

## Market nose-dived

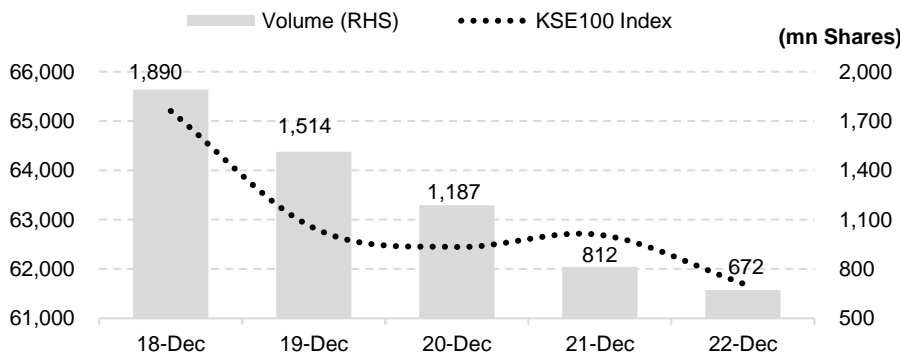
During the week, investors opted to book profit in various sectors which resulted the market to close in red. Moreover, Asian Development Bank (ADB) announced a USD 1.2bn loan agreement with Pakistan. Along with this World Bank approved USD 350mn financing for Rise-II. Furthermore, after June 2023, Pakistan recorded a monthly current account surplus of USD 9 million. Additionally, the ECC approved a proposal from the Power Division to settle dues to government-owned power plants (GPPs) using a supplementary grant of Rs262 bn. In addition to this, ECC also approved release of advance subsidy of PKR 57bn in respect of K-Electric arrears. Along with this, in Nov'23 Pakistan witnessed a notable rise of nearly 20% YoY in power generation costs, largely attributed to increased in generation from expensive fuels. Additionally, SBP's reserves declined by USD 138mn, reaching USD 6.9bn. During the week PKR closed at 282.53 against the greenback, appreciating by 0.73 | 0.26% WoW. Overall, the market closed at 61,705 points, declining by 4,425 points | -6.7% WoW.

Sector-wise negative contributions came from i) Commercial Banks (1,029pts), ii) Fertilizer (785pts), iii) Oil & Gas Exploration Companies (576pts), iv) Cement (388pts), and v) Technology & Communication (294pts). Meanwhile, the sector which mainly contributed positively was Miscellaneous (16pts). Scrip-wise negative contributors were MCB (265pts), OGDC (257pts), ENGRO (251pts), DAWH (240pts), and FFC (174pts). Meanwhile, scrip-wise positive contributions came from PSEL (17pts), ILP (5pts), PKGP (2pts), and PABC (1pts).

Foreigner buying continued during this week, clocking in at USD 2.4mn compared to a net buy of USD 6.3mn last week. Major buying was witnessed in Power Generation & Distribution (USD 3.5) and Cement (USD 1.1mn). On the local front, selling was reported by Mutual Funds (USD 14.3mn) followed by Individuals (USD 2.6mn). Average volumes arrived at 1,215mn shares (down by 3% WoW) while the average value traded settled at USD 78mn (down 27% WoW).

Other major news: i) Power tariffs for all raised by Rs 1.15, ii) Telecard shareholders approve sale of 81.18% stake in Supernet to Hallmark, iii) PSM excluded from privatisation agenda, iv) Auto financing shrinks on dismal demand and v) Jul-Nov FDI up 8pc to \$656m YoY.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

## Outlook and Recommendation

We expect subdued interest from foreign investors in the market owing to long holidays. Additionally, the upcoming week marks a rollover period that investors will closely monitor. Moreover, we observe that stocks persistently offer attractive valuations, possibly enticing 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 4.2x (2024) as compared to its 5-year average of 5.9x offering a dividend yield of ~10.8% as compared to its 5-year average of ~6.0%.

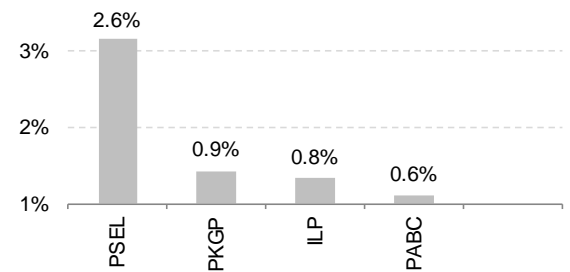
## PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	61,705	(6.7)	52.7
KSEAll	41,282	(6.3)	49.9
KSE30	20,562	(6.7)	38.6
KMI30	103,623	(7.3)	51.8
BKTI	14,596	(6.8)	57.4
OGTI	14,996	(6.8)	38.7

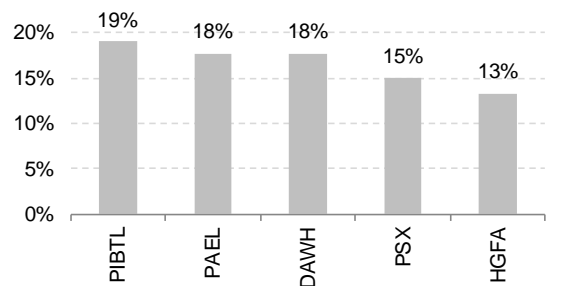
## PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	267.6	5.2
WTL	186.4	1.5
CENERGY	112.6	5.3
BOP	63.0	6.6
HASCOL	50.2	8.1

