

Mixed sentiments!

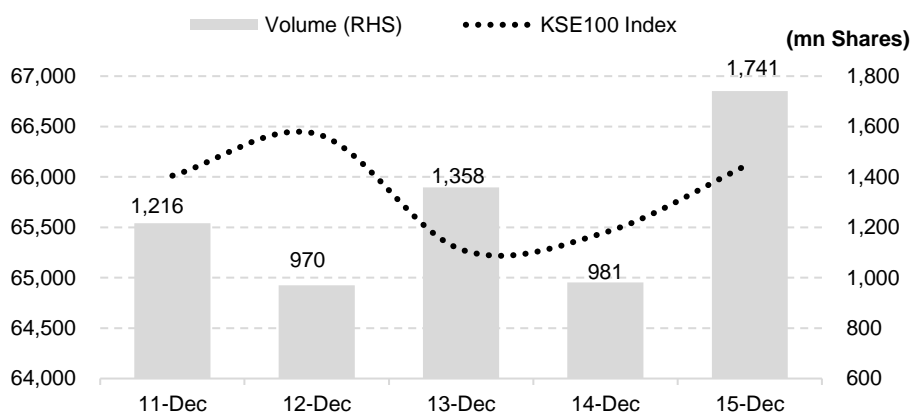
A roller coaster ride was witnessed in the stock market during the week. The highlight of the week was the policy rate, that was kept at the same level by the monetary policy committee (MPC), which was in line with the expectations. Moreover, there was a T-bill auction this week, in which there was no significant change in the cut-offs across all the tenors. Furthermore, Fitch opted to keep Pakistan's Long-Term Foreign-Currency Issuer Default Rating unchanged at 'CCC', despite favorable economic signs, like the strengthening of the local currency and the continuation of a Stand-by Arrangement with the IMF. In addition to this, Aramco (Saudi oil giant) signed a definitive agreement to acquire 40% equity stake in Gas & Oil Pakistan Ltd ("GO"). Also, LSML output witnessed a fall of 4.1%YoY during Oct'23 (-2.0% MoM). Additionally, SBP's reserves surged by USD 21mn, reaching USD 7bn. During the week PKR closed at 283.26 against the greenback, appreciating by 0.61 | 0.22% WoW. Overall, the market closed at 66,130 points, declining by 94 points | -0.14% WoW.

Sector-wise negative contributions came from i) Commercial Banks (642pts), ii) Food & personal care (71pts), iii) Miscellaneous (54pts), iv) textile composite (47pts) and Leather & Tanneries (35pts). Meanwhile, the sectors which mainly contributed positively were i) Oil & Gas Exploration Companies (363pts), and ii) Fertilizer (301pts). Scrip-wise negative contributors were MEBL (219pts), UBL (173pts), BAHL (114pts), HUBC (91pts), and HBL (84pts). Meanwhile, scrip-wise positive contributions came from PPL (251pts), FFC (87pts), PTC (78pts), SNGP (78pts), and BOP (78pts).

Foreigner buying continued during this week, clocking in at USD 13.1mn compared to a net buy of USD 9.6mn last week. Major buying was witnessed in All Other Sectors (USD 3.1mn) and Cement (USD 3.0mn). On the local front, selling was reported by Insurance Companies (USD 5.65mn) followed by Broker proprietary (USD 3.71mn). Average volumes arrived at 1,253mn shares (up by 22% WoW) while the average value traded settled at USD 107mn (down 10% WoW).

Other major news: i) ECP to announce polls schedule on Sunday, ii) Investors rush to buy long -term T -bills, iii) Crucial PC (amendment) Ordinance promulgated, iv) PTCL buys Telenor Pakistan for \$400mn and v) Rs302.63bn authorised for projects under PSDP.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

We anticipate a sustained positive momentum in the forthcoming week. We also observe that stocks persist to trade at enticing valuations, potentially serving as an additional attraction for investors. Our preferred stocks are OGDC, PPL, MARI, MCB, UBL, MEBL, FABL, HBL LUCK, MLCF, FCCL, FFC, HUBC, PSO and INDU. The KSE-100 is currently trading at a PER of 4.4x (2024) as compared to its 5-year average of 5.9x offering a dividend yield of ~10.1% as compared to its 5-year average of ~6.0%.

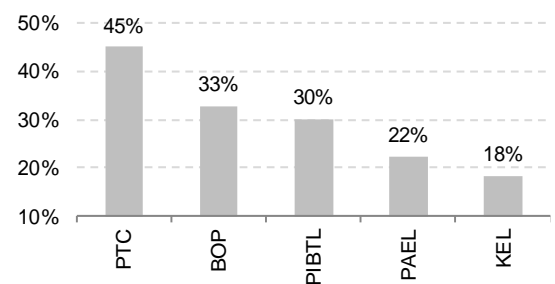
PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	66,130	(0.1)	63.6
KSEAll	44,049	0.4	60.0
KSE30	22,044	(0.4)	48.6
KMI30	111,761	0.5	63.7
BKTI	15,657	(4.0)	68.9
OGTI	16,082	4.4	48.8

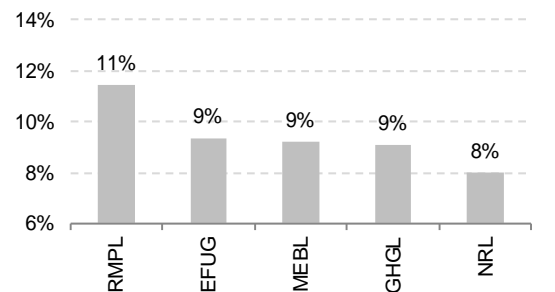
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	151.0	5.2
WTL	118.1	1.8
BOP	76.0	7.5
KOSM	74.5	5.3
HASCOL	60.4	9.3

