

47k level surpassed

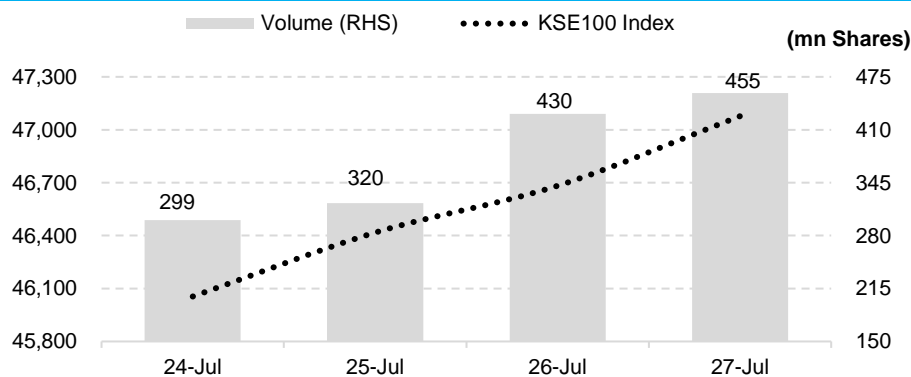
Throughout the outgoing week, the stock market experienced a notable upward trend, buoyed by the result season coupled with some positive economic developments. A key driver behind the market rally was China's decision to extend a USD 2.4bn loan repayment period without raising its markup, reflecting a positive gesture of support from a major economic partner. Additionally, market sentiment was further bolstered by announcement of collaboration between five Pakistani state-owned enterprises and Saudi Arabia, aimed at executing a substantial USD 10bn refinery project within Pakistan, signaling potential economic advancements for the country. As a result of these encouraging developments, the stock market managed to surpass the 47,000 level, marking a significant milestone since Nov'21. Meanwhile, PKR appreciated during the week against USD, closing at PKR 286.45, gaining PKR 0.36| 0.13% WoW. Overall, the market closed at 47,077 points, soaring by 1,156 points (up by 2.5 %) WoW.

Sector-wise positive contributions came from i) Banks (602pts), ii) E&Ps (175pts), iii) Power (137pts), and iv) OMCs (113pts). Whereas, the sector which contributed negatively were i) Fertilizer (44pts), ii) Automobile Parts (7pts), and iii) Tobacco (6pts). Scrip-wise positive contributors were HBL (211pts), HUBC (115pts), OGDC (108pts), UBL (101pts), and MEBL (93pts). Meanwhile, scrip-wise negative contributions came from i) DAWH (39pts), ii) ENGRO (25pts), SYS (9pts), THALL (7pts), and PAKT (6pts).

Foreigner buying continued during the week, clocking in at USD 2.8mn compared to a net buy of USD 5.4mn last week. Major buying was witnessed in E&P (USD 1.3mn) and Banks (USD 1.1mn). On the local front, selling was reported by Mutual Funds (USD 6.0mn) followed by Insurance Companies (USD 1.8mn). Average volumes arrived at 376mn shares (up by 5% WoW) while the average value traded settled at USD 44mn (up by 37% WoW).

Other major news: i) Engro completes Rs11.6bn share buyback exercise, ii) Sitara Peroxide extends plant shutdown for another two weeks, iii) Vitol wins PARCO contract to sell fuel oil abroad, iv) Petroleum margins to be hiked from Sept 1, and v) Discos, K-Electric may charge additional Rs1.81, Rs2.31 per unit in August bills.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

The stock market is anticipated to maintain its positive momentum next week, driven by the announcement of financial results. However, the market will closely monitor the SBP's upcoming monetary policy decision on July 31, 2023. Our preferred stocks are OGDC, PPL, MARI, MCB, UBL, MEBL, LUCK, MLCF, ENGRO, FFC, HUBC, and INDU. The KSE-100 is currently trading at a PER of 3.8x (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 ~6.6%.

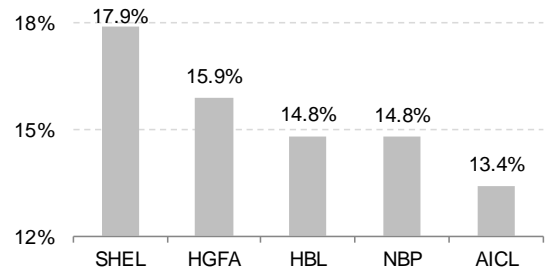
PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	47,077	2.5	16.5
KSEAll	31,441	2.3	14.2
KSE30	16,809	2.5	13.3
KMI30	78,526	2.0	15.0
BKTI	11,875	4.4	28.1
OGTI	11,804	3.5	9.2

