

## Market Review

### Bulls Takeover

## Equities

#### Market Commentary

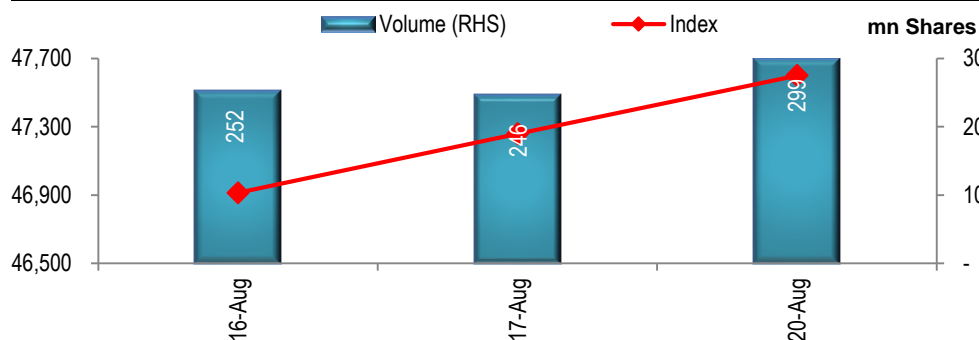
This week trading activity commenced on a negative note amid i) Geopolitical uncertainty given crisis in Afghanistan and its potential spill over in Pakistan, ii) Closure of borders that connects trade activity with Afghanistan, and iii) less trading days in the week owed to religious activity. However, trading activity picked pace on the back of peaceful takeover Kabul falls, ii) decline in international commodity prices, iii) Reopening of borders with Afghanistan as a result trading activity witnessed a drastic jump, and iv) slowdown in Covid-19 infection ratio. As a result, the KSE-100 index closed at 47,600pts, up by 430pts or 0.91% WoW.

Contribution to the upside was led by i) Cements (151pts), ii) Commercial Banks (86pts), iii) Power Generation and Distribution (72pts), iv) Oil and Gas Marketing Companies (65pts), and v) Fertilizer (41pts). Scrip-wise major gainers were MEBL (73pts), HUBC (62pts), PSO (57pts), DGKC (40pts), and MLCF (36pts). Whereas, scrip-wise major losers were PPL (18pts), KTML (16pts), NESTLE (11pts), PSEL (11pts) and MARI (10pts).

Foreigners offloaded stocks worth of USD 10.82mn compared to a net buy of USD 3.95mn last week. Major selling was witnessed in All Other Sectors (USD 10.79mn) and Cements (USD 2.53mn). On the local front, buying was reported by Companies (USD 7.78mn) followed by Mutual Funds (USD 5.87mn). That said, average daily volumes and traded value for the outgoing week were down by 13% and 4% to 266mn shares and USD 70mn, respectively.

Other major news: i) Roshan Digital Account inflows reach \$2bn in 11 months, ii) LSM surges by 14.85pc in FY21, iii) \$2.77bn from IMF to help facilitate increased imports, iv) Pakistan bonds hit as investors brace for Afghanistan fallout, and v) Foreign direct investment plunges by 38.7pc in July.

#### Exhibit: KSE100 index and volume



#### Outlook and Recommendation

Going forward, we expect the market to remain positive in the upcoming week attributable to crashing global commodity prices and the ongoing result season which will keep specific companies under limelight. On the other hand, decline in infection ratio of the novel coronavirus in Pakistan and slowdown in global oil prices would release pressure from external account. Our preferred stocks are EPCL, PSO, OGDC, HUBC, HBL, MCB, FFC, LUCK, ACPL, ENGRO, MCB, INDU, UBL, PTL, SNGP, UNITY and ILP. The KSE-100 is currently trading at a PER of 6.7x (2021) compared to Asia Pac regional average of 16.1x while offering a dividend yield of ~6.6% versus ~2.4% offered by the region.

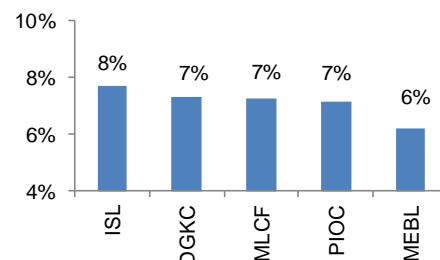
#### PSX Indices Performance

Index	Current	WoW (%)	CY21TD (%)
KSE100	47,600	0.91	8.8
KSEAll	32,465	0.61	5.5
KSE30	19,103	1.31	5.1
KMI30	77,350	1.87	8.7
BKTI	13,136	0.97	0.4
OGTI	11,999	(0.66)	(9.3)

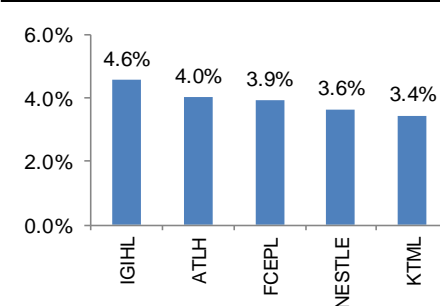
#### PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	14.6	3.4
GGL	13.9	46.9
TPLP	13.9	44.7
TELE	13.1	17.6
TRG	11.2	164.4

#### Major Gainers (KSE100 Index)



#### Major Losers (KSE100 Index)



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**Business & Economic developments during the week.**
**Roshan Digital Account inflows reach \$2bn in 11 months (Dawn)**

ISLAMABAD: Foreign exchange inflows from overseas Pakistanis through the expensive Roshan Digital Account (RDA) crossed the \$2 billion mark in 11 months on Monday and will now require more than Rs13.1bn subsidy to maintain its growth. "Roshan Digital Account deposits cross \$2 billion in just 11 months," the State Bank of Pakistan (SBP) said in a tweet. "As Pakistanis all over the world celebrated country's Independence Day, Roshan Digital Account crosses the historical milestone of \$2bn in deposits," it added. The expensive RDA initiative has a brief history of 11 months. The Economic Coordination Committee (ECC) of the cabinet had last week approved a budgeted subsidy of Rs13.103bn for the current fiscal year for a reward scheme to sustain foreign remittances at last fiscal year's record of \$29.4bn and made RDAs part of the subsidy scheme.

