

Market lands in the green zone

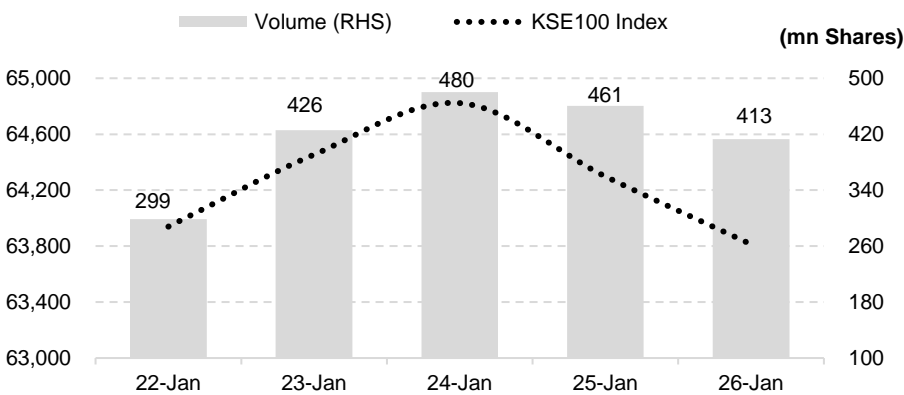
The market witnessed a rally at the onset of the week followed by reports of government planning to release PKR 1,250bn to energy chain to reduce circular debt. However, during the mid week the market turned red given the ministry of finance raised objections to the plan that was made by the energy department to revolve circular debt. Furthermore, there was a notable decline in cut-off yields for the 3-month, 6-month, and 12-month MTBs by 50bps, 56bps and 62bps. Meanwhile, SBP's reserves increased by USD 243mn, reaching USD 8.2bn. During the week PKR closed at 279.59 against USD, strengthening by PKR 0.30 | 0.11% WoW. Albeit, the market closed at 63,813 points, climbing up by 531 points | +0.84% WoW.

Sector-wise positive contributions came from i) Oil & Gas Exploration (319pts), ii) Commercial Banks (273pts), iii) Fertilizer (114pts), iv) Cement (30pts), and v) Leather & Tanneries (25pts). Whereas, the sectors which mainly contributed negative were i) Technology & Communication (124pts), ii) Power Generation & Distribution (63pts), iii) Miscellaneous (33pts), iv) Automobile Assembler (28pts), and v) Paper & Board (13pts). Scrip-wise positive contributors were OGDC (336pts), EFERT (131pts), BAML (114pts), MEBL (75pts), and HMB (63pts). Meanwhile, scrip-wise negative contributions came from PPL (81pts), SYS (66pts), FFC (55pts), HUBC (41pts), and PSO (32pts).

Foreign selling continued during this week, clocking in at USD 22.7mn compared to a net sell of USD 1.2mn last week. Major selling was witnessed in Commercial Banks (USD 6.7mn) and Fertilizer (USD 4.5mn). On the local front, buying was reported by Insurance Companies (USD 9.6mn) followed by Companies (USD 8.1mn). Average volumes arrived at 416mn shares (up by 6.9% WoW) while the average value traded settled at USD 73mn (up by 47.5% WoW).

Other major news: i) Jul-Dec power sector circular debt soars to Rs2.55trn, ii) Merit Packaging plans selling assets of Rs 1.55bn to related party lender, iii) OGDCL announces oil discovery at Sono-9 well in Hyderabad, iv) Ogra grants licence to SSGC's subsidiary and v) PTCL, Huawei complete 50G-PON trial.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

We expect the KSE-100 index to be positive in the coming week on the back of expectation robust financial results in the ongoing result season. Additionally, the upcoming monetary policy announcement which is due on 29th Jan'24 will be a key event to look out for. The scrips continue to trade at attractive levels, which could further entice 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 4.3x (2024) as compared to its 5-year average of 5.9x offering a dividend yield of ~10.4% as compared to its 5-year average of ~6.0%.

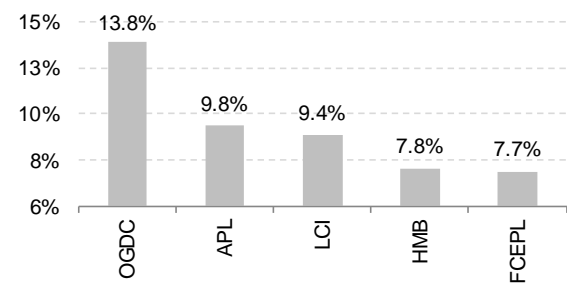
PSX Indices Performance

Index	Current	WoW (%)	CY24TD (%)
KSE100	63,813	0.8	2.2
KSEAll	43,213	0.8	3.1
KSE30	21,534	1.2	3.6
KMI30	108,081	1.4	3.2
BKTI	15,517	1.8	3.7
OGTI	16,713	3.7	12.5

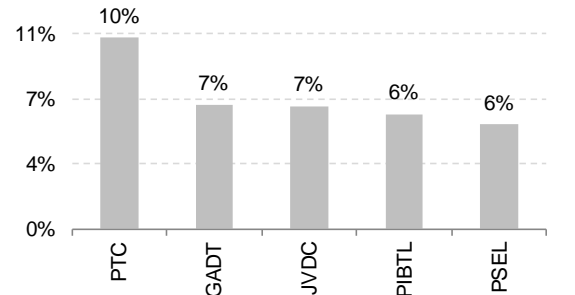
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	58.0	5.2
OGDC	36.8	141.4
PPL	26.6	118.3
PIAA	24.1	10.3
HASCOL	21.3	8.1

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

HSD cargoes' import: PSO granted exclusive rights (BR)

Pakistan State Oil (PSO) has been granted exclusive rights for importing high-speed diesel (HSD) cargoes to meet the deficit of supply and demand. The Oil and Gas Regulatory Authority (OGRA) has been directed to consult with the stakeholders in the oil industry and formulate a framework for the agreement. The PSO imports HSD from Kuwait Petroleum Corporation (KPC) under a government-to-government agreement and spot purchases sometime. The government has allowed PSO a weighted average premium on HSD. In the first quarter ended September 30 of the current fiscal year 2023-24, the PSO's market share in diesel and gasoline increased by 4.5 percent and 4.2 percent respectively, reaching 55 percent and 47.9 percent.