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

SIFC approves business, investment-friendly visa facility (BR)

A meeting of the Executive Committee of Special Investment Facilitation Council was held in Islamabad Thursday with Caretaker Minister for Planning and Development Muhammad Sami Saeed in the chair. The Executive Committee of the SIFC formally approved the business and investment-friendly SIFC Visa Facility, which is an important milestone in creating a conducive atmosphere for foreign investors. The Committee lauded the overall progress in diverse fields and the level of economic ties with friendly countries, especially the signing of Memorandums of Understanding and agreements with the United Arab Emirates and Kuwait.

Tax input adjustments for 8 sectors allowed (Dawn)

In a bid to facilitate manufacturers of eight sectors, the Federal Board of Revenue (FBR) on Thursday issued a list of harmonized system code products that qualify for tax input adjustments. The decision, notified through a sales tax circular, underscores the necessity of a streamlined procedure for permitting input tax adjustments and provides a comprehensive overview of the raw materials employed by industries. The HS code list covers sectors — weaving, dyeing and printing, steel melters/re-rollers, oil and ghee, chemicals, cement, lead and batteries, and paper and paper board.

ECC approves special incentives (BR)

The Economic Coordination Committee (ECC) of the Cabinet has approved special incentives for Jhal Magsi South Field, which, according to third party, was not economically viable under current policy prices, well-informed sources told Business Recorder. Petroleum Division briefed the ECC that Pakistan was facing challenges in meeting ever-growing energy needs due to expanding population, natural depletion of major oil/gas fields.

ADB sees inflation easing owing to monetary tightening (DAWN)

The Asian Development Bank (ADB) on Wednesday said Pakistan's overall recovery was still constrained by moderate confidence and high inflation was eroding the purchasing power of its population. In its December 2023 'Asian Development Outlook', the Manila-based lending agency expected Pakistan's inflation rate to ease from an average of 28.5pc in July-October, owing to fiscal consolidation and monetary tightening, as well as the improved availability of food and key imported inputs.

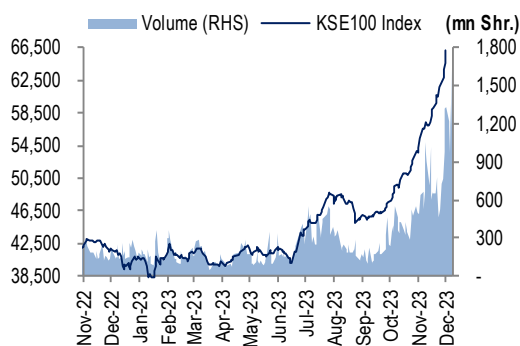
Export industry seeks lower wheeling charges to buy cheaper power (The News)

Pakistan's export industry, facing turbulence due to a challenging economic outlook, has urged the government to lower wheeling charges for using the national grid's power transmission and distribution infrastructure. Already burdened by a high tariff of 14 cents per unit, the industry seeks to transition to a competitive trading bilateral contract market (CTBCM) regime. This would enable them to purchase electricity from independent power producers (IPPs) at lower rates.

FBR sets up body to resolve issue of pending refunds (BR)

The Federal Board of Revenue (FBR) has constituted a committee for the resolution of pending income tax refunds and suggested reforms for the issuance of refunds electronically. The FBR has issued terms of reference (TORs) of the committee for electronic processing of income tax refunds. The FBR's notification issued on Wednesday revealed that the committee to be headed by the Chief (Revenue Operations)/CITRO, IR-Operations Wing, FBR HQ, Islamabad and comprising the following officers for effective enforcement of Section 170A of the Income Tax Ordinance, 2001.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies	Index Contribution
Bullish Companies	
PPL	251.4
FFC	86.8
PTC	78.3
SNGP	78.2
BOP	77.5
	572.2

Bearish Companies

MEBL	(219.1)
UBL	(172.7)
BAHL	(113.7)
HUBC	(91.2)
HBL	(83.8)
	(680.5)

Sectors

Sectors	Index Contribution
Bullish Sectors	
Oil & Gas Exploration Companies	363.3
Fertilizer	301.7
Cable & Electrical Goods	61.5
Automobile Assembler	61.5
Transport	44.6
	832.7

Bearish Sectors

Commercial Banks	(641.6)
Food & Personal Care Products	(71.0)
Miscellaneous	(53.7)
Textile Composite	(47.4)
Leather & Tanneries	(35.1)
	(848.8)