**LSM surges by 14.85pc in FY21 (Dawn)**

ISLAMABAD: Higher output in textiles, auto, cement, sugar, iron and steel, fertiliser and the petroleum sectors led to the overall increase in the Large Scale Manufacturing (LSM) by 14.85 per cent during 2020-21 (FY21) against the previous fiscal year. The LSM data released by the Pakistan Bureau of Statistics (PBS) on Friday has been compiled using figures from the provincial bureaus of statistics, the Oil Companies Advisory Council (OCAC) and the Ministry of Industries.

**\$2.77bn from IMF to help facilitate increased imports (BR)**

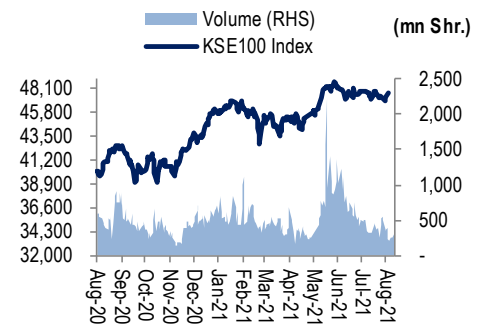
ISLAMABAD: The Governor State Bank of Pakistan Dr Reza Baqir on Friday said that after receiving US\$ 2.77 billion from the International Monetary Fund (IMF) Pakistan's foreign exchange reserves would reach a historically high level. He also stated that considerable growth is expected in the coming months. Speaking to media persons at SBP Office Islamabad, he said that last time highest foreign exchange reserves were of \$19.5 billion in October 2016 and SBP's reserves would reach around \$20 billion after 23rd August, a date when the countries would get money from the IMF.

**Pakistan bonds hit as investors brace for Afghanistan fallout (The News)**

LONDON: Pakistan's international bonds came under selling pressure on Monday, and debt issued by Uzbekistan also weakened as emerging market investors braced for the fallout from the crisis in Afghanistan Financial Times reported. The US-backed government of Afghanistan collapsed over the weekend when Taliban fighters took over the capital, Kabul, following a surprising breakthrough that had seen the Islamist group invade most of the country. The likely exodus of refugees from Afghanistan could strain the finances of neighboring countries, fund managers said, while there were also concerns about the possibility of Western retaliation against Taliban.

**Foreign direct investment plunges by 38.7pc in July (Dawn)**

KARACHI: Foreign direct investment fell sharply by 38.7 per cent during the first month of the new fiscal FY22 compared to July FY21, following the declining trend noted in the previous fiscal year. The State Bank's latest data issued on Tuesday showed that the country received only \$90 million as FDI during July against an inflow \$128.7m in the same month of the previous fiscal. The beginning of the new fiscal did not show any improvement against the trend dominated by the previous fiscal FY21 as it fell by 29 per cent: the country received \$1.847bn in last fiscal year. The data also shows the inflow from China was drastically low compared to last year. Pakistan received \$6.6m in July from China while the inflow was \$44.1m in July FY21.

**PSX Volume & Index**

**Top Contributors in KSE100 Index**

Companies	Index Contribution
<b>Bullish Companies</b>	
MEBL	72.8
HUBC	62.1
PSO	57.3
DGKC	39.6
MLCF	36.4
	<b>268.3</b>

**Bearish Companies**

PPL	(17.9)
KTML	(15.9)
NESTLE	(11.4)
PSEL	(10.6)
MARI	(10.0)
	<b>(65.7)</b>

Sectors	Index Contribution
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**Bullish Sectors**

Cement	151.5
Commercial Banks	86.0
Power Generation & Distribution	71.7
Oil & Gas Marketing Companies	64.9
Fertilizer	40.9
	<b>414.9</b>

**Bearish Sectors**

Oil & Gas Exploration Companies	(35.3)
Miscellaneous	(13.7)
Food & Personal Care Products	(8.5)
Insurance	(6.4)
Automobile Parts & Accessories	(4.4)
	<b>(68.3)</b>