Shanghai Electric extends deadline for K-Electric deal by 90 days (The News)

China's Shanghai Electric Power Company Limited (SEP) has extended its deadline to buy a majority stake in K-Electric Limited (KEL) by 90 days, the brokerage house managing the deal said on Monday. SEP, which agreed to acquire 66.40 percent of KEL's shares for \$1.77 billion in 2016, has faced delays in obtaining regulatory approvals from both China and Pakistan. The brokerage house, Arif Habib Limited (AHL), said in a notice to the Pakistan Stock Exchange (PSX) that SEP had requested more time to make the public announcement of the offer, which was due on Jan. 21, 2024.

KE, Hubco ink MoU to explore off-take of electricity (BR)

CEO K-Electric (KE) Moonis Abdullah Alvi and CEO The Hub Power Company Limited (Hubco) Kamran Kamal signed a memorandum of understanding (MoU) to explore the opportunity for off-take of electricity following the conversion of Hubco's Hub Plant to local Thar coal. This is in line with KE's long-term strategy to induct power generation from indigenous sources into its energy mix. In this regard, the company is exploring the viability of Thar coal-based power generation projects. Hubco's Hub Power-station is a 1292 MW (4 X 323 MW), residual fuel oil-based plant, which has maintained high standards of operations since 1997. Both companies have shown their commitment to work collaboratively towards conducting the requisite efforts needed for the timely conversion and integration of the project with KE's network..

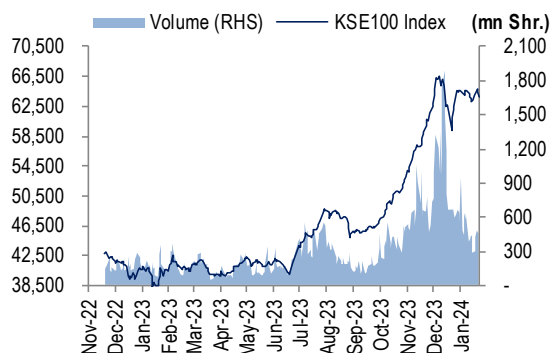
Debt servicing goes up by massive 74pc in 5MFY24 (The News)

Pakistan's debt servicing in the shape of mark-up on principal and outstanding loans has gone up by 74 per cent in the first five months (July-November) of the current fiscal year against the same period of FY2023, mainly because of higher policy rates. There is another challenge emerging on the fiscal front as the revenue surplus generated by the provinces has reduced significantly; it stood at Rs107.9 billion in the first five months of the current FY2024 against Rs 202.5 billion in the same period of the last financial year. The main challenge are the mounting markup payments in response to high policy rates that caused current expenditures to increase significantly.

Petroleum concession deals, exploration licenses signed (BR)

Petroleum Concession Agreements (PCAs) and Exploration Licences (ELs) over block no Kotra East (2867-8), Murradi (2767-7), Sehwan (2667-19) and Zindan-II (3271-9) on Wednesday signed with Oil and Gas Development Company Limited (OGDCL), Multanai (3168-3) with Pakistan Oilfields Limited (POL), Sawan South (2668-26) with United Energy Pakistan Limited (UEP) – a Chinese exploration and production company, Gambat-II (2668-25) with joint venture of Pakistan Petroleum Limited (Operator) and the OGDCL and Saruna West (2666-1) with joint venture of POL (Operator), PPL and the OGDCL.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies	Index Contribution
Bullish Companies	
OGDC	336.2
EFERT	130.7
BAHL	113.7
MEBL	74.7
HMB	63.2
	718.4

Bearish Companies	
PPL	(80.8)
SYS	(66.4)
FFC	(55.0)
HUBC	(40.8)
PSO	(31.6)
	(274.5)

Sectors	Index Contribution
Bullish Sectors	
Oil & Gas Exploration Companies	319.1
Commercial Banks	273.0
Fertilizer	114.4
Cement	29.7
Leather & Tanneries	24.6
	760.8

Bearish Sectors	
Technology & Communication	(124.3)
Power Generation & Distribution	(62.8)
Miscellaneous	(32.7)
Automobile Assembler	(28.3)
Paper & Board	(12.8)
	(261.0)