## Major Gainers (KSE100 Index)



## Major Losers (KSE100 Index)



## Analyst

AHL Research

research@arifhabibtd.com

+92-21-32462589



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

### World Bank projects drop in remittance flows (BR)

The bank in its latest report, "Leveraging Diaspora Finances for Private Capital Mobilization" stated that in Pakistan, low expectations of a return of positive economic growth as the International Monetary Fund (IMF)-supported programme takes effect, are likely to weigh on public confidence, leading remittances to decline by 10 per cent and drop below \$22 billion in 2024. "Formal remittance flows plummeted by 20 per cent in 2023 on top of a decline of five per cent in 2022. Remittance flows in 2023 are expected to drop to \$24 billion", the bank added.

### SIFC approves revised timelines for refinery upgrade agreements (The News)

The Special Investment Facilitation Council (SIFC) has directed the petroleum division to remove all obstacles in the way of smooth implementation of the local refineries' upgradation project. The SIFC also approved the revised timelines of Implementation Agreements between refineries and the Oil and Gas Regulatory Authority (OGRA) and asked the petroleum division to submit its final report to its next Apex Committee meeting, which will be chaired by Prime Minister and attended by Chief of Army Staff.

### New austerity steps await govt nod (BR)

resh austerity measures for the current fiscal year 2023-24 are under submission to the prime minister for approval to control current expenditure, official documents of the Finance Division revealed. Documents noted that measures like a ban on the procurement of durable goods and vehicles are still in vogue and being implemented. Last year (fiscal year 2022-23) the federal cabinet, unlike in the past, to curtail expenditure ensuring rational utilisation of public money, banned the purchase of durable goods, purchase of vehicles and creation of new posts by the ministries/ divisions/ departments of the federal government, 15 per cent annual budget cut, serving only tea and biscuits in government meetings or single dish meals only in case of government events, ban on treatment abroad, purchase of furniture, promoting use of Zoom/ video links to avoid travel expenses, the Division stated.

### Pakistan sues foreign company over LNG supply breach (The News)

Pakistan has filed a lawsuit against a foreign company for failing to supply liquefied natural gas (LNG) as per a five-year agreement, causing the country to suffer millions of dollars in losses, sources familiar with the matter said on Monday. The sources, who requested anonymity, said the International Arbitration Court in London was expected to hear the case next month on Pakistan's request. They said the foreign company, which they did not name, did not deliver LNG cargoes as agreed and sold them to richer countries at a higher profit.

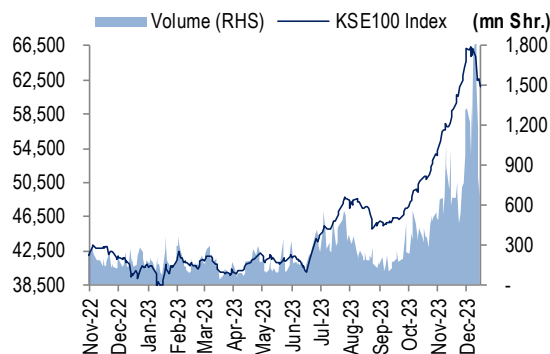
### Govt borrows seven times more from banks (Dawn)

The government borrowed seven times more from banks during the first five months of the current fiscal year while the budgetary borrowing is reaching close to the amount it borrowed during the entire FY23. The latest data issued by the State Bank of Pakistan (SBP) on Tuesday showed that the government borrowed Rs3.585 trillion from July 1 to Dec 8 FY24 against Rs516bn in the same period last year. Total borrowing in FY23 was Rs3.7tr.

### Eyeing Rs110bn funding (BR)

In a bid to strengthen its financial standing, the government of Pakistan is gearing up to unveil yet another Sukuk auction calendar, eyeing a substantial sum of up to Rs 110 billion through 03 and 05-year variable and fixed rate Sukuk. Scheduled for December 21, 2023, the auction is slated to occur under the auspices of the State Bank of Pakistan and the asset that would be utilized for this Sukuk issuance is Islamabad Sports Complex. Over the past decade, Islamic finance, particularly Sukuk, has emerged as an innovative instrument within the capital market.