**AHL Universe - Recommendation Summary**

Code	Company	Price 20-Aug-21	Target Price	Upside (%)	Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices		
						2020	2021	2022	2020	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022			
<b>Exploration &amp; Production</b>																						
PPL	Pakistan Petroleum Ltd.	78.8	148.7	88.7	Buy	18.5	17.9	20.4	1.00	1.50	2.00	4.4	3.9	1.9	2.5	0.6	0.5	13.4	13.6	KSE100, KSE30, KMI & MSCI		
OGDC	Oil and Gas Dev Co.	90.5	187.1	106.8	Buy	23.3	21.2	26.1	6.75	8.50	10.50	4.3	3.5	9.4	11.6	0.4	0.4	11.3	11.6	KSE100, KSE30 & KMI		
POL	Pakistan Oilfields Ltd.	392.8	556.6	41.7	Buy	57.7	47.1	60.0	50.00	50.00	54.00	8.3	6.5	12.7	13.7	2.8	2.6	33.6	41.6	KSE100, KSE30, KMI & MSCI		
MARI	Mari Petroleum Ltd	1,480.6	1,962.5	32.6	Buy	227.2	213.1	247.5	6.10	6.75	6.50	6.9	6.0	0.5	0.4	1.6	1.3	26.6	24.1	KSE100, KSE30, KMI & MSCI		
<b>Commercial Banks</b>																						
UBL	United Bank Ltd.*	129.3	148.7	15.0	Buy	17.1	17.1	22.4	12.00	12.00	14.50	7.5	5.8	9.3	11.2	0.8	0.8	10.3	13.5	KSE100, KSE30 & MSCI		
BAFL	Bank Alfalah*	32.1	42.9	33.7	Buy	6.1	6.7	7.2	4.00	4.00	4.00	4.8	4.5	12.5	12.5	0.6	0.5	12.4	12.4	KSE100 & MSCI		
MCB	MCB Bank Ltd.*	164.9	225.8	36.9	Buy	24.8	24.8	27.9	20.00	20.00	20.00	6.7	5.9	12.1	12.1	1.0	1.0	15.4	17.3	KSE100, KSE30 & MSCI		
HBL	Habib Bank Ltd.*	129.5	179.7	38.7	Buy	21.1	24.1	29.0	4.25	7.00	12.00	5.4	4.5	5.4	9.3	0.7	0.6	12.8	14.3	KSE100, KSE30 & MSCI		
ABL	Allied Bank Ltd.*	71.5	103.2	44.4	Buy	16.0	16.5	16.9	8.00	8.00	8.00	4.3	4.2	11.2	11.2	0.6	0.6	14.4	14.5	KSE100		
NBP	National Bank of Pakistan.*	33.7	49.4	46.5	Buy	14.4	15.9	16.1	-	-	2.00	2.1	2.1	-	5.9	0.3	0.2	12.5	12.1	KSE100		
AKBL	Askari Bank Ltd.*	20.4	27.5	34.8	Buy	8.6	7.7	6.0	3.00	2.00	1.00	2.6	3.4	9.8	4.9	0.4	0.4	16.7	11.7	KSE100		
BOP	The Bank of Punjab*	8.3	10.9	30.7	Buy	2.6	2.5	3.0	1.00	0.75	0.75	3.4	2.8	9.0	9.0	0.4	0.4	12.1	13.5	KSE100		
MEBL	Meezan Bank Ltd.*	129.9	177.4	36.6	Buy	15.8	18.4	21.5	7.00	8.00	9.50	7.0	6.1	6.2	7.3	2.1	1.8	32.3	31.7	KSE100, KSE30 & KMI		
<b>Fertilizer</b>																						
ENGRO	Engro Corporation*	297.2	410.5	38.1	Buy	43.6	43.4	47.2	26.00	33.00	35.00	6.9	6.3	11.1	11.8	0.8	0.8	12.2	12.6	KSE100, KSE30, KMI & MSCI		
FFBL	Fauji Fert. Bin Qasim	26.0				Coverage Restricted due to Advisory Mandate															KSE100	
EFERT	Engro Fertilizer	77.5	77.8	0.4	Hold	13.6	7.5	7.1	13.00	7.50	6.50	10.4	11.0	9.7	8.4	2.4	2.4	22.2	21.7	KSE100, KSE30, KMI & MSCI		
FFC	Fauji Fertilizer Co.	106.4	136.5	28.2	Buy	16.4	15.7	16.8	11.15	13.00	14.00	6.8	6.3	12.2	13.2	3.2	3.0	47.3	48.8	KSE100, KSE30 & MSCI		
FATIMA	Fatima Fertilizer Co.	28.2	na	na	na	6.3	na	na	2.50			Group Company: No estimates are given										KSE100 & KMI
AHCL	Arif Habib Corp. Ltd.	37.1	na	na	na	6.5	na	na	1.50			Group Company: No estimates are given										KSEALL
<b>Cement</b>																						
LUCK	Lucky Cement Ltd.	859.9	1,387.3	61.3	Buy	10.3	43.5	68.8	-	-	22.00	19.8	12.5	-	2.6	2.5	2.1	13.2	18.1	KSE100, KSE30, KMI & MSCI		
LUCK	Lucky Cement Ltd.*	859.9	1,387.3	61.3	Buy	19.0	70.7	118.9	-	-	22.00	12.2	7.2	-	2.6	1.8	1.5	15.8	22.6	KSE100, KSE30, KMI & MSCI		
FCCL	Fauji Cement Co.	22.3	34.5	54.8	Buy	(0.0)	2.5	3.5	-	0.50	2.00	8.8	6.3	2.2	9.0	1.4	1.3	16.6	20.8	KSE100 & KMI		
ACPL	Attock Cement Ltd.	162.1	265.1	63.6	Buy	8.1	8.1	21.4	3.50	4.00	7.00	20.1	7.6	2.5	4.3	1.3	1.1	6.5	15.8	KSEALL & KMI		
DGKC	D.G. Khan Cement Co.	112.9	183.3	62.4	Buy	(4.9)	8.9	16.4	-	1.00	2.00	12.7	6.9	0.9	1.8	0.7	0.6	5.7	9.8	KSE100, KSE30 & KMI		
KOHC	Kohat Cement Co.	225.3	298.3	32.4	Buy	(2.2)	18.5	28.8	-	3.00	10.00	12.2	7.8	1.3	4.4	2.1	1.8	18.3	24.4	KSE100 & KMI		