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 15-Dec-23	TP Dec-24	Total Return (%)	Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices	
						2023	2024	2025	2023	2024	2025	2023	2024	2023	2024	2023	2024	2023	2024		
Exploration & Production																					
PPL	Pakistan Petroleum Ltd.	126.3	129.61	2.7	Hold	37.4	39.5	37.4	2.50	3.50	3.50	3.4	3.2	2.0	2.8	0.6	0.5	20.9	18.3	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	126.8	165.6	30.7	Buy	52.2	45.2	43.5	8.55	9.00	8.75	2.4	2.8	6.7	7.1	0.5	0.5	22.9	17.0	KSE100, KSE30, KMI & MSCI	
POL	Pakistan Oilfields Ltd.	451.6	554.82	22.9	Buy	128.4	120.4	110.8	80.00	76.00	70.00	3.5	3.8	17.7	16.8	1.9	1.8	61.4	49.2	KSE100, KSE30 & MSCI	
MARI	Mari Petroleum Ltd	2,125.5	2,711.4	27.6	Buy	420.7	553.3	609.1	147.00	235.00	280.00	5.1	3.8	6.9	11.1	1.7	1.3	37.5	38.9	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	178.4	276.0	54.7	Buy	46.7	56.1	52.3	43.00	42.00	39.00	3.8	3.2	24.1	23.5	1.0	0.9	24.9	28.7	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	51.9	69.1	33.3	Buy	21.8	25.9	23.9	6.00	8.00	7.00	2.4	2.0	11.6	15.4	0.6	0.5	30.1	29.1	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	188.8	294.1	55.7	Buy	53.6	61.4	58.7	30.00	34.00	33.00	3.5	3.1	15.9	18.0	1.0	0.9	30.6	30.9	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	124.8	158.3	26.8	Buy	41.0	50.2	43.5	8.00	10.00	10.00	3.0	2.5	6.4	8.0	0.5	0.5	19.4	20.3	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	86.1	148.8	72.8	Buy	32.8	38.6	33.3	11.00	14.00	12.00	2.6	2.2	12.8	16.3	0.6	0.5	26.4	26.3	KSE100	
NBP	National Bank of Pakistan.*	35.2	47.6	35.4	Buy	23.5	26.0	22.4	-	3.00	2.00	1.5	1.4	-	8.5	0.2	0.2	15.0	14.6	KSE100	
AKBL	Askari Bank Ltd.*	24.7	33.7	36.5	Buy	12.7	15.0	13.8	3.00	5.00	4.00	1.9	1.6	12.2	20.3	0.4	0.3	22.4	22.1	KSE100	
BOP	The Bank of Punjab*	7.5	7.9	4.8	Hold	2.8	3.2	2.9	0.50	0.75	0.50	2.6	2.3	6.6	10.0	0.3	0.3	13.4	13.4	KSE100 & MSCI	
MEBL	Meezan Bank Ltd.*	158.9	240.0	51.0	Buy	47.5	57.7	54.9	18.00	22.00	21.00	3.3	2.8	11.3	13.8	1.7	1.2	58.5	50.7	KSE100, KSE30 & KMI	
FABL	Faysal Bank Ltd.*	33.4	53.4	59.7	Buy	12.0	16.1	14.9	4.00	6.00	6.00	2.8	2.1	12.0	18.0	0.6	0.5	24.0	27.9	KSE100, KMI & MSCI	
Fertilizer																					
ENGRO	Engro Corporation*	323.7	372.1	14.9	Hold	63.2	76.0	85.6	54.00	61.00	69.00	5.1	4.3	16.7	18.8	0.5	0.5	12.1	12.2	KSE100, KSE30, KMI & MSCI	
FFBL	Fauji Fert. Bin Qasim	30.7	29.9	(2.6)	Hold	2.1	4.6	5.5	-	-	1.00	14.5	6.7	-	-	1.6	1.3	11.4	20.8	KSE100, KMI & MSCI	
EFERT	Engro Fertilizer	112.6	110.2	(2.1)	Hold	16.4	17.5	18.1	18.00	20.00	20.00	6.9	6.4	16.0	17.8	3.5	3.8	49.7	56.7	KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	120.6	152.3	26.3	Buy	25.6	27.7	28.3	20.00	21.00	22.00	4.7	4.4	16.6	17.4	2.6	2.3	59.8	56.7	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	35.9	na	na	na	na	na	na	na	na	na	Group Company: No estimates are given						KSE100 & KMI			
AHCL	Arif Habib Corp. Ltd.	38.8	na	na	na	8.4	na	na	-	na	-	Group Company: No estimates are given						KSEALL			
Cement																					
LUCK	Lucky Cement Ltd.*	810.1	1,148.9	41.8	Buy	166.4	217.6	232.7	18.00	20.00	43.00	4.9	3.7	2.2	2.5	0.9	0.7	21.2	21.8	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	20.0	35.0	74.8	Buy	3.0	3.8	7.0	-	-	2.00	6.6	5.2	-	-	0.8	0.7	12.1	13.5	KSE100, KMI & MSCI	
ACPL	Attock Cement Ltd.	106.7	155.1	45.3	Buy	11.0	22.2	30.4	6.00	10.00	12.00	9.7	4.8	5.6	9.4	0.3	0.2	4.0	4.9	KSEALL, KMI & MSCI	