### PSX Volume and KSE100 Index



### Top Contributors in KSE100 Index

#### Companies

Companies	Index Contribution
<b>Bullish Companies</b>	
PSEL	16.6
ILP	4.9
PKGP	2.1
PABC	1.2

**24.8**

#### Bearish Companies

MCB	(264.9)
OGDC	(257.1)
ENGRO	(250.9)
DAWH	(239.6)
FFC	(174.3)

**(1,186.8)**

#### Sectors

#### Bullish Sectors

Miscellaneous	16.5
Jute	0.0
Synthetic & Rayon	0.0

**16.5**

#### Bearish Sectors

Commercial Banks	(1,029.1)
Fertilizer	(784.5)
Oil & Gas Exploration Companies	(576.4)
Cement	(387.9)
Technology & Communication	(293.9)

**(3,071.8)**

**FinanceAsia**

Best Investment Bank: 2022



Best Equity Advisor: 2021



Excellence Award Leading  
Brokerage House for RDA 2021



Best Money Market  
Broker- (Islamic) 2021

## AHL Universe - Recommendation Summary

Code	Company	Price 22-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				
<b>Exploration &amp; Production</b>																							
PPL	Pakistan Petroleum Ltd.	117.8	129.61	10.0	Hold	37.4	39.5	37.4	2.50	3.50	3.50	3.1	3.0	2.1	3.0	0.6	0.5	20.9	18.3	KSE100, KSE30, KMI & MSCI			
OGDC	Oil and Gas Dev Co.	113.6	165.6	45.8	Buy	52.2	45.2	43.5	8.55	9.00	8.75	2.2	2.5	7.5	7.9	0.5	0.4	22.9	17.0	KSE100, KSE30, KMI & MSCI			
POL	Pakistan Oilfields Ltd.	430.5	554.82	28.9	Buy	128.4	120.4	110.8	80.00	76.00	70.00	3.4	3.6	18.6	17.7	1.8	1.7	61.4	49.2	KSE100, KSE30 & MSCI			
MARI	Mari Petroleum Ltd	2,044.3	2,711.4	32.6	Buy	420.7	553.3	609.1	147.00	235.00	280.00	4.9	3.7	7.2	11.5	1.6	1.3	37.5	38.9	KSE100, KSE30, KMI & MSCI			
<b>Commercial Banks</b>																							
UBL	United Bank Ltd.*	170.7	276.0	61.7	Buy	46.7	56.1	52.3	43.00	42.00	39.00	3.7	3.0	25.2	24.6	0.9	0.8	24.9	28.7	KSE100, KSE30 & MSCI			
BAFL	Bank Alfalah*	47.7	69.1	44.9	Buy	21.8	25.9	23.9	6.00	8.00	7.00	2.2	1.8	12.6	16.8	0.6	0.5	30.1	29.1	KSE100 & MSCI			
MCB	MCB Bank Ltd.*	167.8	294.1	75.3	Buy	53.6	61.4	58.7	30.00	34.00	33.00	3.1	2.7	17.9	20.3	0.9	0.8	30.6	30.9	KSE100, KSE30 & MSCI			
HBL	Habib Bank Ltd.*	116.0	158.3	36.5	Buy	41.0	50.2	43.5	8.00	10.00	10.00	2.8	2.3	6.9	8.6	0.5	0.4	19.4	20.3	KSE100, KSE30 & MSCI			
ABL	Allied Bank Ltd.*	82.5	148.8	80.3	Buy	32.8	38.6	33.3	11.00	14.00	12.00	2.5	2.1	13.3	17.0	0.6	0.5	26.4	26.3	KSE100			
NBP	National Bank of Pakistan.*	32.9	47.6	44.6	Buy	23.5	26.0	22.4	-	3.00	2.00	1.4	1.3	-	9.1	0.2	0.2	15.0	14.6	KSE100			
AKBL	Askari Bank Ltd.*	22.7	33.7	48.3	Buy	12.7	15.0	13.8	3.00	5.00	4.00	1.8	1.5	13.2	22.0	0.4	0.3	22.4	22.1	KSE100			