MLCF	Maple Leaf Cement.*	46.2	70.0	51.5	Buy	(3.2)	3.5	7.6	-	-	1.00	13.3	6.0	-	2.2	1.3	1.1	10.5	19.8	KSE100, KSE30 & KMI		
POWER	Power Cement	9.2	na	na	na	(3.4)	na	na	-			Group Company: No estimates are given										KSEALL & KMI
<b>Oil &amp; Gas Marketing</b>																						
PSO	Pakistan State Oil	225.9	306.5	35.7	Buy	(13.8)	51.1	38.3	-	15.00	15.00	4.4	5.9	6.6	6.6	0.8	0.8	19.7	13.3	KSE100, KSE30, KMI & MSCI		
APL	Attock Petroleum Ltd.	334.8	441.5	31.9	Buy	10.1	49.4	47.5	9.00	27.00	27.50	6.8	7.0	8.1	8.2	1.5	1.5	23.9	20.8	KSE100 & KMI		
SNGP	Sui Northern Gas Pipeline Ltd.	49.9	91.1	82.6	Buy	9.5	21.6	21.4	4.00	6.00	6.00	2.3	2.3	12.0	12.0	0.9	0.7	49.7	49.7	KSE100 & KMI		
<b>Automobile Assemblers and Parts</b>																						
PSMC	Pak Suzuki Motor Co.	347.3	416.5	19.9	Buy	(19.3)	42.1	53.7	-	17.00	22.00	8.3	6.5	4.9	6.3	1.1	1.0	13.6	16.0	KSE100		
INDU	Indus Motor Co.	1,333.1	1,524.5	14.4	Buy	64.7	147.7	165.7	30.00	100.00	109.00	9.0	8.0	7.5	8.2	2.3	2.1	27.0	27.6	KSE100		
HCAR	Honda Atlas Cars (Pak)	352.7	362.7	2.8	Hold	4.8	12.6	34.5	1.00	4.52	14.00	28.1	10.2	1.3	4.0	2.8	2.4	10.5	25.7	KSE100 & KMI		
MTL	Millat Tractors Ltd.	1,090.9	1,419.4	30.1	Buy	38.4	108.7	121.8	40.00	120.00	136.00	10.0	9.0	11.0	12.5	14.6	14.4	147.6	162.2	KSE100, KMI & MSCI		
PTL	Panther Tyres Ltd.	76.1	94.7	24.5	Buy	1.8	6.1	9.1	-	2.00	2.50	12.5	8.4	2.6	3.3	1.9	1.7	18.7	21.4	KSEALL & KMI		
<b>Power Generation &amp; Distribution**</b>																						
HUBC	Hub Power Company*	77.8	149.6	92.4	Buy	19.3	23.7	27.8	-	10.00	12.75	3.3	2.8	12.9	16.4	0.9	0.8	32.2	30.4	KSE100, KSE30 & MSCI		
NCPL	Nishat Chu. Power Ltd.	14.5	25.2	74.4	Buy	12.7	7.4	4.5	-	3.00	3.00	1.9	3.2	20.7	20.7	0.3	0.2	13.6	7.6	KSEALL		
NPL	Nishat Power Limited	19.1	35.0	82.7	Buy	14.0	8.0	5.0	2.00	5.00	9.00	2.4	3.8	26.1	47.0	0.3	0.3	11.5	6.7	KSEALL		
KAPCO	Kot Addu Power Co.	40.2	59.2	47.3	Buy	26.8	11.6	21.0	1.50	10.00	10.00	3.5	1.9	24.9	24.9	0.7	0.6	18.3	34.1	KSE100 & KSE30		
<b>Textile Composite</b>																						
NML	Nishat Mills Ltd.	99.0	162.3	63.9	Buy	10.0	16.1	22.5	3.00	6.50	7.00	6.1	4.4	6.6	7.1	0.5	0.4	7.7	10.0	KSE100, KSE30 & KMI		
NCL	Nishat (Chunian) Ltd.	52.3	57.7	10.4	Buy	1.1	17.4	14.2	1.00	4.00	4.00	3.0	3.7	7.6	7.6	0.7	0.6	26.7	18.1	KSE100		
FML	Feroze1888 Mills Ltd.	98.0	144.9	47.9	Buy	7.8	13.8	17.5	2.34	5.53	6.98	7.1	5.6	5.6	7.1	1.5	1.3	22.5	24.2	KSE100 & KMI		
ILP	Interloop Ltd.	74.9	95.4	27.2	Buy	2.1	7.5	10.8	2.00	4.00	5.50	10.0	7.0	5.3	7.3	3.2	2.6	34.9	41.4	KSE100 & KMI		
<b>Chemicals</b>																						
LOTCEM	Lotte Chemical Pak Ltd.	15.2	15.4	1.5	Hold	1.4	2.8	2.2	0.75	0.75	0.55	5.4	6.9	4.9	3.6	1.3	1.2	23.8	17.5	KSE100		
EPCL	Engro Polymer & Chem.	60.6	81.1	33.9	Buy	6.3	15.3	16.6	1.25	3.00	5.00	4.0	3.7	5.0	8.3	1.5	1.2	44.0	35.9	KSE100 & KMI		
ICI	ICI Pakistan Ltd.*	855.0	1,040.3	21.7	Buy	28.1	60.3	66.5	16.00	40.00	40.00	14.2	12.9	4.7	4.7	3.1	2.6	23.2	22.1	KSE100 & KMI		
<b>Engineering</b>																						
ASTL	Amreli Steels Ltd.	46.4	47.9	3.2	Hold	(4.2)	4.6	2.9	-	-	0.50	10.1	15.7	-	1.1	1.2	1.1	12.1	7.3	KSEALL		
ITTEFAQ	Ittefaq Iron Industries Ltd.	17.2	25.5	48.1	Buy	(1.7)	2.0	2.7	-	-	-	8.4	6.3	-	-	0.6	0.5	7.1	8.8	KSEALL & KMI		
<b>Technology &amp; Communication</b>																						
AVN	Avanceon Ltd.	124.8	95.1	(23.8)	Sell	4.1	8.0	9.8	1.00	3.00	3.50	15.5	12.7	2.4	2.8	4.2	3.5	29.8	29.9	KSEALL & KMI		
<b>Food &amp; Personal Care Product</b>																						
UNITY	Unity Foods Ltd.	39.3	54.4	38.6	Buy	0.2	3.8	4.7	-	0.50	1.00	10.4	8.3	1.3	2.5	2.9	2.3	38.7	30.4	KSE100, KSE30 & KMI		