FinanceAsia

Best Investment Bank: 2022



Excellence Award Leading
Brokerage House for RDA2021



Best Equity Advisor: 2021



Best Money Market
Broker- (Islamic) 2021

AHL Universe - Recommendation Summary

Code	Company	Price 26-Jan-24	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.	118.3	129.61	9.6	Hold	37.4	39.5	37.4	2.50	3.50	3.50	3.2	3.0	2.1	3.0	0.6	0.5	20.9	18.3	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	141.4	165.6	17.2	Buy	52.2	45.2	43.5	8.55	9.00	8.75	2.7	3.1	6.0	6.4	0.6	0.5	22.9	17.0	KSE100, KSE30, KMI & MSCI	
POL	Pakistan Oilfields Ltd.	437.8	554.82	26.7	Buy	128.4	120.4	110.8	80.00	76.00	70.00	3.4	3.6	18.3	17.4	1.8	1.7	61.4	49.2	KSE100, KSE30 & MSCI	
MARI	Mari Petroleum Ltd	2,452.4	2,711.4	10.6	Hold	420.7	553.3	609.1	147.00	235.00	280.00	5.8	4.4	6.0	9.6	1.9	1.6	37.5	38.9	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	183.2	276.0	50.7	Buy	46.7	56.1	52.3	43.00	42.00	39.00	3.9	3.3	23.5	22.9	1.0	0.9	24.9	28.7	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	49.8	69.1	38.8	Buy	21.8	25.9	23.9	6.00	8.00	7.00	2.3	1.9	12.0	16.1	0.6	0.5	30.1	29.1	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	177.9	294.1	65.3	Buy	53.6	61.4	58.7	30.00	34.00	33.00	3.3	2.9	16.9	19.1	1.0	0.8	30.6	30.9	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	114.0	158.3	38.9	Buy	41.0	50.2	43.5	8.00	10.00	10.00	2.8	2.3	7.0	8.8	0.5	0.4	19.4	20.3	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	87.5	148.8	70.1	Buy	32.8	38.6	33.3	11.00	14.00	12.00	2.7	2.3	12.6	16.0	0.6	0.5	26.4	26.3	KSE100	
NBP	National Bank of Pakistan.*	30.0	47.6	58.9	Buy	23.5	26.0	22.4	-	3.00	2.00	1.3	1.2	-	10.0	0.2	0.2	15.0	14.6	KSE100	
AKBL	Askari Bank Ltd.*	23.0	33.7	46.3	Buy	12.7	15.0	13.8	3.00	5.00	4.00	1.8	1.5	13.0	21.7	0.4	0.3	22.4	22.1	KSE100	
BOP	The Bank of Punjab*	6.2	7.9	27.7	Buy	2.8	3.2	2.9	0.50	0.75	0.50	2.2	1.9	8.1	12.2	0.3	0.2	13.4	13.4	KSE100 & MSCI	
MEBL	Meezan Bank Ltd.*	170.4	240.0	40.9	Buy	47.5	57.7	54.9	18.00	22.00	21.00	3.6	3.0	10.6	12.9	1.8	1.3	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*	329.1	372.1	13.1	Hold	63.2	76.0	85.6	54.00	61.00	69.00	5.2	4.3	16.4	18.5	0.6	0.5	12.1	12.2	KSE100, KSE30, KMI & MSCI	
FFBL	Fauji Fert. Bin Qasim	28.0	29.9	6.7	Hold	3.4	4.6	5.5	1.00	1.00	1.00	8.2	6.1	3.6	-	1.4	1.2	18.3	20.8	KSE100, KMI & MSCI	
EFERT	Engro Fertilizer	128.4	110.2	(14.2)	Hold	16.4	17.5	18.1	18.00	20.00	20.00	7.8	7.3	14.0	15.6	4.0	4.3	49.7	56.7	KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	115.2	152.3	32.2	Buy	23.3	27.7	28.3	15.49	21.00	22.00	4.9	4.2	13.5	18.2	2.5	2.2	54.6	56.7	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	34.6	na	na	na	na	na	na	na	na	na	Group Company: No estimates are given						KSE100 & KMI			
AHCL	Arif Habib Corp. Ltd.	37.1	na	na	na	8.4	na	na	-	na	na	Group Company: No estimates are given						KSEALL			
Cement																					
LUCK	Lucky Cement Ltd.*	743.7	1,148.9	54.5	Buy	166.4	217.6	232.7	18.00	20.00	43.00	4.5	3.4	2.4	2.7	0.8	0.7	21.2	21.8	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	18.5	35.0	89.2	Buy	3.0	3.8	7.0	-	-	2.00	6.1	4.8	-	-	0.7	0.6	12.1	13.5	KSE100, KMI & MSCI	
ACPL	Attock Cement Ltd.	95.6	155.1	62.3	Buy	11.0	22.2	30.4	6.00	10.00	12.00	8.7	4.3	6.3	10.5	0.2	0.2	4.0	4.9	KSEALL, KMI & MSCI	
DGKC	D.G. Khan Cement Co.	75.2	98.7	31.3	Buy	(8.3)	9.8	16.2	-	-	4.00	(9.1)	7.7	-	-	0.5	0.5	(5.4)	6.5	KSE100, KSE30, KMI & MSCI	