BOP	The Bank of Punjab*	6.6	7.9	18.9	Buy	2.8	3.2	2.9	0.50	0.75	0.50	2.3	2.0	7.5	11.3	0.3	0.3	13.4	13.4	KSE100 & MSCI			
MEBL	Meezan Bank Ltd.*	150.9	240.0	59.1	Buy	47.5	57.7	54.9	18.00	22.00	21.00	3.2	2.6	11.9	14.6	1.6	1.1	58.5	50.7	KSE100, KSE30 & KMI			
FABL	Faysal Bank Ltd.*	31.2	53.4	71.0	Buy	12.0	16.1	14.9	4.00	6.00	6.00	2.6	1.9	12.8	19.2	0.6	0.5	24.0	27.9	KSE100, KMI & MSCI			
<b>Fertilizer</b>																							
ENGRO	Engro Corporation*	292.9	372.1	27.0	Buy	63.2	76.0	85.6	54.00	61.00	69.00	4.6	3.9	18.4	20.8	0.5	0.4	12.1	12.2	KSE100, KSE30, KMI & MSCI			
FFBL	Fauji Fert. Bin Qasim	29.7	29.9	0.7	Hold	2.1	4.6	5.5	-	-	1.00	14.0	6.5	-	-	1.5	1.2	11.4	20.8	KSE100, KMI & MSCI			
EFERT	Engro Fertilizer	107.8	110.2	2.2	Hold	16.4	17.5	18.1	18.00	20.00	20.00	6.6	6.2	16.7	18.5	3.4	3.6	49.7	56.7	KSE100, KSE30, KMI & MSCI			
FFC	Fauji Fertilizer Co.	112.4	152.3	35.5	Buy	25.6	27.7	28.3	20.00	21.00	22.00	4.4	4.1	17.8	18.7	2.5	2.2	59.8	56.7	KSE100, KSE30 & MSCI			
FATIMA	Fatima Fertilizer Co.	33.8	na	na	na	na	na	na	na	na	na	Group Company: No estimates are given						na	na	KSE100 & KMI			
AHCL	Arif Habib Corp. Ltd.	36.4	na	na	na	8.4	na	na	-	na	na	Group Company: No estimates are given						na	na	KSEALL			
<b>Cement</b>																							
LUCK	Lucky Cement Ltd.*	764.3	1,148.9	50.3	Buy	166.4	217.6	232.7	18.00	20.00	43.00	4.6	3.5	2.4	2.6	0.9	0.7	21.2	21.8	KSE100, KSE30, KMI & MSCI			
FCCL	Fauji Cement Co.	18.1	35.0	93.3	Buy	3.0	3.8	7.0	-	-	2.00	6.0	4.7	-	-	0.7	0.6	12.1	13.5	KSE100, KMI & MSCI			
ACPL	Attock Cement Ltd.	92.1	155.1	68.5	Buy	11.0	22.2	30.4	6.00	10.00	12.00	8.3	4.2	6.5	10.9	0.2	0.2	4.0	4.9	KSEALL, KMI & MSCI			
DGKC	D.G. Khan Cement Co.	73.0	98.7	35.2	Buy	(8.3)	9.8	16.2	-	-	4.00	(8.8)	7.4	-	-	0.5	0.5	(5.4)	6.5	KSE100, KSE30, KMI & MSCI			
KOHC	Kohat Cement Co.	206.5	322.1	56.0	Buy	29.7	38.6	37.3	-	11.58	11.18	6.9	5.3	-	5.6	1.2	1.0	19.4	20.8	KSE100, KMI & MSCI			
MLCF	Maple Leaf Cement.*	37.8	59.4	57.0	Buy	5.4	6.7	8.2	-	2.00	3.00	7.0	5.6	-	5.3	0.9	4.2	13.2	26.5	KSE100, KMI & MSCI			
POWER	Power Cement	5.5	na	na	na	0.2	na	na	-	na	na	Group Company: No estimates are given						na	na	KMI			
<b>Oil &amp; Gas Marketing</b>																							
PSO	Pakistan State Oil	182.1	258.8	42.1	Buy	12.1	65.9	73.7	7.50	10.00	12.00	15.1	2.8	4.1	5.5	0.4	0.4	2.6	13.7	KSE100, KSE30, KMI & MSCI			
ANL	Attock Petroleum Ltd.	370.20	398.20	7.6	Hold	100.2	97.3	110.6	27.50	57.50	67.50	3.7	3.8	7.4	15.5	1.0	0.9	30.2	25.4	KSE100 & KMI			
SNGP	Sui Northern Gas Pipeline Ltd.	73.2	84.3	15.1	Buy	18.8	23.3	25.6	8.00	7.00	8.00	3.9	3.1	10.9	9.6	0.9	0.8	149.7	249.7	KSE100, KSE30, KMI & MSCI			