Source: Bloomberg, AHL Research, \*Earnings Consolidated Basis, \*\* Target Price also includes dividends which falls before Dec21 and upside is total return, ^ closing price is bonus adjusted

**AHL Universe - Performance**

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
ASTL	46.4	8.9	10.2	(3.8)	47.7	39.8	47.7	36.8	53.5	36.8
DGKC	112.9	7.3	3.9	(1.5)	131.1	103.6	137.1	103.6	141.5	101.1
MLCF	46.2	7.3	7.0	2.6	49.3	42.8	49.3	41.7	49.3	34.2
ITTEFAQ	17.2	6.8	1.8	4.3	21.9	15.2	21.9	13.6	21.9	10.3
POWER	9.2	6.7	2.8	(6.7)	10.6	8.6	11.1	8.1	11.8	8.0
AVN	124.8	6.4	9.3	63.1	127.7	72.6	127.7	60.6	127.7	48.2
MEBL	149.4	6.2	19.6	47.7	149.4	109.0	149.4	98.9	149.4	72.1
PSO	225.9	5.4	2.3	7.4	243.2	214.3	243.2	212.2	253.4	182.0
EPCL	60.6	5.0	17.0	32.6	60.6	46.7	60.6	42.4	60.6	31.7
UNITY	39.3	3.6	(1.5)	22.5	49.4	37.6	49.4	25.3	49.4	13.9
HUBC	77.8	3.6	1.4	1.8	82.2	74.3	83.6	73.7	87.9	69.1
KOHC	225.3	3.6	8.7	2.8	234.4	197.8	246.7	189.5	246.7	167.3
FCCL	22.3	3.0	2.0	2.8	24.5	21.4	25.4	21.4	27.2	18.7
NCL	52.3	2.6	1.3	24.3	54.9	48.0	54.9	43.6	54.9	34.6
BOP	8.3	2.5	1.6	0.8	8.6	7.9	8.6	7.7	9.2	7.7
KAPCO	40.2	2.3	3.2	65.8	41.5	34.9	41.5	32.1	41.5	20.2
NML	99.0	2.1	2.7	(2.7)	105.1	87.6	120.1	80.0	123.1	80.0
FFBL	26.0	2.0	(2.6)	2.7	28.0	25.2	29.2	24.2	29.2	17.7
EFERT	77.5	1.8	1.8	37.9	77.9	64.4	77.9	57.0	77.9	47.3
AHCL	37.1	1.7	(2.2)	(7.4)	40.0	35.8	41.1	34.5	44.5	34.5
PTL	76.1	1.5	(0.1)	22.3	77.9	62.2	77.9	58.8	77.9	58.8
ILP	74.9	1.3	2.6	12.3	76.1	65.6	76.1	61.3	76.1	48.7
NCPL	14.5	1.3	(4.6)	(4.2)	17.5	14.2	17.5	14.0	20.6	12.9
MTL	1,090.9	1.2	(0.1)	16.8	1,134.8	1,064.9	1,134.8	1,042.4	1,134.8	695.7
MCB	164.9	1.2	2.0	(0.5)	167.4	152.9	170.2	152.9	178.5	145.1
APL	334.8	0.9	3.9	0.8	342.4	318.4	343.8	315.1	382.3	305.5
INDU	1,333.1	0.6	7.9	17.2	1,346.2	1,130.3	1,346.2	941.4	1,346.2	941.4
FFC	106.4	0.4	(0.1)	4.7	109.4	102.9	109.4	98.5	109.4	93.8
LUCK	859.9	0.4	(3.2)	23.5	940.7	846.2	940.7	799.4	940.7	597.9
ENGRO	297.2	0.4	0.8	1.2	307.8	290.9	307.8	261.0	307.8	261.0
KEL	3.8	0.3	(0.3)	(2.8)	4.7	3.8	4.7	3.6	4.7	3.6
FATIMA	28.2	0.2	0.1	6.1	29.4	27.5	29.4	26.0	29.4	23.8
POL	392.8	0.0	2.8	4.2	402.0	364.9	407.8	351.2	423.1	300.8
SNGP	49.9	(0.1)	0.4	20.9	53.0	39.3	53.0	34.0	63.1	34.0
HBL	129.5	(0.1)	2.2	1.7	136.8	122.4	136.8	111.2	137.8	111.2
UBL	129.3	(0.1)	3.5	14.3	132.3	122.0	132.3	109.6	132.3	95.7
ABL	71.5	(0.6)	(0.8)	(6.8)	74.2	70.0	74.2	67.2	80.1	67.2
OGDC	90.5	(0.6)	(3.1)	(9.7)	100.2	88.3	107.1	86.5	111.9	84.1
NPL	19.1	(0.7)	(3.3)	(19.0)	22.3	18.9	24.9	18.9	29.6	18.9
PSMC	347.3	(1.0)	2.2	43.6	364.5	275.1	364.5	235.4	364.5	179.3
FML	98.0	(1.0)	-	0.8	102.7	96.5	116.2	91.9	124.8	91.5
BAFL	32.1	(1.0)	(2.4)	(3.7)	33.7	30.7	33.8	28.9	35.2	28.9
MARI	1,480.6	(1.1)	(2.0)	15.3	1,595.0	1,480.6	1,600.3	1,467.8	1,622.1	1,179.7
HCAR	352.7	(1.1)	(2.7)	8.8	388.4	322.0	388.4	232.4	388.4	232.4
NBP	33.7	(1.2)	(4.6)	(21.6)	37.8	32.9	39.4	30.5	43.9	30.5
PPL	78.8	(1.4)	(3.8)	(11.2)	94.9	78.8	94.9	78.8	100.8	77.5
AKBL	20.4	(1.5)	(7.3)	(0.4)	22.9	20.2	22.9	19.0	22.9	15.6
ICI	855.0	(1.8)	(4.8)	15.1	920.6	851.6	920.6	791.3	920.6	663.7
LOTCHEM	15.2	(3.0)	(2.1)	5.5	17.0	14.6	17.2	12.9	17.2	10.4