DGKC	D.G. Khan Cement Co.	80.7	98.7	22.3	Buy	(8.3)	9.8	16.2	-	-	4.00	(9.7)	8.2	-	-	0.6	0.5	(5.4)	6.5	KSE100, KSE30, KMI & MSCI	
KOHC	Kohat Cement Co.	220.5	322.1	46.1	Buy	29.7	38.6	37.3	-	11.58	11.18	7.4	5.7	-	5.3	1.3	1.1	19.4	20.8	KSE100, KMI & MSCI	
MLCF	Maple Leaf Cement.*	41.1	59.4	44.5	Buy	5.4	6.7	8.2	-	2.00	3.00	7.6	6.1	-	4.9	1.0	4.5	13.2	26.5	KSE100, KMI & MSCI	
POWER	Power Cement	6.1	na	na	na	0.2	na	na	-	na	-	Group Company: No estimates are given						KMI			
Oil & Gas Marketing																					
PSO	Pakistan State Oil	206.1	258.8	25.6	Buy	12.1	65.9	73.7	7.50	10.00	12.00	17.1	3.1	3.6	4.9	0.4	0.4	2.6	13.7	KSE100, KSE30, KMI & MSCI	
ANPL	Attock Petroleum Ltd.	403.54	398.20	(1.3)	Hold	100.2	97.3	110.6	27.50	57.50	67.50	4.0	4.1	6.8	14.2	1.1	1.0	30.2	25.4	KSE100 & KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	78.5	84.3	7.4	Hold	18.8	23.3	25.6	8.00	7.00	8.00	4.2	3.4	10.2	8.9	1.0	0.8	149.7	249.7	KSE100, KSE30, KMI & MSCI	
Automobile Assemblers																					
PSMC	Pak Suzuki Motor Co.	552.6				Coverage Restricted due to Advisory Mandate															KSE100 & KMI
INDU	Indus Motor Co.	1,292.5	1,571.0	21.5	Buy	123.0	186.1	227.1	71.80	109.00	133.00	10.5	6.9	5.6	8.4	1.7	1.5	16.9	23.2	KSE100	
HCAR	Honda Atlas Cars (Pak)	205.6	248.1	20.7	Buy	1.8	19.4	27.8	-	8.00	11.00	112.8	10.6	-	3.9	1.5	1.4	1.3	13.8	KSE100 & KMI	
MTL	Millat Tractors Ltd.	634.7	661.2	4.2	Hold	17.6	48.6	59.0	25.00	49.00	53.00	36.0	13.1	3.9	7.7	15.8	15.9	45.8	121.4	KSE100, KSE30, KMI & MSCI	
Power Generation & Distribution																					
HUBC	Hub Power Company*	120.3	170.7	41.9	Buy	44.4	53.4	57.5	30.00	30.00	24.25	2.7	2.3	24.9	24.9	1.0	0.8	40.6	39.4	KSE100, KSE30, KMI & MSCI	
NCPL	Nishat Chu. Power Ltd.	32.2	29.6	(8.3)	Hold	10.8	12.7	10.3	-	4.00	2.75	3.0	2.5	-	12.4	0.5	0.4	16.4	18.1	KMI & MSCI	
NPL	Nishat Power Ltd.	33.6	35.8	6.5	Hold	11.6	13.6	9.9	7.00	6.00	4.00	2.9	2.5	20.9	17.9	0.4	0.4	14.1	15.4	KSEALL & MSCI	
Textile Composite																					
NML	Nishat Mills Ltd.	83.6	107.3	28.3	Buy	34.6	41.3	44.4	5.00	6.00	6.50	2.4	2.0	6.0	7.2	0.3	0.3	14.4	15.2	KSE100, KMI & MSCI	
NCL	Nishat (Chunian) Ltd.	28.7	39.0	35.8	Buy	(4.2)	10.8	11.5	-	4.00	4.00	(6.9)	2.7	-	13.9	0.3	0.3	(4.4)	12.1	KSEALL	
ILP	Interloop Ltd.	70.2	99.2	41.4	Buy	14.4	16.2	20.1	5.00	5.50	8.00	4.9	4.3	7.1	7.8	2.2	1.7	52.2	44.3	KSE100 & KMI	
Chemicals																					
LOTCEM	Lotte Chemical Pak Ltd.	28.22	27.90	(1.1)	Hold	4.5	4.5	4.9	3.50	2.00	2.50	6.2	6.3	12.4	7.1	1.7	1.5	28.8	25.6	KSE100 & KMI	
EPCL	Engro Polymer & Chem.	49.6	56.8	14.6	Hold	6.6	8.6	10.6	5.50	6.00	7.50	7.5	5.7	11.1	12.1	1.6	1.5	22.1	27.8	KSE100, KSE30 & KMI	
LCI	Lucky Core Industries Ltd.	799.0	937.1	17.3	Buy	191.1	86.8	113.1	43.00	40.00	50.00	4.2	9.2	5.4	5.0	1.7	1.1	45.7	14.6	KSE100 & KMI	
Engineering																					
ASTL	Amreli Steels Ltd.	27.0	27.4	1.4	Hold	(2.3)	1.5	5.7	-	-	2.00	(11.8)	17.9	-	-	0.6	0.5	(4.6)	3.0	KSEALL	
AGHA	Agha Steel Industries Ltd.	15.8	26.7	68.9	Buy	1.5	1.1	5.1	-	-	-	10.6	14.7	-	-	0.6	0.6	5.6	3.9	KMI	
ASL	Aisha Steel Mills Ltd.	8.7	na	na	na	(3.5)	na	na	-	na	-	Group Company: No estimates are given						KSEALL			
Technology & Communication																					
SYS	Systems Ltd.	452.3	614.0	35.7	Buy	31.7	35.7	43.1	5.00	6.75	12.50	14.3	12.7	1.1	1.5	4.0	3.1	33.3	27.5	KSE100, KSE30, KMI & MSCI	