KOHC	Kohat Cement Co.	228.0	322.1	41.2	Buy	29.7	38.6	37.3	-	11.58	11.18	7.7	5.9	-	5.1	1.4	1.1	19.4	20.8	KSE100, KSE30, KMI & MSCI	
MLCF	Maple Leaf Cement.*	38.5	59.4	54.1	Buy	5.4	6.7	8.2	-	2.00	3.00	7.2	5.7	-	5.2	0.9	4.2	13.2	26.5	KSE100, KMI & MSCI	
POWER	Power Cement	5.8	na	na	na	0.2	na	na	-	na	na	Group Company: No estimates are given						KMI			
Oil & Gas Marketing																					
PSO	Pakistan State Oil	174.4	258.8	48.4	Buy	12.1	65.9	73.7	7.50	10.00	12.00	14.5	2.6	4.3	5.7	0.4	0.3	2.6	13.7	KSE100, KSE30, KMI & MSCI	
ANL	Attock Petroleum Ltd.	421.34	398.20	(5.5)	Hold	100.2	97.3	110.6	27.50	57.50	67.50	4.2	4.3	6.5	13.6	1.2	1.0	30.2	25.4	KSE100 & KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	70.5	84.3	19.6	Buy	18.8	23.3	25.6	8.00	7.00	8.00	3.7	3.0	11.3	9.9	0.9	0.7	149.7	249.7	KSE100, KSE30, KMI & MSCI	
Automobile Assemblers																					
PSMC	Pak Suzuki Motor Co.	609.0				Coverage Restricted due to Advisory Mandate															KSE100 & KMI
INDU	Indus Motor Co.	1,445.8	1,571.0	8.7	Hold	123.0	186.1	227.1	71.80	109.00	133.00	11.8	7.8	5.0	7.5	1.9	1.7	16.9	23.2	KSE100	
HCAR	Honda Atlas Cars (Pak)	226.3	248.1	9.6	Hold	1.8	19.4	27.8	-	8.00	11.00	124.2	11.7	-	3.5	1.7	1.5	1.3	13.8	KSE100 & KMI	
MTL	Millat Tractors Ltd.	534.2	661.2	23.8	Buy	17.6	48.6	59.0	25.00	49.00	53.00	30.3	11.0	4.7	9.2	13.3	13.4	45.8	121.4	KSE100, KSE30, KMI & MSCI	
Power Generation & Distribution																					
HUBC	Hub Power Company*	115.0	170.7	48.5	Buy	44.4	53.4	57.5	30.00	30.00	24.25	2.6	2.2	26.1	26.1	0.9	0.8	40.6	39.4	KSE100, KSE30, KMI & MSCI	
NCPL	Nishat Chu. Power Ltd.	27.0	29.6	9.5	Hold	10.8	12.7	10.3	-	4.00	2.75	2.5	2.1	-	14.8	0.4	0.4	16.4	18.1	KMI & MSCI	
NPL	Nishat Power Ltd.	31.5	35.8	13.4	Hold	11.6	13.6	9.9	7.00	6.00	4.00	2.7	2.3	22.2	19.0	0.4	0.3	14.1	15.4	KSEALL & MSCI	
Textile Composite																					
NML	Nishat Mills Ltd.	76.0	107.3	41.3	Buy	34.6	41.3	44.4	5.00	6.00	6.50	2.2	1.8	6.6	7.9	0.3	0.3	14.4	15.2	KSE100, KMI & MSCI	
NCL	Nishat (Chunian) Ltd.	28.0	39.0	39.4	Buy	(4.2)	10.8	11.5	-	4.00	4.00	(6.7)	2.6	-	14.3	0.3	0.3	(4.4)	12.1	KSEALL	
ILP	Interloop Ltd.	71.8	99.2	38.1	Buy	14.4	16.2	20.1	5.00	5.50	8.00	5.0	4.4	7.0	7.7	2.3	1.7	52.2	44.3	KSE100 & KMI	
Chemicals																					
LOTCEM	Lotte Chemical Pak Ltd.	20.75	27.90	34.5	Buy	4.5	4.5	4.9	3.50	2.00	2.50	4.6	4.6	16.9	9.6	1.3	1.1	28.8	25.6	KSE100 & KMI	
EPCL	Engro Polymer & Chem.	49.0	56.8	16.0	Buy	6.6	8.6	10.6	5.50	6.00	7.50	7.4	5.7	11.2	12.3	1.6	1.5	22.1	27.8	KSE100, KSE30 & KMI	
LCI	Lucky Core Industries Ltd.	806.0	937.1	16.3	Buy	191.1	86.8	113.1	43.00	40.00	50.00	4.2	9.3	5.3	5.0	1.7	1.1	45.7	14.6	KSE100 & KMI	
Leather & Tanneries																					
SGF	Service Global Footwear Ltd.	52.99	76.40	44.2	Buy	4.9	8.8	14.3	3.00	3.50	5.50	10.8	6.0	5.7	6.6	1.7	1.4	15.9	25.6	KMI	
Engineering																					
ASTL	Amreli Steels Ltd.	25.0	27.4	9.3	Hold	(2.3)	1.5	5.7	-	-	2.00	(11.0)	16.6	-	-	0.5	0.5	(4.6)	3.0	KSEALL	
AGHA	Agha Steel Industries Ltd.	12.8	26.7	108.1	Buy	1.5	1.1	5.1	-	-	-	8.6	11.9	-	-	0.5	0.5	5.6	3.9	KMI	
ASL	Aisha Steel Mills Ltd.	7.9	na	na	na	(3.5)	na	na	-	na	na	Group Company: No estimates are given						KSEALL			
Technology & Communication																					
SYS	Systems Ltd.	400.2	614.0	53.4	Buy	31.7	35.7	43.1	5.00	6.75	12.50	12.6	11.2	1.2	1.7	3.6	2.7	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
