEASI Index	1,709	0.5	14.7
Malaysia	FBMKLCI Index	1,598	2.6	(5.1)	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>44,822</b>	<b>0.4</b>	<b>(4.4)</b>
Germany	DAX Index	15,546	2.59	7.0	Czech Republic	PX Index	1,363	0.3	29.4
Poland	WIG20 Index	2,440	2.5	16.4	Greece	ASE Index	893	0.3	4.7
Singapore	FSSTI Index	3,174	2.5	9.4	Mongolia	MSETOP Index	40,085	0.2	108.2
Finland	HEX Index	12,719	2.4	10.5	China	SHSZ300 Index	4,932	0.1	(4.0)
India	SENSEX Index	61,306	2.3	25.0	Ukraine	PFTS Index	526	0.0	13.3
Hong Kong	HSI Index	25,331	2.0	(7.3)	Lithuania	VILSE Index	926	(0.0)	7.1
Ireland	ISEQ Index	8,563	2.0	10.2	Tunisia	TUSISE Index	7,221	(0.1)	0.1
Italy	FTSEMIB Index	26,490	2.0	12.5	Oman	MSM30 Index	3,956	(0.1)	8.1
Australia	AS51 Index	7,362	2.0	7.7	Romania	BET Index	12,747	(0.2)	20.8
Switzerland	SMI Index	11,939	1.8	6.5	Lebanon	BLOM Index	996	(0.3)	51.4
Latvia	RIGSE Index	1,286	1.8	6.9	Serbia	BELEX15 Index	795	(0.4)	0.9
Belgium	BEL20 Index	4,200	1.7	10.1	Mauritius	SEMDEX Index	2,084	(0.5)	16.9
Japan	NKY Index	29,069	1.7	(4.4)	Ghana	GGSECI Index	2,848	(0.9)	42.4
USA	NDX Index	15,052	1.6	16.8	Bangladesh	DSEX Index	7,243	(1.4)	32.5
Thailand	SET Index	1,638	1.5	1.4					