Source: Bloomberg, AHL Research, *Earnings Consolidated Basis

Pakistan Weekly Update

Pakistan
Stock Market



December 15, 2023

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
BOP	7.52	32.63	38.75	80.99	7.52	3.80	7.52	3.42	7.52	3.19
NCPL	32.23	22.83	32.14	126.49	32.23	20.69	32.23	16.70	32.23	12.78
AHCL	38.79	15.69	29.30	12.63	38.79	24.35	38.79	24.35	38.79	23.25
SNGP	78.47	13.00	24.48	116.20	78.47	46.18	78.47	38.05	78.47	34.15
PPL	126.26	10.90	37.58	91.54	126.26	71.46	126.26	58.04	126.26	50.04
FFBL	30.68	10.48	27.83	100.13	30.68	13.63	30.68	11.78	30.68	11.11
FATIMA	35.89	7.62	6.18	27.93	35.89	27.75	35.89	25.44	35.89	23.90
LCI	799.01	6.62	15.03	34.10	799.01	568.62	799.01	554.30	799.01	485.52
ITTEFAQ	8.62	5.77	12.39	55.32	8.62	5.31	8.62	4.57	8.62	4.20
INDU	1,292.53	4.38	8.60	41.05	1,292.53	867.56	1,292.53	864.68	1,292.53	731.72
NPL	33.56	4.22	14.50	130.56	33.56	22.08	33.56	15.12	33.56	13.58
FFC	120.58	3.51	7.36	41.13	120.77	88.63	120.77	87.50	120.77	85.13
EFERT	112.56	3.47	11.53	79.20	114.72	70.50	114.72	70.50	114.72	61.20
DGKC	65.79	2.99	22.58	(15.14)	82.43	43.42	82.43	41.54	82.43	39.44
MARI	2,125.51	2.81	24.46	51.53	2,191.83	1,528.65	2,191.83	1,459.38	2,191.83	1,260.12
ENGRO	323.69	2.78	10.85	45.75	325.10	236.68	325.10	236.68	325.10	217.14
MTL	634.66	2.39	8.36	127.09	655.84	403.21	655.84	368.09	655.84	275.15
POL	451.57	2.19	3.84	39.42	451.57	379.11	451.57	346.92	451.57	323.89
LUCK	810.06	2.01	2.93	87.59	818.48	550.63	818.48	504.85	818.48	371.22
NML	83.64	1.58	6.90	65.06	83.64	55.31	83.64	52.31	83.64	45.52
ACPL	106.74	1.51	16.22	102.52	107.42	77.92	107.42	73.13	107.42	48.59
APL	403.54	1.23	10.97	52.78	403.54	283.04	403.54	269.21	403.54	262.11
OGDC	126.75	1.09	16.50	74.27	126.75	91.39	126.75	74.64	126.75	63.70
FABL	33.41	0.91	22.25	47.17	33.41	21.29	33.41	18.54	33.41	18.37
LOTCHEM	28.22	0.75	1.88	28.42	28.59	25.38	29.55	22.60	29.81	20.29
AKBL	24.68	0.57	12.39	41.21	25.18	15.16	25.18	12.96	25.18	12.12
KAPCO	31.70	0.48	11.03	66.04	31.99	21.74	31.99	16.95	31.99	16.48
EPCL	49.59	0.30	10.10	38.49	51.25	37.08	51.25	37.08	51.25	34.61
ASTL	26.98	(0.15)	5.80	50.31	27.53	18.55	27.53	15.35	27.53	14.99
AGHA	15.82	(0.32)	1.09	13.81	16.16	10.06	16.16	9.19	16.16	9.11
MCB	188.83	(0.41)	12.57	99.43	191.57	122.48	191.57	103.30	191.57	87.67
FCCL	20.03	(1.09)	14.20	66.64	20.51	10.84	20.51	10.54	20.51	10.51
FML	89.98	(1.34)	4.51	62.28	93.00	76.29	93.00	61.56	93.00	48.22
BAFL	51.87	(2.48)	14.60	100.63	53.19	37.71	53.19	28.32	53.19	24.29
HUBC	120.29	(2.50)	(1.63)	141.27	123.69	77.16	123.69	61.81	123.69	45.65
KOHC	220.45	(2.96)	2.96	49.26	230.71	163.27	230.71	151.84	230.71	115.77
NCL	28.74	(3.36)	(0.17)	37.91	29.99	20.38	29.99	19.98	29.99	19.98
HBL	124.81	(3.64)	11.77	112.69	129.52	87.89	129.52	70.15	129.52	55.17
MLCF	41.07	(3.84)	3.84	81.97	42.71	29.25	42.71	27.05	42.71	19.34
HUMNL	7.70	(4.23)	6.35	31.85	8.04	5.47	8.04	5.35	8.04	5.30
PSMC	552.61	(4.50)	3.16	223.60	578.64	115.80	578.64	95.20	578.64	82.38
ABL	86.13	(4.84)	2.56	56.78	90.51	67.24	90.51	62.08	90.51	54.11
PSO	206.14	(5.10)	18.27	51.86	217.22	113.59	217.22	103.66	217.22	93.36
POWER	6.06	(5.75)	5.57	31.17	6.43	3.66	6.43	3.49	6.43	3.49
UBL	178.42	(6.12)	(1.71)	141.30	190.05	134.11	190.05	102.14	190.05	67.60
NBP	35.16	(6.14)	13.13	49.05	37.46	22.17	37.46	19.48	37.46	18.89
ILP	70.15	(6.78)	4.61	105.41	75.25	40.60	75.25	33.73	75.25	28.44
MEBL	158.91	(9.22)	2.63	81.80	175.04	110.44	175.04	80.65	175.04	77.46

Source (s): Bloomberg, AHL Research

Pakistan Weekly Update

Pakistan
Stock Market



December 15, 2023

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.0	1.4	3.1	2.8	3.6	3.5	3.7	3.4	2.0	3.1	10.1	-69.8%
P/E (x)	13.7	18.4	9.1	11.0	12.4	14.4	9.6	15.9	9.1	12.6	4.4	-64.9%
P/B (x)	0.1	2.9	1.4	1.3	1.0	1.3	1.1	2.1	0.8	1.4	0.8	-43.5%