OGDC	141.37	13.82	25.72	25.72	145.87	98.70	145.87	88.95	145.87	70.52
APL	421.34	9.83	11.32	11.32	423.29	328.97	423.29	269.21	423.29	269.21
LCI	805.97	9.40	3.52	3.52	805.97	635.29	805.97	554.30	805.97	485.52
ASTL	25.04	7.98	8.59	8.59	27.53	22.13	27.53	18.29	27.53	14.99
POWER	5.75	6.48	(3.52)	(3.52)	6.43	5.05	6.43	3.49	6.43	3.49
FML	94.50	6.43	4.71	4.71	94.68	82.09	94.68	63.37	94.68	48.66
EFERT	128.38	5.91	14.39	14.39	129.39	87.51	129.39	70.50	129.39	66.70
FABL	33.41	5.63	2.55	2.55	33.85	23.59	33.85	20.42	33.85	18.37
EPCL	48.97	4.15	5.11	5.11	51.25	40.06	51.25	37.08	51.25	36.41
MEBL	170.35	3.33	5.57	5.57	175.04	135.15	175.04	110.44	175.04	77.46
MARI	2,452.37	3.24	17.00	17.00	2,534.66	1,617.00	2,534.66	1,528.65	2,534.66	1,369.85
ACPL	95.60	3.23	(0.64)	(0.64)	107.42	80.94	107.42	73.13	107.42	48.59
ABL	87.49	3.10	5.41	5.41	90.51	72.03	90.51	64.86	90.51	54.84
DGKC	65.79	2.99	22.58	(15.14)	82.50	57.31	82.50	41.54	82.50	39.44
HUMNL	6.56	2.98	(4.23)	(4.23)	8.04	5.73	8.04	5.35	8.04	5.30
BAFL	49.80	2.77	2.66	2.66	53.19	38.36	53.19	37.59	53.19	25.73
NCL	28.00	2.60	7.90	7.90	29.99	24.90	29.99	19.98	29.99	19.98
ENGRO	329.07	1.72	11.58	11.58	332.41	273.84	332.41	236.68	332.41	230.52
FATIMA	34.55	1.56	(2.65)	(2.65)	37.01	31.83	37.01	25.55	37.01	24.36
KOHC	228.03	1.39	(2.65)	(2.65)	249.06	181.63	249.06	151.84	249.06	126.19
MLCF	38.51	0.94	(1.05)	(1.05)	42.71	36.10	42.71	27.05	42.71	21.36
NPL	31.53	0.83	1.87	1.87	33.85	24.99	33.85	19.01	33.85	13.88
KAPCO	29.71	0.68	4.50	4.50	31.99	23.23	31.99	19.19	31.99	16.48
ILP	71.84	0.31	(0.22)	(0.22)	75.25	55.99	75.25	35.17	75.25	28.44
UBL	183.19	0.22	3.01	3.01	190.05	155.46	190.05	129.39	190.05	74.25
MCB	177.88	0.20	3.09	3.09	191.57	142.07	191.57	119.02	191.57	92.07
INDU	1,445.77	0.19	20.49	20.49	1,446.85	1,003.26	1,446.85	864.68	1,446.85	766.21
POL	437.82	0.07	3.76	3.76	451.57	408.58	451.57	372.54	451.57	337.02
PSMC	609.00	-	9.07	9.07	898.57	406.07	898.57	102.53	898.57	82.38
HBL	114.00	(0.55)	2.85	2.85	129.52	93.45	129.52	87.89	129.52	63.87
NCPL	27.01	(0.63)	(3.43)	(3.43)	32.23	23.43	32.23	17.91	32.23	13.60
LUCK	743.72	(0.77)	(5.50)	(5.50)	818.48	656.99	818.48	514.35	818.48	379.99
SNGP	70.51	(1.09)	(4.09)	(4.09)	79.07	51.67	79.07	41.02	79.07	37.35
ITTEFAQ	7.23	(1.09)	(7.19)	(7.19)	8.62	6.35	8.62	4.75	8.62	4.20
HUBC	114.96	(1.19)	(1.82)	(1.82)	123.69	100.92	123.69	69.33	123.69	50.63
FCCL	18.50	(1.33)	(2.22)	(2.22)	20.51	14.15	20.51	10.54	20.51	10.54
NML	75.95	(1.35)	(1.00)	(1.00)	83.64	65.63	83.64	53.08	83.64	46.58
BOP	6.17	(1.59)	(4.78)	(4.78)	7.57	4.25	7.57	3.42	7.57	3.19
AHCL	37.14	(1.69)	3.40	3.40	38.79	29.80	38.79	24.35	38.79	23.25
MTL	534.19	(2.06)	(8.10)	(8.10)	655.84	457.92	655.84	403.21	655.84	304.33
FFC	115.16	(2.20)	1.74	1.74	120.77	100.37	120.77	87.50	120.77	87.13
AKBL	23.03	(2.21)	(6.84)	(6.84)	25.18	18.26	25.18	15.01	25.18	12.12
FFBL	28.02	(2.64)	(12.16)	(12.16)	32.43	18.43	32.43	12.94	32.43	11.11
PSO	174.38	(2.74)	(1.32)	(1.32)	217.22	139.64	217.22	103.66	217.22	93.36
PPL	118.30	(3.25)	2.84	2.84	133.79	80.45	133.79	64.82	133.79	55.25
LOTCHEM	20.75	(3.67)	(23.12)	(23.12)	28.59	20.75	29.18	20.75	29.81	20.52
AGHA	12.84	(4.11)	(9.77)	(9.77)	16.16	12.84	16.16	9.19	16.16	9.11
NBP	29.97	(4.68)	(6.66)	(6.66)	37.46	23.30	37.46	21.00	37.46	18.89
HCAR	226.34	(17.57)	5.90	5.90	281.91	171.59	281.91	102.63	281.91	82.41