<b>Automobile Assemblers</b>																							
PSMC	Pak Suzuki Motor Co.	608.0				Coverage Restricted due to Advisory Mandate																	KSE100 & KMI
INDU	Indus Motor Co.	1,220.2	1,571.0	28.8	Buy	123.0	186.1	227.1	71.80	109.00	133.00	9.9	6.6	5.9	8.9	1.6	1.5	16.9	23.2	KSE100			
HCAR	Honda Atlas Cars (Pak)	214.5	248.1	15.7	Buy	1.8	19.4	27.8	-	8.00	11.00	117.8	11.1	-	3.7	1.6	1.5	1.3	13.8	KSE100 & KMI			
MTL	Milat Tractors Ltd.	593.9	661.2	11.3	Hold	17.6	48.6	59.0	25.00	49.00	53.00	33.7	12.2	4.2	8.3	14.8	14.9	45.8	121.4	KSE100, KSE30, KMI & MSCI			
<b>Power Generation &amp; Distribution</b>																							
HUBC	Hub Power Company*	116.2	170.7	46.9	Buy	44.4	53.4	57.5	30.00	30.00	24.25	2.6	2.2	25.8	25.8	1.0	0.8	40.6	39.4	KSE100, KSE30, KMI & MSCI			
NCPL	Nishat Chu. Power Ltd.	29.0	29.6	1.9	Hold	10.8	12.7	10.3	-	4.00	2.75	2.7	2.3	-	13.8	0.4	0.4	16.4	18.1	KMI & MSCI			
NPL	Nishat Power Ltd.	31.9	35.8	12.2	Hold	11.6	13.6	9.9	7.00	6.00	4.00	2.8	2.3	22.0	18.8	0.4	0.3	14.1	15.4	KSEALL & MSCI			
<b>Textile Composite</b>																							
NML	Nishat Mills Ltd.	78.6	107.3	36.6	Buy	34.6	41.3	44.4	5.00	6.00	6.50	2.3	1.9	6.4	7.6	0.3	0.3	14.4	15.2	KSE100, KMI & MSCI			
NCL	Nishat (Chunian) Ltd.	26.9	39.0	45.0	Buy	(4.2)	10.8	11.5	-	4.00	4.00	(6.5)	2.5	-	14.9	0.3	0.3	(4.4)	12.1	KSEALL			
ILP	Interloop Ltd.	70.7	99.2	40.3	Buy	14.4	16.2	20.1	5.00	5.50	8.00	4.9	4.4	7.1	7.8	2.3	1.7	52.2	44.3	KSE100 & KMI			
<b>Chemicals</b>																							
LOTCEM	Lotte Chemical Pak Ltd.	26.13	27.90	6.8	Hold	4.5	4.5	4.9	3.50	2.00	2.50	5.8	5.8	13.4	7.7	1.6	1.4	28.8	25.6	KSE100 & KMI			
EPCL	Engro Polymer & Chem.	45.8	56.8	24.1	Buy	6.6	8.6	10.6	5.50	6.00	7.50	6.9	5.3	12.0	13.1	1.5	1.4	22.1	27.8	KSE100, KSE30 & KMI			
LCI	Lucky Core Industries Ltd.	760.3	937.1	23.3	Buy	191.1	86.8	113.1	43.00	40.00	50.00	4.0	8.8	5.7	5.3	1.6	1.1	45.7	14.6	KSE100 & KMI			
<b>Engineering</b>																							
ASTL	Amreli Steels Ltd.	24.0	27.4	13.9	Hold	(2.3)	1.5	5.7	-	-	2.00	(10.5)	16.0	-	-	0.5	0.5	(4.6)	3.0	KSEALL			
AGHA	Agha Steel Industries Ltd.	14.4	26.7	85.2	Buy	1.5	1.1	5.1	-	-	-	9.6	13.4	-	-	0.5	0.5	5.6	3.9	KMI			
ASL	Aisha Steel Mills Ltd.	8.3	na	na	na	(3.5)	na	na	-	na	na	Group Company: No estimates are given						na	na	KSEALL			
<b>Technology &amp; Communication</b>																							
SYS	Systems Ltd.	422.3	614.0	45.4	Buy	31.7	35.7	43.1	5.00	6.75	12.50	13.3	11.8	1.2	1.6	3.8	2.9	33.3	27.5	KSE100, KSE30, KMI & MSCI			