Source: Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	480.26	479.48	BUY	0.78
Companies	18.93	21.90	SELL	(2.97)
Banks / DFIs	15.11	13.64	BUY	1.48
NBFC	0.16	0.23	SELL	(0.07)
Mutual Funds	14.08	13.98	BUY	0.10
Other Organizations	10.38	13.46	SELL	(3.08)
Broker Proprietary Trading	93.80	97.51	SELL	(3.71)
Insurance Companies	22.43	28.08	SELL	(5.65)
Total	655.14	668.26	SELL	(13.12)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	446.67	448.61	SELL	(1.94)
Companies	28.35	26.73	BUY	1.62
Banks / DFIs	9.15	19.37	SELL	(10.23)
NBFC	0.17	0.22	SELL	(0.05)
Mutual Funds	15.64	10.95	BUY	4.69
Other Organizations	4.69	3.72	BUY	0.97
Broker Proprietary Trading	79.45	82.35	SELL	(2.90)
Insurance Companies	3.87	5.63	SELL	(1.76)
Total	587.99	597.60	SELL	-9.61

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	61.34	63.15	SELL	(1.81)
Fertilizer	29.08	30.41	SELL	(1.32)
Cement	42.15	45.12	SELL	(2.97)
Power Generation & Distribution	37.41	40.12	SELL	(2.71)
Exploration & Production	89.55	88.53	BUY	1.02
Oil & Gas Marketing Companies	64.35	64.92	SELL	(0.57)
Food and Personal Care Products	36.62	37.00	SELL	(0.38)
Textile Composite	5.81	6.18	SELL	(0.37)
Technology and Communication	79.66	80.55	SELL	(0.89)
Debt	0.61	0.61	SELL	-
All other Sectors	208.55	211.67	SELL	(3.12)
Total	655.14	668.26	SELL	(13.12)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	36.21	39.50	SELL	(3.29)
Fertilizer	16.29	17.79	SELL	(1.50)
Cement	49.19	50.36	SELL	(1.17)
Power Generation & Distribution	20.03	20.63	SELL	(0.60)
Exploration & Production	110.06	109.23	BUY	0.83
Oil & Gas Marketing Companies	52.99	53.97	SELL	(0.98)
Food and Personal Care Product:	23.76	23.22	BUY	0.55
Textile Composite	5.71	6.23	SELL	(0.52)
Technology and Communication	71.35	71.82	SELL	(0.48)
Debt	-	-	SELL	-
All other Sectors	202.22	204.68	SELL	(2.45)
Total	587.81	597.42	SELL	(9.61)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.07	0.08	SELL	(0.02)
Foreign Corporates	20.95	8.40	BUY	12.55
Overseas Pakistani	37.95	37.37	BUY	0.58
Total	58.97	45.85	BUY	13.12

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.03	0.05	SELL	(0.02)
Foreign Corporates	14.78	6.11	BUY	8.67
Overseas Pakistani	32.70	31.73	BUY	0.96
Total	47.50	37.89	BUY	9.61

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	5.16	3.35	BUY	1.81
Fertilizer	3.90	2.57	BUY	1.32
Cement	6.39	3.42	BUY	2.97
Power Generation & Distribution	5.38	2.68	BUY	2.71
Exploration & Production	7.46	8.48	SELL	(1.02)
Oil & Gas Marketing Companies	3.76	3.19	BUY	0.57
Food and Personal Care Products	2.78	2.41	BUY	0.38
Textile Composite	0.87	0.50	BUY	0.37
Technology and Communication	6.86	5.97	BUY	0.89
All other Sectors	16.40	13.28	BUY	3.12
Total	58.97	45.85	BUY	13.12

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	5.86	2.57	BUY	3.29
Fertilizer	2.91	1.41	BUY	1.50
Cement	4.40	3.24	BUY	1.17
Power Generation & Distribution	2.68	2.08	BUY	0.60
Exploration & Production	5.78	6.61	SELL	(0.83)
Oil & Gas Marketing Companies	3.92	2.95	BUY	0.98
Food and Personal Care Product:	1.48	2.03	SELL	(0.55)
Textile Composite	0.91	0.39	BUY	0.52
Technology and Communication	4.70	4.22	BUY	0.48
All other Sectors	14.85	12.39	BUY	2.45
Total	47.50	37.89	BUY	9.61