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

Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	201.46	201.71	SELL	-0.25	Individuals	350.97	353.98	SELL	-3.01
Companies	18.82	11.03	BUY	7.78	Companies	14.51	11.98	BUY	2.53
Banks / DFIs	4.18	5.52	SELL	-1.33	Banks / DFIs	8.97	7.85	BUY	1.11
NBFC	0.10	0.17	SELL	-0.07	NBFC	0.35	0.22	BUY	0.12
Mutual Funds	12.92	7.06	BUY	5.87	Mutual Funds	16.72	16.88	SELL	-0.16
Other Organizations	1.31	0.87	BUY	0.43	Other Organizations	3.93	2.73	BUY	1.20
Broker Proprietary Trading	49.49	50.30	SELL	-0.81	Broker Proprietary Trading	87.09	86.21	BUY	0.88
Insurance Companies	3.16	3.95	SELL	-0.79	Insurance Companies	4.69	11.30	SELL	-6.62
<b>Total</b>	<b>291.43</b>	<b>280.61</b>	<b>BUY</b>	<b>10.82</b>	<b>Total</b>	<b>487.21</b>	<b>491.16</b>	<b>SELL</b>	<b>-3.95</b>

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

Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	6.32	6.46	SELL	-0.14	Commercial Banks	13.06	13.92	SELL	-0.86
Fertilizer	3.51	3.44	BUY	0.06	Fertilizer	5.87	6.19	SELL	-0.32
Cement	25.53	23.00	BUY	2.53	Cement	19.54	19.43	BUY	0.11
Power Generation & Distribution	7.22	7.40	SELL	-0.18	Power Generation & Distribution	3.73	3.81	SELL	-0.08
Exploration & Production	4.54	4.14	BUY	0.40	Exploration & Production	7.92	7.26	BUY	0.65
Oil & Gas Marketing Companies	8.32	8.22	BUY	0.11	Oil & Gas Marketing Companies	14.72	14.88	SELL	-0.16
Food and Personal Care Products	24.26	23.86	BUY	0.39	Food and Personal Care Products	55.71	55.81	SELL	-0.10
Textile Composite	12.18	12.34	SELL	-0.16	Textile Composite	22.33	22.23	BUY	0.10
Technology and Communication	98.07	101.04	SELL	-2.97	Technology and Communication	157.61	161.78	SELL	-4.18
All other Sectors	101.49	90.71	BUY	10.79	All other Sectors	184.75	183.88	BUY	0.87
<b>Total</b>	<b>291.43</b>	<b>280.61</b>	<b>BUY</b>	<b>10.82</b>	<b>Total</b>	<b>485.24</b>	<b>489.20</b>	<b>SELL</b>	<b>-3.95</b>

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

Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.03	0.02	BUY	0.01	Foreign Individuals	0.23	0.24	SELL	0.00
Foreign Corporates	6.11	16.93	SELL	-10.82	Foreign Corporates	7.30	3.95	BUY	3.34
Overseas Pakistani	12.30	12.32	SELL	-0.02	Overseas Pakistani	22.73	22.12	BUY	0.61
<b>Total</b>	<b>18.44</b>	<b>29.27</b>	<b>SELL</b>	<b>-10.82</b>	<b>Total</b>	<b>30.26</b>	<b>26.31</b>	<b>BUY</b>	<b>3.95</b>

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

Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	2.14	2.00	BUY	0.14	Commercial Banks	2.29	1.43	BUY	0.86
Fertilizer	0.35	0.42	SELL	-0.06	Fertilizer	0.72	0.40	BUY	0.32
Cement	1.85	4.39	SELL	-2.53	Cement	1.82	1.93	SELL	-0.11
Power Generation & Distribution	0.88	0.70	BUY	0.18	Power Generation & Distribution	0.56	0.48	BUY	0.08
Exploration & Production	0.54	0.94	SELL	-0.40	Exploration & Production	0.81	1.46	SELL	-0.65
Oil & Gas Marketing Companies	0.34	0.44	SELL	-0.11	Oil & Gas Marketing Companies	1.13	0.97	BUY	0.16
Food and Personal Care Products	0.84	1.23	SELL	-0.39	Food and Personal Care Products	2.27	2.17	BUY	0.10
Textile Composite	0.52	0.35	BUY	0.16	Textile Composite	0.87	0.98	SELL	-0.10
Technology and Communication	6.24	3.27	BUY	2.97	Technology and Communication	11.07	6.89	BUY	4.18
All other Sectors	4.74	15.53	SELL	-10.79	All other Sectors	8.72	9.59	SELL	-0.87
<b>Total</b>	<b>18.44</b>	<b>29.27</b>	<b>SELL</b>	<b>-10.82</b>	<b>Total</b>	<b>30.26</b>	<b>26.31</b>	<b>BUY</b>	<b>3.95</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 (%)	2.2	1.4	1.7	1.8	3.0	2.9	2.7	3.9	1.8	2.4	6.6	-64.1%
P/E (x)	17.9	24.1	15.2	19.0	13.1	18.4	12.6	13.3	11.1	16.1	6.7	-58.4%
P/B (x)	1.8	3.0	2.2	1.5	8.7	1.6	1.3	2.1	1.1	2.6	1.1	-57.5%