Source (s): Bloomberg, AHL Research

Pakistan Weekly Update

Pakistan
Stock Market



January 26, 2024

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.0	1.4	2.9	2.6	3.6	3.6	3.6	3.4	2.0	3.0	10.4	-70.9%
P/E (x)	13.6	18.3	10.1	11.5	7.4	14.1	9.8	16.3	9.0	12.2	4.3	-64.5%
P/B (x)	1.9	2.9	1.5	1.4	1.0	1.3	1.1	2.2	0.8	1.6	0.7	-52.7%

Source: Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	369.25	362.03	BUY	7.23
Companies	25.86	17.78	BUY	8.08
Banks / DFIs	17.32	14.80	BUY	2.52
NBFC	0.16	0.19	SELL	(0.02)
Mutual Funds	8.45	9.75	SELL	(1.29)
Other Organizations	4.47	7.82	SELL	(3.35)
Broker Proprietary Trading	104.62	104.65	SELL	(0.03)
Insurance Companies	23.17	13.59	BUY	9.58
Total	553.31	530.60	BUY	22.71

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	215.13	214.80	BUY	0.33
Companies	8.07	6.29	BUY	1.79
Banks / DFIs	9.12	12.78	SELL	(3.67)
NBFC	0.11	0.07	BUY	0.04
Mutual Funds	4.21	9.43	SELL	(5.22)
Other Organizations	1.83	4.13	SELL	(2.29)
Broker Proprietary Trading	49.17	50.43	SELL	(1.26)
Insurance Companies	20.32	8.84	BUY	11.48
Total	307.96	306.77	BUY	1.19

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	31.01	24.28	BUY	6.72
Fertilizer	30.72	26.18	BUY	4.54
Cement	24.01	21.47	BUY	2.54
Power Generation & Distribution	16.65	14.81	BUY	1.85
Exploration & Production	233.53	230.47	BUY	3.05
Oil & Gas Marketing Companies	42.51	41.97	BUY	0.54
Food and Personal Care Products	17.39	17.19	BUY	0.20
Textile Composite	3.16	2.66	BUY	0.50
Technology and Communication	59.26	57.74	BUY	1.53
Debt	0.23	0.23	SELL	-
All other Sectors	95.02	93.79	BUY	1.24
Total	553.49	530.79	BUY	22.71

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	19.60	16.98	BUY	2.63
Fertilizer	17.47	18.47	SELL	(0.99)
Cement	14.62	13.99	BUY	0.62
Power Generation & Distribution	19.44	19.15	BUY	0.29
Exploration & Production	72.95	71.55	BUY	1.40
Oil & Gas Marketing Companies	30.93	31.64	SELL	(0.71)
Food and Personal Care Products	12.32	13.72	SELL	(1.40)
Textile Composite	1.22	1.22	BUY	0.01
Technology and Communication	28.14	29.00	SELL	(0.86)
Debt	0.09	0.23	SELL	(0.14)
All other Sectors	90.92	90.72	BUY	0.20
Total	307.71	306.66	BUY	1.05

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	2.70	2.66	BUY	0.05
Foreign Corporates	7.02	30.66	SELL	(23.64)
Overseas Pakistani	36.73	35.84	BUY	0.89
Total	46.45	69.16	SELL	(22.71)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.01	0.06	SELL	(0.06)
Foreign Corporates	5.06	5.47	SELL	(0.40)
Overseas Pakistani	20.49	21.22	SELL	(0.73)
Total	25.56	26.75	SELL	(1.19)

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.97	8.69	SELL	(6.72)
Fertilizer	2.95	7.48	SELL	(4.54)
Cement	2.10	4.64	SELL	(2.54)
Power Generation & Distribution	1.09	2.94	SELL	(1.85)
Exploration & Production	19.10	22.16	SELL	(3.05)
Oil & Gas Marketing Companies	3.21	3.76	SELL	(0.54)
Food and Personal Care Products	1.43	1.63	SELL	(0.20)
Textile Composite	0.07	0.57	SELL	(0.50)
Technology and Communication	7.20	8.73	SELL	(1.53)
All other Sectors	7.33	8.57	SELL	(1.24)
Total	46.45	69.16	SELL	(22.71)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.90	3.53	SELL	(2.63)
Fertilizer	2.32	1.32	BUY	0.99
Cement	1.11	1.73	SELL	(0.62)
Power Generation & Distribution	1.31	1.60	SELL	(0.29)
Exploration & Production	5.56	6.96	SELL	(1.40)
Oil & Gas Marketing Companies	2.56	1.84	BUY	0.71
Food and Personal Care Products	2.17	0.77	BUY	1.40
Textile Composite	0.10	0.11	SELL	(0.01)
Technology and Communication	4.02	3.17	BUY	0.86
All other Sectors	5.51	5.72	SELL	(0.20)
Total	25.56	26.75	SELL	(1.19)