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 (%)
South Africa	JALSH Index	75,290	5.8	2.8	(4.0)	Germany	DAX Index	16,799	2.0	4.2	23.3
Australia	AS51 Index	7,443	5.6	6.7	4.1	Italy	FTSEMIB Index	30,459	2.0	3.0	31.3
Sweden	OMX Index	2,385	5.5	9.3	18.8	Finland	HEX Index	9,957	1.9	2.4	(5.8)
Lebanon	BLOM Index	1,758	5.5	8.0	24.7	Lithuania	VILSE Index	937	1.8	(1.2)	1.1
Mexico	MEXBOL Index	57,036	5.3	6.2	32.8	Tunisia	TUSISE Index	8,630	1.7	1.5	7.5
Hungary	BUX Index	60,847	5.3	5.2	48.2	Malaysia	FBMKLCI Index	1,462	1.3	0.6	(7.7)
Norway	OBXP Index	575	5.0	2.9	(2.5)	Dubai	DFMGI Index	4,001	1.2	0.2	19.9
Luxembourg	LUXXX Index	1,467	4.9	5.0	2.7	Singapore	FSSTI Index	3,117	1.1	2.0	(3.5)
Poland	WIG20 Index	2,364	4.8	8.2	46.3	Uae	ADSMI Index	9,498	1.0	(0.7)	(7.0)
Iceland	ICEXI Index	2,026	4.8	6.1	(5.2)	Mongolia	MSETOP Index	38,951	1.0	5.1	3.7
Japan	NKY Index	32,971	4.4	3.1	16.9	Qatar	DSM Index	9,928	0.8	(1.2)	(6.8)
Romania	BET Index	15,401	4.3	4.5	34.3	Jordan	JOSMGNFF Index	2,400	0.8	(0.3)	(4.0)
Estonia	TALSE Index	1,784	4.0	2.4	3.2	Indonesia	JCI Index	7,191	0.8	1.8	4.9
Canada	SPTSX Index	20,779	3.6	4.0	8.2	Latvia	RIGSE Index	1,326	0.6	(1.6)	17.6
Brazil	IBOV Index	130,842	3.5	3.3	28.7	Spain	IBEX Index	10,079	0.4	0.8	25.2
Chile	IPSA Index	6,175	3.4	5.8	14.4	Belgium	BEL20 Index	3,745	0.3	1.0	(5.2)
Netherland	AEX Index	794	3.4	4.3	17.8	Belgium	BEL20 Index	3,745	0.3	1.0	(5.2)
Austria	ATX Index	3,370	3.3	3.0	10.2	Portugal	PSI20 Index	6,465	0.2	0.4	15.4
Philippines	PCOMP Index	6,478	3.3	3.6	(1.5)	Czech Republic	PX Index	1,387	0.1	(0.3)	16.4
South Korea	KOSPI Index	2,564	3.2	1.3	11.4	Pakistan	KSE100 Index	66,130	0.1	10.0	30.8
Ireland	ISEQ Index	8,619	3.1	3.7	23.9	Egypt	EGX30 Index	24,723	0.1	(0.2)	35.6
Greece	ASE Index	1,290	3.0	1.7	41.9	Bulgaria	SOFIX Index	742	(0.0)	(0.0)	26.3
France	CAC Index	7,615	3.0	4.7	20.3	Turkey	XU100 Index	7,926	(0.1)	(0.9)	(7.3)
India	SENSEX Index	71,484	2.9	7.2	17.0	Oman	MSM30 Index	4,589	(0.1)	(1.5)	(5.5)
Hong Kong	HSI Index	16,792	2.9	(1.4)	(15.2)	Kazakhstan	KZKAK Index	4,149	(0.2)	(0.5)	28.7
USA	NDX Index	16,538	2.8	3.7	51.2	Ghana	GGSECI Index	3,125	(0.3)	(1.7)	7.5
Serbia	BELEX15 Index	881	2.8	0.9	9.6	Russia	RTSI\$ Index	1,051	(0.4)	(5.8)	8.2
Saudi Arabia	SASEIDX Index	11,543	2.8	3.3	10.4	Sri Lanka	CSEALL Index	10,742	(0.4)	1.8	42.4
Thailand	SET Index	1,391	2.8	2.0	(17.1)	Russia	IMOEX Index	3,009	(0.6)	(5.3)	13.3
USA	INDU Index	37,248	2.8	3.6	12.4	Ukraine	PFTS Index	507	(0.8)	(1.9)	(2.7)
Switzerland	SMI Index	11,181	2.7	4.1	11.0	China	SHSZ300 Index	3,342	(0.8)	(4.1)	(16.2)
Croatia	CRO Index	2,483	2.7	2.5	28.6	Mauritius	SEMDEX Index	2,047	(1.3)	(1.9)	(1.3)
Europe	SX5E Index	4,559	2.6	4.6	22.9	Bahrain	BHSEASI Index	1,915	(1.4)	(1.3)	1.1
USA	SPX Index	4,720	2.5	3.3	22.9	Zimbabwe	ZHIALSH Index	196,316	(1.8)	0.7	12.6
Denmark	KFX Index	2,194	2.3	(0.9)	21.9	Vietnam	VNIndex Index	1,102	(2.1)	0.7	6.6
UK	UKX Index	7,604	2.3	3.1	7.6	Nigeria	NGSEINDX Index	72,546	(2.5)	(0.0)	(21.8)
Slovenia	SBITOP Index	1,229	2.3	2.2	20.1	Kenya	NSEASI Index	92	(3.5)	(1.4)	(42.8)
Taiwan	TWSE Index	17,674	2.2	1.6	23.1	Argentina	MERVAL Index	989,696	(52.2)	(45.2)	8.4
New Zealand	NZSE Index	1,743	2.1	2.8	(4.7)						