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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY21TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY21TD (%)
Philippines	PCOMP Index	6,633	5.2	4.9	(11.4)	Mexico	MEXBOL Index	51,099	(2.0)	(0.8)	15.0
Sri Lanka	CSEALL Index	8,240	3.2	1.4	13.1	Vietnam	VNIndex Index	1,329	(2.1)	2.0	21.9
Hungary	BUX Index	51,697	2.2	6.9	21.7	Romania	BET Index	12,080	(2.1)	(0.0)	15.4
Kenya	NSEASI Index	184	1.5	2.9	20.8	Bulgaria	SOFIX Index	576	(2.2)	(0.6)	22.2
Mauritius	SEMDEX Index	1,972	1.5	2.7	11.6	Netherlands	AEX Index	766	(2.2)	(0.0)	17.1
Thailand	SET Index	1,553	1.4	0.7	(3.8)	Indonesia	JCI Index	6,031	(2.5)	(0.7)	(2.1)
Qatar	DSM Index	11,033	1.2	2.9	5.4	Greece	ASE Index	882	(2.6)	(2.3)	4.1
Dubai	DFMGI Index	2,838	0.8	2.6	13.9	Singapore	FSSTI Index	3,103	(2.6)	(2.7)	5.8
Malaysia	FBMKLCI Index	1,518	0.8	1.1	(11.5)	Spain	IBEX Index	8,854	(2.7)	0.4	4.7
<b>Pakistan</b>	<b>KSE100 Index</b>	<b>47,600</b>	<b>0.8</b>	<b>0.1</b>	<b>5.9</b>	Russia	RTSI\$ Index	1,620	(2.8)	(0.4)	16.7
Denmark	KFX Index	1,852	0.7	5.0	20.0	Germany	DAX Index	15,693	(2.9)	(0.7)	8.6
Estonia	TALSE Index	1,870	0.7	4.0	32.4	Iceland	ICEX1 Index	2,445	(2.9)	(0.3)	28.7
Jordan	JOSMGFF Index	2,010	0.6	(3.8)	21.3	Kazakhstan	KZKAK Index	3,034	(2.9)	(2.2)	11.7
Bangladesh	DSEX Index	6,761	0.6	5.0	24.5	Ireland	ISEQ Index	8,618	(3.0)	1.86	11.52
Bahrain	BHSEASI Index	1,638	0.4	2.6	9.9	Chile	IPSA Index	4,311	(3.4)	(1.9)	(6.6)
Ukraine	PFTS Index	526	0.4	0.8	12.1	Japan	NKY Index	27,013	(3.5)	(0.9)	(7.4)
Uae	ADSMI Index	7,620	0.3	4.1	51.0	Finland	HEX Index	12,899	(3.6)	(2.8)	12.7
Nigeria	NGSEINDX Index	39,652	0.3	2.8	(4.2)	Canada	SPTSX Index	20,215	(3.7)	(2.9)	15.6
Portugal	PSI20 Index	5,289	0.2	3.5	3.1	Europe	SX5E Index	4,119	(3.7)	(0.9)	10.7
Tunisia	TUSISE Index	7,323	0.1	(0.5)	2.1	Belgium	BEL20 Index	4,245	(3.8)	(0.6)	11.9
Slovenia	SBITOP Index	1,204	0.1	1.4	27.0	Poland	WIG20 Index	2,249	(3.9)	(2.3)	7.3
Colombia	IGBC Index	13,291	-	-	-	China	SHSZ300 Index	4,769	(3.9)	(1.4)	(8.1)
Ghana	GGSECI Index	2,752	(0.1)	(0.1)	38.3	UK	UKX Index	7,050	(4.1)	(1.8)	8.8
Morocco	MOSEMDX Index	10,246	(0.28)	1.6	10.7	Austria	ATX Index	3,531	(4.3)	(0.2)	20.6
Serbia	BELEX15 Index	802	(0.3)	1.6	2.3	Argentina	MERVAL Index	66,682	(4.3)	0.4	12.6
Latvia	RIGSE Index	1,274	(0.4)	1.3	6.4	Taiwan	TWSE Index	16,342	(4.4)	(5.5)	11.2
Oman	MSM30 Index	3,983	(0.5)	(1.2)	8.9	Italy	FTSEMIB Index	25,749	(4.4)	(0.1)	10.0
India	SENSEX Index	55,329	(0.5)	5.2	13.8	Sweden	OMX Index	2,342	(5.1)	(4.0)	15.7
Lebanon	BLOM Index	1,058	(0.6)	10.0	60.9	South Korea	KOSPI Index	3,061	(5.0)	(7.0)	(1.9)
Egypt	EGX30 Index	10,809	(0.7)	0.6	(0.1)	Australia	AS51 Index	7,461	(5.5)	(2.1)	4.9
Lithuania	VILSE Index	979	(1.0)	(0.2)	13.8	France	CAC Index	6,587	(5.6)	(2.0)	13.2
Saudi Arabia	SASEIDX Index	11,202	(1.1)	1.7	29.0	Luxembourg	LUXXX Index	1,638	(5.6)	(2.6)	16.2
Switzerland	SMI Index	12,358	(1.1)	0.7	11.1	Hong Kong	HSI Index	24,850	(5.9)	(4.5)	(9.2)
USA	NDX Index	14,934	(1.3)	(0.2)	15.9	Brazil	IBOV Index	117,165	(6.1)	(8.0)	(5.6)
USA	SPX Index	4,406	(1.4)	0.2	17.3	Norway	OBXP Index	529	(6.1)	(3.6)	6.6
USA	INDU Index	34,894	(1.7)	(0.1)	14.0	South Africa	JALSH Index	65,772	(8.7)	(8.9)	6.2
New Zealand	NZSE Index	2,108	(1.9)	0.3	(7.2)						
Croatia	CRO Index	1,952	(1.9)	(1.4)	7.3						
Czech Republic	PX Index	1,272	(2.0)	3.2	20.6						