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY24TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY24TD (%)
Zimbabwe	ZHIALLSH Index	413,258	18.5	25.7	25.7	Mexico	MEXBOL Index	56,160	0.6	(3.7)	(3.7)
Argentina	MERVAL Index	1,284,940	8.9	35.8	35.8	Lithuania	VILSE Index	960	0.5	(0.3)	(0.3)
Nigeria	NGSEINDX Index	102,237	8.4	40.3	40.3	USA	INDU Index	38,049	0.5	1.0	1.0
Netherland	AEX Index	817	4.7	2.1	2.1	Oman	MSM30 Index	4,607	0.4	2.7	2.7
Hong Kong	HSI Index	15,952	4.3	(6.5)	(6.5)	Brazil	IBOV Index	128,169	0.4	(5.8)	(5.8)
Europe	SX5E Index	4,631	3.9	0.6	0.6	Denmark	KFX Index	2,353	0.4	1.2	1.2
South Africa	JALSH Index	74,604	3.8	(5.8)	(5.8)	Singapore	FSSTI Index	3,160	0.3	(4.0)	(4.0)
Finland	HEX Index	10,227	3.7	(0.5)	(0.5)	South Korea	KOSPI Index	2,479	0.3	(9.9)	(9.9)
Sweden	OMX Index	2,368	3.7	(4.6)	(4.6)	Qatar	DSM Index	10,348	0.3	(2.3)	(2.3)
Iceland	ICEX Index	2,287	3.7	7.1	7.1	Jordan	JOSMGNFF Index	2,471	0.1	1.8	1.8
Turkey	XU100 Index	8,316	3.6	8.5	8.5	Italy	FTSEMIB Index	30,373	0.1	(1.7)	(1.7)
France	CAC Index	7,626	3.3	(0.7)	(0.7)	Tunisia	TUSISE Index	8,416	0.1	(5.1)	(5.1)
Egypt	EGX30 Index	27,666	3.1	12.1	12.1	Sri Lanka	CSEALL Index	10,336	(0.0)	(1.0)	(1.0)
Chile	IPSA Index	5,987	2.9	(6.3)	(6.3)	Croatia	CRO Index	2,623	(0.2)	1.7	1.7
Luxembourg	LUXXX Index	1,522	2.9	(1.9)	(1.9)	Portugal	PSI20 Index	6,311	(0.2)	(3.0)	(3.0)
Lebanon	BLOM Index	1,811	2.8	(9.2)	(9.2)	Serbia	BELEX15 Index	875	(0.3)	(1.9)	(1.9)
Austria	ATX Index	3,442	2.8	(1.5)	(1.5)	Bulgaria	SOFIX Index	782	(0.3)	0.4	0.4
Switzerland	SMI Index	11,378	2.7	(0.7)	(0.7)	Japan	NKY Index	35,751	(0.3)	1.9	1.9
UK	UKX Index	7,623	2.6	(1.6)	(1.6)	Ukraine	PFTS Index	507	(0.5)	0.8	0.8
Ireland	ISEQ Index	9,081	2.5	1.9	1.9	Poland	WIG20 Index	2,203	(0.5)	(8.3)	(8.3)
China	SHSZ300 Index	3,334	2.2	(3.8)	(3.8)	Mongolia	MSETOP Index	41,397	(0.7)	0.9	0.9
Germany	DAX Index	16,947	2.2	(0.6)	(0.6)	Vietnam	VNIndex Index	1,176	(0.8)	2.6	2.6
Taiwan	TWSE Index	17,995	2.1	(1.9)	(1.9)	Thailand	SET Index	1,368	(1.1)	(7.1)	(7.1)
Philippines	PCOMP Index	6,686	2.1	1.9	1.9	Ghana	GGSECI Index	3,173	(1.3)	(1.3)	(1.3)
Dubai	DFMGI Index	4,163	2.0	2.5	2.5	India	SENSEX Index	70,701	(1.4)	(2.0)	(2.0)
New Zealand	NZSE Index	1,793	1.8	(2.8)	(2.8)	Mauritius	SEMDEX Index	2,057	(1.5)	(2.2)	(2.2)
Saudi Arabia	SASEIDX Index	12,162	1.7	1.9	1.9	Uae	ADSMI Index	9,568	(1.5)	(0.1)	(0.1)
Australia	AS51 Index	7,555	1.6	(4.2)	(4.2)	Kazakhstan	KZKAK Index	4,291	(1.6)	3.8	3.8
Norway	OBXP Index	563	1.4	(4.5)	(4.5)	Russia	RTSI\$ Index	1,112	(1.6)	2.6	2.6
Greece	ASE Index	1,358	1.2	3.2	3.2	Hungary	BUX Index	64,244	(1.8)	3.0	3.0
USA	NDX Index	17,517	1.2	4.1	4.1	Latvia	RIGSE Index	1,357	(1.9)	(0.2)	(0.2)
USA	SPX Index	4,894	1.1	2.6	2.6	Russia	IMOEX Index	3,164	(2.2)	1.7	1.7
Malaysia	FBMKLCI Index	1,506	1.1	0.5	0.5	Indonesia	JCI Index	7,137	(2.2)	(4.1)	(4.1)
Bahrain	BHSEASI Index	2,014	1.1	2.7	2.7	Kenya	NSEASI Index	92	(2.4)	(4.1)	(4.1)
Slovenia	SBITOP Index	1,305	1.0	2.3	2.3	Estonia	TALSE Index	1,770	(2.6)	(1.6)	(1.6)
Spain	IBEX Index	9,968	1.0	(3.0)	(3.0)	Romania	BET Index	15,228	(2.6)	(2.7)	(2.7)
Pakistan	KSE100 Index	63,813	0.9	3.0	3.0	Belgium	BEL20 Index	3,656	(2.7)	(1.4)	(1.4)
Canada	SPTSX Index	21,102	0.7	(1.5)	(1.5)	Belgium	BEL20 Index	3,656	(2.7)	(1.4)	(1.4)
Czech Republic	PX Index	1,451	0.6	0.6	0.6						