Source: Bloomberg, AHL Research, \*Earnings Consolidated Basis

## AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
PSMC	607.99	10.02	13.50	256.03	607.99	124.91	607.99	95.20	607.99	82.38
HCAR	214.52	4.35	(6.90)	29.03	232.13	120.30	232.13	92.36	232.13	82.41
DGKC	65.79	2.99	22.58	(15.14)	82.43	43.45	82.43	41.54	82.43	39.44
ILP	70.73	0.83	5.47	107.11	75.25	44.00	75.25	33.73	75.25	28.44
FML	89.00	(1.09)	3.37	60.51	93.00	81.00	93.00	61.56	93.00	48.22
FFBL	29.69	(3.23)	23.71	93.67	30.68	13.63	30.68	11.78	30.68	11.11
HUBC	116.19	(3.41)	(4.98)	133.04	123.69	78.74	123.69	61.81	123.69	45.65
MARI	2,044.34	(3.82)	19.71	45.74	2,191.83	1,528.65	2,191.83	1,459.38	2,191.83	1,260.12
ABL	82.53	(4.18)	(1.73)	50.22	90.51	67.29	90.51	62.08	90.51	54.32
EFERT	107.83	(4.20)	6.85	71.67	114.72	71.16	114.72	70.50	114.72	61.20
UBL	170.74	(4.30)	(5.94)	130.91	190.05	134.48	190.05	102.14	190.05	67.60
POL	430.54	(4.66)	(0.99)	32.93	451.57	387.84	451.57	346.92	451.57	323.89
LCI	760.30	(4.84)	9.45	27.60	799.01	570.50	799.01	554.30	799.01	485.52
MEBL	150.85	(5.07)	(2.58)	72.58	175.04	112.39	175.04	80.65	175.04	77.46
NPL	31.85	(5.10)	8.67	118.81	33.85	23.12	33.85	15.12	33.85	13.66
INDU	1,220.18	(5.60)	2.52	33.16	1,292.53	867.56	1,292.53	864.68	1,292.53	731.72
LUCK	764.27	(5.65)	(2.89)	76.98	818.48	564.41	818.48	504.85	818.48	371.22
FATIMA	33.80	(5.82)	-	20.48	35.89	28.98	35.89	25.44	35.89	23.90
NML	78.56	(6.07)	0.41	55.04	83.64	56.08	83.64	52.31	83.64	45.52
AHCL	36.37	(6.24)	21.23	5.60	38.79	24.35	38.79	24.35	38.79	23.25
KOHC	206.51	(6.32)	(3.55)	39.82	230.71	169.75	230.71	151.84	230.71	115.77
NCL	26.92	(6.33)	(6.50)	29.17	29.99	20.50	29.99	19.98	29.99	19.98
NBP	32.93	(6.34)	5.95	39.59	37.46	22.77	37.46	19.48	37.46	18.89
MTL	593.93	(6.42)	1.40	112.52	655.84	404.53	655.84	368.09	655.84	275.15
FABL	31.19	(6.64)	14.12	37.39	33.41	21.89	33.41	18.54	33.41	18.37
PPL	117.83	(6.68)	28.40	78.75	126.26	71.46	126.26	58.04	126.26	55.25
SNGP	73.22	(6.69)	16.15	101.74	78.47	46.18	78.47	38.05	78.47	34.15
FFC	112.37	(6.81)	0.05	31.52	120.77	88.95	120.77	87.50	120.77	85.13
HBL	115.95	(7.10)	3.83	97.59	129.52	87.89	129.52	70.15	129.52	55.17
LOTCHEM	26.13	(7.41)	(5.67)	18.91	28.59	25.38	29.55	22.60	29.81	20.52
EPCL	45.78	(7.68)	1.64	27.85	51.25	37.36	51.25	37.08	51.25	34.95
ITTEFAQ	7.95	(7.77)	3.65	43.24	8.62	5.31	8.62	4.57	8.62	4.20
AKBL	22.73	(7.90)	3.51	30.05	25.18	15.35	25.18	12.96	25.18	12.12
MLCF	37.80	(7.96)	(4.42)	67.48	42.71	29.70	42.71	27.05	42.71	19.34
BAFL	47.70	(8.04)	5.39	84.50	53.19	37.71	53.19	28.32	53.19	24.29
APL	370.20	(8.26)	1.80	40.15	403.54	292.01	403.54	269.21	403.54	262.11
AGHA	14.43	(8.79)	(7.80)	3.81	16.16	10.33	16.16	9.19	16.16	9.11
KAPCO	28.83	(9.05)	0.98	51.01	31.99	21.93	31.99	16.95	31.99	16.48
POWER	5.51	(9.08)	(4.01)	19.26	6.43	4.00	6.43	3.49	6.43	3.49
ENGRO	292.86	(9.52)	0.29	31.87	325.10	244.12	325.10	236.68	325.10	217.14
FCCL	18.11	(9.59)	3.25	50.67	20.51	11.21	20.51	10.54	20.51	10.51
NCPL	29.03	(9.93)	19.02	104.01	32.23	21.59	32.23	16.70	32.23	12.78
OGDC	113.61	(10.37)	4.42	56.21	126.75	91.39	126.75	74.64	126.75	67.70
HUMNL	6.88	(10.65)	(4.97)	17.81	8.04	5.47	8.04	5.35	8.04	5.30
ASTL	24.02	(10.97)	(5.80)	33.82	27.53	19.23	27.53	15.35	27.53	14.99
MCB	167.77	(11.15)	0.01	77.19	191.57	122.55	191.57	103.30	191.57	87.67
PSO	182.10	(11.66)	4.48	34.15	217.22	116.04	217.22	103.66	217.22	93.36
BOP	6.63	(11.84)	22.32	59.57	7.57	3.94	7.57	3.42	7.57	3.19

Source (s): Bloomberg, AHL Research

# Pakistan Weekly Update

Pakistan  
Stock Market



December 22, 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	2.7	3.7	3.5	3.7	3.4	2.0	3.1	10.8	-71.8%
P/E (x)	13.8	18.4	9.1	11.0	7.6	14.5	9.6	15.8	9.1	12.6	4.2	-66.9%
P/B (x)	1.9	2.9	1.4	1.3	1.0	1.3	1.1	2.1	0.9	1.4	0.7	-46.9%

Source: Bloomberg, AHL Research

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

### LIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	356.13	358.70	SELL	(2.57)
Companies	16.95	15.26	BUY	1.69
Banks / DFIs	13.92	8.77	BUY	5.15
NBFC	0.12	0.10	BUY	0.02
Mutual Funds	8.66	22.93	SELL	(14.26)
Other Organizations	3.54	3.65	SELL	(0.10)
Broker Proprietary Trading	76.60	78.29	SELL	(1.69)
Insurance Companies	12.20	2.89	BUY	9.31
<b>Total</b>	<b>488.13</b>	<b>490.57</b>	<b>SELL</b>	<b>(2.45)</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	385.83	381.61	BUY	4.22
Companies	16.85	19.14	SELL	(2.29)
Banks / DFIs	13.44	10.84	BUY	2.60
NBFC	0.14	0.19	SELL	(0.05)
Mutual Funds	11.26	9.31	BUY	1.95
Other Organizations	9.71	12.50	SELL	(2.79)
Broker Proprietary Trading	76.13	78.70	SELL	(2.57)
Insurance Companies	19.76	27.15	SELL	(7.39)
<b>Total</b>	<b>533.11</b>	<b>539.43</b>	<b>SELL</b>	<b>-6.31</b>

### LIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	35.75	34.35	BUY	1.40
Fertilizer	17.35	15.97	BUY	1.38
Cement	25.45	26.57	SELL	(1.12)
Power Generation & Distribution	39.82	43.29	SELL	(3.47)
Exploration & Production	79.38	79.45	SELL	(0.07)
Oil & Gas Marketing Companies	42.43	42.07	BUY	0.36
Food and Personal Care Products	26.06	26.64	SELL	(0.58)
Textile Composite	4.65	4.84	SELL	(0.19)
Technology and Communication	62.86	62.03	BUY	0.83
Debt	1.22	1.22	SELL	(0.00)
All other Sectors	153.16	154.15	SELL	(0.99)
<b>Total</b>	<b>488.13</b>	<b>490.57</b>	<b>SELL</b>	<b>(2.45)</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	52.11	53.24	SELL	(1.13)
Fertilizer	23.93	24.63	SELL	(0.70)
Cement	36.34	38.17	SELL	(1.83)
Power Generation & Distribution	25.26	27.28	SELL	(2.02)
Exploration & Production	67.81	65.51	BUY	2.30
Oil & Gas Marketing Companies	52.28	52.80	SELL	(0.52)
Food and Personal Care Product:	30.00	30.33	SELL	(0.32)
Textile Composite	4.52	4.75	SELL	(0.24)
Technology and Communication	70.72	71.64	SELL	(0.93)
Debt	0.61	0.61	SELL	-
All other Sectors	169.54	170.46	SELL	(0.92)
<b>Total</b>	<b>533.11</b>	<b>539.43</b>	<b>SELL</b>	<b>(6.31)</b>

### FIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.21	0.01	BUY	0.20
Foreign Corporates	10.48	10.86	SELL	(0.38)
Overseas Pakistani	30.12	27.49	BUY	2.63
<b>Total</b>	<b>40.81</b>	<b>38.36</b>	<b>BUY</b>	<b>2.45</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.04	0.02	BUY	0.02
Foreign Corporates	12.44	7.37	BUY	5.07
Overseas Pakistani	31.02	29.79	BUY	1.23
<b>Total</b>	<b>43.50</b>	<b>37.18</b>	<b>BUY</b>	<b>6.31</b>

### FIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.92	3.32	SELL	(1.40)
Fertilizer	2.22	3.60	SELL	(1.38)
Cement	3.27	2.14	BUY	1.12
Power Generation & Distribution	6.92	3.45	BUY	3.47
Exploration & Production	6.63	6.56	BUY	0.07
Oil & Gas Marketing Companies	2.01	2.37	SELL	(0.36)
Food and Personal Care Products	2.14	1.56	BUY	0.58
Textile Composite	0.58	0.39	BUY	0.19
Technology and Communication	4.43	5.26	SELL	(0.83)
All other Sectors	10.70	9.71	BUY	0.99
<b>Total</b>	<b>40.81</b>	<b>38.36</b>	<b>BUY</b>	<b>2.45</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	3.99	2.85	BUY	1.13
Fertilizer	2.97	2.27	BUY	0.70
Cement	4.69	2.85	BUY	1.83
Power Generation & Distribution	3.74	1.71	BUY	2.02
Exploration & Production	4.22	6.52	SELL	(2.30)
Oil & Gas Marketing Companies	3.21	2.69	BUY	0.52
Food and Personal Care Product:	2.25	1.92	BUY	0.32
Textile Composite	0.61	0.38	BUY	0.24
Technology and Communication	6.07	5.15	BUY	0.93
All other Sectors	11.76	10.83	BUY	0.92
<b>Total</b>	<b>43.50</b>	<b>37.18</b>	<b>BUY</b>	<b>6.31</b>