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

Key Economic Data & Commodities Prices

Month end	Units	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Current*
Money Market Data														
03-M T-Bill	%	16.7	17.75	19.53	21.60	21.90	22.09	22.65	22.95	23.13	22.46	21.65	21.33	21.16
06-M T-Bill	%	17.0	17.87	19.82	21.32	21.80	22.00	22.87	22.99	23.20	22.81	21.70	21.33	21.34
12-M T-Bill	%	17.0	17.95	19.93	21.39	21.76	22.00	22.93	23.02	23.28	22.90	21.76	21.30	21.30
03-Y PIB	%	15.6	16.83	18.20	18.33	18.30	19.10	19.47	19.46	20.57	19.11	17.82	16.50	16.44
05-Y PIB	%	14.6	15.48	15.80	15.23	15.00	15.10	16.08	16.86	17.22	17.23	15.46	15.90	15.91
10-Y PIB	%	13.7	14.45	15.50	15.22	15.10	15.10	15.32	15.96	16.31	16.12	15.15	14.97	14.94
06-M KIBOR	%	17.0	17.97	20.06	22.03	22.06	22.18	22.97	23.22	23.21	22.95	22.00	21.47	21.55
Policy Rate	%	16.00	17.00	17.00	20.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Inflation (YoY)														
Headline (CPI New Base)	%	24.5	27.6	31.6	35.4	36.4	38.0	29.4	28.3	27.4	31.4	26.8	29.2	29.2
Monetary Sector														
M1	PKR bn	22,963	22,798	23,131	24,074	24,802	25,017	26,157	25,857	25,964	26,184	26,403	n.a	26,403
M2	PKR bn	27,335	27,292	27,878	28,732	29,433	29,859	31,280	30,966	31,209	31,425	31,722	n.a	31,722
M3	PKR bn	30,744	30,688	31,241	32,070	32,743	33,140	34,545	34,246	34,483	34,287	34,906.3	n.a	34,906
Banking Sector														
Deposits	PKR bn	22,467	22,754	22,921	23,562	23,429	24,388	25,508	25,702	26,110	26,318	26,398	26,798	26,798
Advances	PKR bn	11,913	11,659	11,723	11,836	12,111	12,072	12,202	11,898	11,775	11,857	11,898	11,964	11,964
Investment	PKR bn	17,902	19,293	18,993	19,236	19,695	20,144	20,896	21,468	22,016	22,622	23,232	24,587	24,587
WALR	%	14.6	15.0	15.5	16.3	17.6	17.7	18.2	18.4	18.9	19.3	19.3	n.a	19.3
WADR	%	8.1	8.0	8.7	8.7	9.7	10.2	10.5	11.3	11.3	11.4	11.6	n.a	11.6
Spread	%	6.5	7.0	6.8	7.5	7.9	7.6	7.7	7.1	7.6	7.9	7.7	n.a	7.7
External Sector														
Forex Reserves	USD bn	10.8	8.4	9.3	9.8	10.0	9.5	9.2	13.5	13.2	12.5	12.0	12.0	12.2
With SBP	USD bn	5.3	3.1	3.8	4.2	4.5	4.1	4.4	8.2	7.8	7.6	7.4	7.4	7.0
With Banks	USD bn	5.6	5.3	5.5	5.6	5.6	5.4	4.7	5.3	5.3	4.9	4.6	4.6	5.2
Exchange rate	PKR/USD	226.4	267.9	261.5	283.7	283.8	285.5	286.0	286.6	305.5	287.7	281.5	285.2	283.3
C/A Balance	USD mn	(290.0)	(230.0)	(36.0)	750.0	78.0	220.0	504.0	(775.0)	(160.0)	(46.0)	(74.0)	n.a	(74.0)
Exports	USD bn	2.3	2.2	2.2	2.4	2.1	2.6	2.1	2.1	2.5	2.5	2.8	n.a	2.8
Imports	USD bn	4.2	3.9	3.9	4.0	3.7	3.8	3.2	4.2	4.0	4.0	4.3	n.a	4.3
Trade Balance	USD bn	(1.9)	(1.7)	(1.7)	(1.6)	(1.6)	(1.2)	(1.1)	(2.1)	(1.5)	(1.5)	(1.6)	n.a	(1.6)
Remittances	USD bn	2.0	1.9	2.0	2.5	2.2	2.1	2.2	2.0	2.1	2.2	2.5	n.a	2.5
Key Commodities Prices														
International														
Coal	USD/ton	205.6	141.7	143.1	132.5	127.9	100.2	100.3	102.7	113.1	122.5	120.9	108.0	101.3
Steel (HRC)	USD/ton	595.5	635.9	628.8	636.2	574.0	519.9	531.7	569.1	543.3	532.3	526.8	560.2	570.3
PTA	USD/ton	790.0	830.0	785.0	840.0	875.0	780.0	770.0	825.0	800.0	830.0	790.0	765.0	750.0
Gold	USD/oz	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	1,983.9	2,036.4	2,036.4
Cotton (COTLOOK A)	USD/lb	99.3	102.0	99.4	96.5	93.2	93.8	89.3	94.9	97.0	98.4	95.0	89.7	91.1
Crude oil (WTI)	USD/bbl	80.3	78.9	77.1	74.4	76.8	68.1	67.7	81.8	83.6	91.7	81.0	76.0	71.6
Crude oil (Arab Light)	USD/bbl	84.2	82.9	83.4	78.8	80.9	74.7	77.8	88.8	90.5	97.7	91.2	87.7	78.2
Crude oil (Brent)	USD/bbl	85.9	84.5	83.9	79.3	79.5	72.7	72.3	85.6	86.9	95.4	87.4	82.8	76.6
Local														
Cotton	PKR/maund	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	17,000.0	17,200.0	17,000.0
Cement	PKR/bag	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	1,195.9	1,241.3	1,243.0
Gold	PKR/10 grms	158,780	173,190	166,580	178,160	188,230	197,620	185,270	190,590	207,050	176,270	185,530	186,474	176,300

*Current Price

Disclaimer

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Equity Research Ratings

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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Arif Habib Limited (AHL) has a shareholding in OGDC, NBP, BOP, FFBL, MLCF and PSO.