Source: Bloomberg, AHL Research, \* Last Closing

**Key Economic Data & Commodities Prices**

Month end	Units	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Current*
<b>Money Market Data</b>																
03-M T-Bill	%	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.4	7.3	7.4	7.3	7.2	7.2	7.6	7.8
06-M T-Bill	%	7.2	7.2	7.2	7.2	7.2	7.2	7.4	7.8	7.5	7.6	7.5	7.5	7.4	8.0	8.2
12-M T-Bill	%	7.3	7.3	7.3	7.3	7.3	7.3	7.7	7.9	7.7	7.7	7.8	7.7	7.6	8.7	8.9
03-Y PIB	%	8.3	8.3	8.3	8.3	8.3	8.3	8.7	9.4	8.9	9.0	9.0	8.9	8.7	9.7	9.9
05-Y PIB	%	8.9	9.1	9.1	9.3	9.3	9.3	9.5	9.9	9.4	9.4	9.5	9.4	9.3	10.0	10.3
10-Y PIB	%	9.5	9.8	9.6	10.0	10.0	10.0	10.0	10.4	10.0	9.9	9.9	10.0	9.9	10.5	10.8
06-M KIBOR	%	7.3	7.3	7.4	7.4	7.4	7.4	7.6	7.9	7.6	7.7	7.7	7.6	7.5	8.2	8.3
Policy Rate	%	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.25	7.25
<b>Inflation (YoY)</b>																
Headline (CPI New Base)	%	8.2	9.0	8.9	8.3	8.0	5.7	8.7	9.1	11.1	10.9	9.7	8.4	8.4	9.0	9.0
<b>Monetary Sector</b>																
M1	PKR bn	17,128	17,232	17,317	17,541	17,951	17,930	18,186	18,403	18,723	18,935	19,824	19,888	19,802	na	19,802
M2	PKR bn	20,519	20,743	20,811	21,063	21,604	21,429	21,683	21,985	22,213	22,476	23,722	23,576	23,519	na	23,519
M3	PKR bn	24,853	25,083	25,163	25,419	25,970	25,708	25,935	26,228	26,441	26,606	27,731	27,563	27,476	na	27,476
<b>Banking Sector</b>																
Deposits	PKR bn	16,327	16,886	16,664	16,841	17,876	17,086	17,257	17,906	17,561	17,955	19,796	18,839	19,208	19,828	19,828
Advances	PKR bn	8,053	8,094	8,116	8,166	8,497	8,467	8,527	8,600	8,665	8,811	8,996	8,878	8,936	9,286	9,286
Investment	PKR bn	10,869	11,090	10,942	11,071	11,552	11,421	11,612	12,553	12,418	13,068	13,742	14,102	13,902	14,097	14,097
WALR	%	8.7	8.3	8.4	8.1	8.0	8.0	7.9	7.8	8.0	7.9	8.0	7.8	7.8	na	7.8
WADR	%	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.6	3.6	na	3.6
Spread	%	4.9	4.6	4.7	4.5	4.4	4.4	4.4	4.3	4.5	4.5	4.5	4.2	4.3	na	4.3
<b>External Sector</b>																
Forex Reserves	USD bn	19.9	19.4	19.4	20.3	20.5	20.1	20.1	20.6	22.7	23.3	23.3	24.9	27.2	26.2	26.0
With SBP	USD bn	12.7	12.2	12.2	13.1	13.4	13.0	13.0	13.5	15.6	16.1	16.1	17.8	20.1	19.3	19.1
With Banks	USD bn	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.1	6.9	6.8
Exchange rate	PKR/USD	166.24	165.70	160.26	159.42	160.28	159.83	160.22	152.76	153.45	154.40	157.54	162.43	166.39	170.66	171.18
C/A Balance	USD mn	255	27	448	563	(629)	(219)	(34)	(364)	(188)	(650)	(1,619)	(814)	(1,476)	na	(1,476)
Exports	USD bn	1.5	2.0	2.0	2.2	2.3	2.1	2.2	2.6	2.3	2.1	2.5	2.3	2.4	na	2.4
Imports	USD bn	3.2	3.8	3.5	4.1	5.0	4.4	4.5	5.2	5.0	5.0	6.3	5.4	6.0	na	6.0
Trade Balance	USD bn	(1.6)	(1.9)	(1.5)	(1.8)	(2.8)	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.4)	(4.0)	na	(4.0)
Remittances	USD bn	2.1	2.5	2.3	2.3	2.4	2.3	2.3	2.7	2.8	2.5	2.7	2.7	2.7	na	2.7
<b>Key Commodities Prices</b>																
<b>International</b>																
Coal	USD/ton	59.2	62.3	59.4	83.7	87.7	87.1	83.3	96.9	93.2	108.3	114.9	123.0	146.8	200.5	231.7
Steel (HRC)	USD/ton	582.9	567.4	580.2	629.0	699.5	700.9	697.1	818.6	888.4	886.2	836.9	918.7	887.4	900.1	903.3
PTA	USD/ton	450.0	440.0	455.0	465.0	510.0	510.0	585.0	690.0	695.0	695.0	745.0	750.0	745.0	745.0	760.0
Gold	USD/oz	1,968	1,886	1,868	1,777	1,894	1,899	1,861	1,708	1,769	1,907	1,770	1,814	1,814	1,757	1,796
Cotton (COTLOOK A)	USd/lb	71.1	71.2	77.0	79.0	82.9	84.6	86.6	87.2	91.9	89.7	96.6	100.3	103.7	110.2	115.3
Crude oil (WTI)	USD/bbl	42.6	40.2	36.2	45.3	48.4	48.5	53.6	59.2	63.6	66.3	73.5	74.0	68.5	75.0	81.3
Crude oil (Arab Light)	USD/bbl	46.9	40.3	36.7	46.6	50.1	49.9	55.6	63.4	66.1	68.7	75.0	75.4	72.2	79.0	84.1
Crude oil (Brent)	USD/bbl	45.3	41.0	37.7	47.6	51.3	51.8	56.4	63.5	67.3	69.3	75.1	76.3	73.0	78.5	84.0
<b>Local</b>																
Cotton	PKR/maund	8,600	8,950	10,100	9,450	10,000	10,200	10,800	11,500	11,300	12,300	12,600	13,000	14,200	14,100	14,100
Cement	PKR/bag	558.2	565.9	568.2	573.6	581.7	587.2	597.0	610.6	614.9	615.2	640.1	653.9	673.6	678.1	704.4
Gold	PKR/10 grms	100,652	95,850	97,094	94,993	97,436	97,737	97,136	90,880	89,510	93,020	92,770	93,880	92,250	97,310	99,020

\*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'21 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 (Ex. KEL) is upside plus dividend yield.

### Equity Valuation Methodology

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

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

### Risks

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

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

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.

© 2021 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, HBL, NBP, AKBL, BOP, PSO, and SNGP.