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 (%)
Lebanon	BLOM Index	1,993	13.3	22.4	41.3	France	CAC Index	7,573	0.8	4.9	20.4
Luxembourg	LUXXX Index	1,521	5.1	9.6	7.2	Saudi Arabia	SASEIDX Index	11,622	0.7	4.0	11.2
Iceland	ICEXI Index	2,094	4.8	10.4	(1.3)	Germany	DAX Index	16,686	0.7	4.2	23.4
Denmark	KFX Index	2,265	4.6	3.0	26.7	Japan	NKY Index	33,169	0.6	3.4	17.3
Latvia	RIGSE Index	1,328	4.5	(0.7)	18.7	USA	SPX Index	4,747	0.6	3.9	23.6
Qatar	DSM Index	10,285	3.6	2.4	(3.4)	Dubai	DFMGI Index	4,023	0.6	0.8	20.6
Ireland	ISEQ Index	8,805	3.2	6.7	27.5	Europe	SXSE Index	4,516	0.3	4.4	22.6
Slovenia	SBITOP Index	1,244	2.8	4.2	22.4	Portugal	PSI20 Index	6,378	0.3	(0.2)	14.7
Brazil	IBOV Index	132,182	2.5	4.5	30.2	Malaysia	FBMKLCI Index	1,454	0.3	0.8	(7.5)
Australia	AS51 Index	7,502	2.3	9.2	6.5	USA	INDU Index	37,404	0.3	4.0	12.8
Finland	HEX Index	10,052	2.3	4.1	(4.2)	Mongolia	MSETOP Index	38,861	0.3	5.3	3.9
New Zealand	NZSE Index	1,757	2.2	5.0	(2.6)	Kazakhstan	KZKAK Index	4,159	0.2	(0.2)	29.1
Zimbabwe	ZHIALLSH Index	198,792	2.2	1.0	12.8	Bulgaria	SOFIX Index	739	0.2	0.2	26.6
Czech Republic	PX Index	1,401	2.2	0.9	17.8	Bahrain	BHSEASI Index	1,918	0.1	(1.1)	1.2
Croatia	CRO Index	2,510	2.2	4.4	31.5	Vietnam	VNIndex Index	1,103	0.1	0.8	6.7
Austria	ATX Index	3,407	2.1	4.8	12.2	Romania	BET Index	15,267	0.1	4.3	34.1
Ghana	GGSECI Index	3,131	2.1	(1.4)	7.8	Russia	RTSI\$ Index	1,061	(0.0)	(4.9)	9.3
UK	UKX Index	7,708	1.9	4.3	8.8	Estonia	TALSE Index	1,762	(0.0)	1.8	2.7
Thailand	SET Index	1,405	1.9	3.9	(15.5)	Russia	IMOEX Index	3,091	(0.0)	(4.6)	14.1
Poland	WIG20 Index	2,348	1.8	7.6	45.4	Tunisia	TUSISE Index	8,605	(0.1)	1.4	7.4
Norway	OBXP Index	567	1.7	3.9	(1.5)	Belgium	BEL20 Index	3,648	(0.1)	0.9	(5.2)
Sweden	OMX Index	2,376	1.7	11.0	20.6	Belgium	BEL20 Index	3,648	(0.1)	0.9	(5.2)
South Korea	KOSPI Index	2,600	1.6	2.8	13.1	Uae	ADSMI Index	9,490	(0.1)	(0.7)	(7.1)
Canada	SPTSX Index	20,766	1.6	4.7	8.9	Netherland	AEX Index	784	(0.1)	3.7	17.1
Lithuania	VILSE Index	941	1.5	0.1	2.3	China	SHSZ300 Index	3,337	(0.2)	(4.4)	(16.6)
Argentina	MERVAL Index	942,904	1.5	(48.0)	2.8	Taiwan	TWSE Index	17,597	(0.3)	1.2	22.7
Singapore	FSSTI Index	3,140	1.4	3.3	(2.3)	Oman	MSM30 Index	4,562	(0.6)	(2.1)	(6.1)
Mexico	MEXBOL Index	57,488	1.4	8.2	35.4	India	SENSEX Index	71,107	(0.7)	6.5	16.3
Hungary	BUX Index	60,437	1.2	5.2	48.2	Sri Lanka	CSEALL Index	10,606	(0.9)	0.9	41.1
Spain	IBEX Index	10,110	1.2	1.8	26.5	Chile	IPSA Index	6,108	(1.0)	3.9	12.3
Philippines	PCOMP Index	6,501	1.2	4.7	(0.5)	Ukraine	PFTS Index	507	(1.3)	(3.2)	(4.0)
Greece	ASE Index	1,292	1.1	2.6	43.0	Egypt	EGX30 Index	24,305	(1.6)	(1.8)	33.4
Indonesia	JCI Index	7,238	1.1	3.0	6.1	Kenya	NSEASI Index	90	(1.8)	(3.2)	(43.8)
Serbia	BELEX15 Index	881	1.1	1.6	10.4	South Africa	JALSH Index	74,380	(1.9)	0.9	(5.8)
Jordan	JOSMGNFF Index	2,425	1.0	0.7	(3.0)	Hong Kong	HSI Index	16,340	(2.8)	(4.1)	(17.5)
Switzerland	SMI Index	11,106	1.0	4.9	11.8	Turkey	XU100 Index	7,660	(4.8)	(4.8)	(10.9)
Mauritius	SEMDEX Index	2,048	0.9	(1.3)	(0.7)	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>61,705</b>	<b>(6.5)</b>	<b>2.9</b>	<b>22.3</b>
Italy	FTSEMIB Index	30,292	0.8	3.2	31.6	Nigeria	NGSEINDX Index	74,023	(11.5)	(8.3)	(28.2)
USA	NDX Index	16,757	0.8	5.1	53.2						

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*
<b>Money Market Data</b>														
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	21.08
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	21.36
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	21.23
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	16.60
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	15.83
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	14.92
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	21.43
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
<b>Inflation (YoY)</b>														
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
<b>Monetary Sector</b>														
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
<b>Banking Sector</b>														
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
<b>External Sector</b>														
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	12.1
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	6.9
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	282.5
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)	(184.0)	9.0	9.0
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	2.7	2.7
Imports	USD bn	4.2	3.9	3.9	4.0	3.7	3.8	3.2	4.2	4.0	4.0	4.4	4.5	4.5
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)	(1.7)	(1.7)
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	2.3	2.3
<b>Key Commodities Prices</b>														
<b>International</b>														
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	100.0
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	568.5
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	755.0
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	2,046.0
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	89.8
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	73.9
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	83.1
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	79.4
<b>Local</b>														
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	1,236.4
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	186,130

\*Current Price



## Disclaimer

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'24 for Target Price. In addition, return excludes all type of taxes. For more details kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -15% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -15% from last closing of market price(s)

\* Upside for Power Generation Companies is upside plus dividend yield.

## Equity Valuation Methodology

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

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

## Risks

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

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

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

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