Source: Bloomberg, AHL Research, \* Last Closing

**Key Economic Data & Commodities Prices**

Month end	Units	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Current*
<b>Money Market Data</b>																
03-M T-Bill	%	7.1	7.0	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
06-M T-Bill	%	7.1	7.0	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
12-M T-Bill	%	7.1	7.0	7.3	7.3	7.3	7.3	7.3	7.3	7.7	7.9	7.7	7.7	7.8	7.7	7.7
03-Y PIB	%	7.5	8.0	8.3	8.3	8.3	8.3	8.3	8.3	8.7	9.4	8.9	9.0	9.0	8.9	8.8
05-Y PIB	%	8.1	8.6	8.9	9.1	9.1	9.3	9.3	9.3	9.5	9.9	9.4	9.4	9.5	9.4	9.4
10-Y PIB	%	8.7	9.2	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
06-M KIBOR	%	7.2	7.1	7.3	7.3	7.4	7.4	7.4	7.4	7.6	7.9	7.6	7.7	7.7	7.6	7.6
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	7.00	7.00
<b>Inflation (YoY)</b>																
Headline (CPI New Base)	%	8.6	9.3	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
<b>Monetary Sector</b>																
M1	PKR bn	17,206	17,159	17,128	17,232	17,317	17,541	17,951	17,930	18,186	18,403	18,723	18,935	na	na	na
M2	PKR bn	20,640	20,530	20,519	20,743	20,811	21,063	21,604	21,429	21,683	21,985	22,213	22,476	na	na	na
M3	PKR bn	24,966	24,854	24,853	25,083	25,163	25,419	25,971	25,711	25,942	26,228	26,441	26,616	na	na	na
<b>Banking Sector</b>																
Deposits	PKR bn	16,229	16,122	16,327	16,886	16,664	16,841	17,876	17,086	17,257	17,906	17,561	17,955	19,796	na	19,796
Advances	PKR bn	8,202	8,120	8,053	8,094	8,116	8,166	8,497	8,467	8,527	8,600	8,665	8,811	8,996	na	8,996
Investment	PKR bn	10,681	10,809	10,869	11,090	10,942	11,071	11,552	11,421	11,612	12,553	12,418	13,068	13,742	na	13,742
WALR	%	10.1	8.9	8.7	8.3	8.4	8.1	8.0	8.0	7.9	7.8	8.0	7.9	8.0	na	8.0
WADR	%	4.4	3.9	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	na	3.5
Spread	%	5.7	5.0	4.9	4.6	4.7	4.5	4.4	4.4	4.4	4.3	4.5	4.5	4.5	na	4.5
<b>External Sector</b>																
Forex Reserves	USD bn	18.0	19.6	19.9	19.4	19.4	20.3	20.5	20.1	20.1	20.6	22.7	23.3	23.3	24.9	24.6
With SBP	USD bn	11.2	12.5	12.7	12.2	12.2	13.1	13.4	13.0	13.0	13.5	15.6	16.1	16.1	17.8	17.6
With Banks	USD bn	6.7	7.1	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.0
Exchange rate	PKR/USD	168.1	167.0	166.2	165.7	160.3	159.4	160.3	159.8	160.2	152.8	153.5	154.4	157.5	162.4	164.1
C/A Balance	USD mn	(121)	583	255	27	448	563	(629)	(219)	(34)	(364)	(188)	(650)	(1,619)	(773)	(773)
Exports	USD bn	1.6	1.9	1.5	2.0	2.0	2.2	2.3	2.1	2.2	2.6	2.3	2.1	2.5	2.3	2.3
Imports	USD bn	3.6	3.6	3.2	3.8	3.5	4.1	5.0	4.4	4.5	5.2	5.0	5.0	6.3	5.4	5.4
Trade Balance	USD bn	(2.0)	(1.7)	(1.6)	(1.9)	(1.5)	(1.8)	(2.8)	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.1)	(3.1)
Remittances	USD bn	2.5	2.8	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
<b>Key Commodities Prices</b>																
<b>International</b>																
Coal	USD/ton	54.7	53.7	59.2	62.3	59.4	83.7	87.7	87.1	83.3	96.9	93.2	108.3	114.9	123.0	137.8
Steel (HRC)	USD/ton	534.1	556.6	582.9	567.4	580.2	629.0	699.5	700.9	697.1	818.6	888.4	886.2	836.9	918.7	886.3
PTA	USD/ton	445.0	440.0	450.0	440.0	455.0	465.0	510.0	510.0	585.0	690.0	695.0	695.0	745.0	750.0	755.0
Gold	USD/oz	1,781	1,957	1,968	1,886	1,868	1,777	1,894	1,899	1,861	1,708	1,769	1,907	1,770	1,814	1,786
Cotton (COTLOOK A)	USD/lb	68.0	67.1	71.1	71.2	77.0	79.0	82.9	84.6	86.6	87.2	91.9	89.7	96.6	100.3	102.8
Crude oil (WTI)	USD/bbl	39.3	39.9	42.6	40.2	36.2	45.3	48.4	48.5	53.6	59.2	63.6	66.3	73.5	74.0	66.6
Crude oil (Arab Light)	USD/bbl	35.2	42.7	46.9	40.3	36.7	46.6	50.1	49.9	55.6	63.4	66.1	68.7	75.0	75.4	71.6
Crude oil (Brent)	USD/bbl	41.2	42.9	45.3	41.0	37.7	47.6	51.3	51.8	56.4	63.5	67.3	69.3	75.1	76.3	69.0
<b>Local</b>																
Cotton	PKR/maund	8,200	8,100	8,600	8,950	10,100	9,450	10,000	10,200	10,800	11,500	11,300	12,300	12,600	13,000	13,800
Cement	PKR/bag	545.9	558.8	558.2	565.9	568.2	573.6	581.7	587.2	597.0	610.6	614.9	615.2	640.1	653.9	-
Gold	PKR/10 grms	89,592	105,238	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

\*Current Price



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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

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

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

- Arif Habib Limited (AHL) has shareholding in OGDC, NBP, PSO, BOP, and AKBL.