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

Key Economic Data & Commodities Prices

Month end	Units	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Current*
Money Market Data														
03-M T-Bill	%	17.75	19.53	21.60	21.90	22.09	22.65	22.95	23.13	22.46	21.65	21.33	21.28	20.33
06-M T-Bill	%	17.87	19.82	21.32	21.80	22.00	22.87	22.99	23.20	22.81	21.70	21.33	21.37	20.45
12-M T-Bill	%	17.95	19.93	21.39	21.76	22.00	22.93	23.02	23.28	22.90	21.76	21.30	21.32	20.54
03-Y PIB	%	16.83	18.20	18.33	18.30	19.10	19.47	19.46	20.57	19.11	17.82	16.50	16.54	16.87
05-Y PIB	%	15.48	15.80	15.23	15.00	15.10	16.08	16.86	17.22	17.23	15.46	15.90	15.90	15.48
10-Y PIB	%	14.45	15.50	15.22	15.10	15.10	15.32	15.96	16.31	16.12	15.15	14.97	14.91	14.23
06-M KIBOR	%	17.97	20.06	22.03	22.06	22.18	22.97	23.22	23.21	22.95	22.00	21.47	21.49	20.62
Policy Rate	%	17.00	17.00	20.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Inflation (YoY)														
Headline (CPI New Base)	%	27.6	31.6	35.4	36.4	38.0	29.4	28.3	27.4	31.4	26.8	29.2	29.7	29.7
Monetary Sector														
M1	PKR bn	22,798	23,131	24,074	24,802	25,017	26,157	25,857	25,964	26,184	26,403	26,717	n.a	26,717
M2	PKR bn	27,292	27,878	28,732	29,433	29,859	31,280	30,966	31,209	31,425	31,722	32,000	n.a	32,000
M3	PKR bn	30,688	31,241	32,070	32,743	33,140	34,545	34,246	34,483	34,287	34,906	35,180	n.a	35,180
Banking Sector														
Deposits	PKR bn	22,754	22,921	23,562	23,429	24,388	25,508	25,702	26,110	26,318	26,398	26,798	27,841	27,841
Advances	PKR bn	11,659	11,723	11,836	12,111	12,072	12,202	11,898	11,775	11,857	11,898	11,964	12,352	12,352
Investment	PKR bn	19,293	18,993	19,236	19,695	20,144	20,896	21,468	22,016	22,622	23,232	24,587	25,280	25,280
WALR	%	15.0	15.5	16.3	17.6	17.7	18.2	18.4	18.9	19.3	19.3	19.3	14.7	14.7
WADR	%	8.0	8.7	8.7	9.7	10.2	10.5	11.3	11.3	11.4	11.6	11.7	8.4	8.4
Spread	%	7.0	6.8	7.5	7.9	7.6	7.7	7.1	7.6	7.9	7.7	7.6	6.3	6.3
External Sector														
Forex Reserves	USD bn	8.4	9.3	9.8	10.0	9.5	9.2	13.5	13.2	12.5	12.0	12.0	13.2	13.3
With SBP	USD bn	3.1	3.8	4.2	4.5	4.1	4.4	8.2	7.8	7.6	7.4	7.4	8.2	8.3
With Banks	USD bn	5.3	5.5	5.6	5.6	5.4	4.7	5.3	5.3	4.9	4.6	4.6	5.0	5.1
Exchange rate	PKR/USD	267.9	261.5	283.7	283.8	285.5	286.0	286.6	305.5	287.7	281.5	285.2	281.9	279.6
C/A Balance	USD mn	(230.0)	(36.0)	750.0	78.0	220.0	504.0	(775.0)	(160.0)	(46.0)	(184.0)	(15.0)	397.0	397.0
Exports	USD bn	2.2	2.2	2.4	2.1	2.6	2.1	2.1	2.5	2.5	2.8	2.7	2.8	2.8
Imports	USD bn	3.9	3.9	4.0	3.7	3.8	3.2	4.2	4.0	4.0	4.4	4.4	4.1	4.1
Trade Balance	USD bn	(1.7)	(1.7)	(1.6)	(1.6)	(1.2)	(1.1)	(2.1)	(1.5)	(1.5)	(1.6)	(1.7)	(1.3)	(1.3)
Remittances	USD bn	1.9	2.0	2.5	2.2	2.1	2.2	2.0	2.1	2.2	2.5	2.3	2.4	2.4
Key Commodities Prices														
International														
Coal	USD/ton	141.7	143.1	132.5	127.9	100.2	100.3	102.7	113.1	122.5	120.9	108.0	101.0	95.2
Steel (HRC)	USD/ton	635.9	628.8	636.2	574.0	519.9	531.7	569.1	543.3	532.3	526.8	560.2	574.4	570.3
PTA	USD/ton	830.0	785.0	840.0	875.0	780.0	770.0	825.0	800.0	830.0	790.0	765.0	780.0	790.0
Gold	USD/oz	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	2,063.0	2,020.8
Cotton (COTLOOK A)	USd/lb	102.0	99.4	96.5	93.2	93.8	89.3	94.9	97.0	98.4	95.0	89.7	91.4	93.8
Crude oil (WTI)	USD/bbl	78.9	77.1	74.4	76.8	68.1	67.7	81.8	83.6	91.7	81.0	76.0	71.7	77.4
Crude oil (Arab Light)	USD/bbl	82.9	83.4	78.8	80.9	74.7	77.8	88.8	90.5	97.7	91.2	87.7	80.4	84.3
Crude oil (Brent)	USD/bbl	84.5	83.9	79.3	79.5	72.7	72.3	85.6	86.9	95.4	87.4	82.8	77.0	82.4
Local														
Cotton	PKR/maund	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	17,300.0	19,500.0
Cement	PKR/bag	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	1,232.5	1,213.0
Gold	PKR/10 grms	173,190	166,580	178,160	188,230	197,620	185,270	190,590	207,050	176,270	185,530	186,474	187,930	189,130

*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 and BOP.