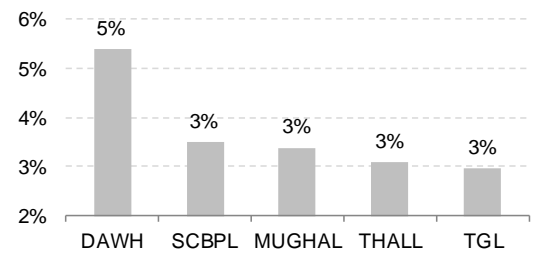
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	35.1	1.4
KEL	34.3	2.3
UNITY	14.2	26.9
OGDC	12.8	91.7
CENERGY	12.6	3.4

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



Analyst

AHL Research

research@arifhabibltd.com

+92-21-32462589



Best Brokerage House of the Year 2022

Best Economic Research House of the Year: 2022

Corporate Finance House of the Year: 2022

Best Equity Research Analyst: 2022



Best Securities House: 2022
Best Investment Bank: 2022



Best Equity House: 2022

Business and Economic News of the Week

Five SOEs to sign MoU for equity financing of Saudi-backed refinery (The News)

Five state-owned enterprises (SOEs) will sign a memorandum of understanding (MoU) on Thursday (today) to finance their equity share in a \$10-11 billion greenfield refinery project that will be jointly developed with Saudi Aramco, a senior energy ministry official said. The MoU will show Pakistan's commitment to the project, which aims to set up a state-of-the-art deep conversion refinery with a capacity of at least 300,000 barrels per day (bpd) at Hub in Balochistan province. The MoU will be signed by Pakistan's Oil and Gas Development Company Limited (OGDCL), Pakistan State Oil (PSO), Pak-Arab Refinery Limited (PARCO), Pakistan Petroleum Limited (PPL), and Government Holdings Private Limited (GHPL).

CPI inflation expected to slow down (Tribune)

Pakistan's Consumer Price Index (CPI) inflation growth rate is anticipated to slow down modestly on a year-on-year (YoY) basis, reaching a low recorded in December 2022. A report by research house AHL suggests that at the start of fiscal year 2024, there is an expectation of witnessing a decline in headline inflation on a YoY basis, marking a low point since December 2022 when it was recorded at 24.5% YoY. "We expect inflation to clock in at 26.4% during July 2023 against 24.9% YoY recorded in the same period last year and a decline from 29.4% YoY registered in the previous month," AHL's analyst Sana Tawfik noted. Monthly inflationary pressures are likely to persist in July 2023, with an expected MoM increase of 1.9%. Notably, the recent power tariff hike is expected to have a significant impact on the monthly inflation rate. In July 2023, core inflation is expected to experience a slight uptick, reaching 21.2% on a YoY basis..

Private sector borrowings plunge 87pc (Dawn)

Bank advances to the private sector plunged by almost 87 per cent to Rs211 billion in FY23 against Rs1,612bn in the preceding fiscal year, reflecting the repercussion of record high interest rates and economic slowdown. The State Bank's latest data issued on Tuesday revealed that the private sector did not borrow to invest in expansion as most of the borrowing was meant for short-term working capital. The entire fiscal year was marred with political and economic instability as a result the PMLN-led coalition government had to sharply trim its growth projection to a mere 0.29pc from the budgetary target of over 6pc for FY23.

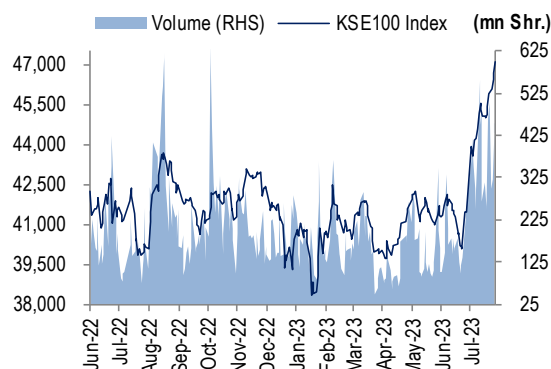
Coal tariffs of Thar Block-I, -II approved (BR)

The Thar Coal Energy Board in its 25th meeting held under the chairmanship of Sindh Chief Minister Syed Murad Ali Shah approved a levelized tariff of \$37.36 per ton for the financial close stage petition for 7.8 million tons per annum of Block-I and a levelized tariff of \$30.40 per ton for Contract stage petition for 11.2mn tons p.a of Block-II. Energy Minister said that the mines were currently producing 15.4 mn tons of coal p.a and were being primed to scale up to 19mn tons p.a over the next 18 months. The board approved the proposal.

Cabinet panel okays cargo terminal deal with UAE (The News)

The Cabinet Committee on Inter-Governmental Commercial Transactions has approved a draft agreement for the development of a bulk and general cargo terminal at East Wharf, Karachi Port, under the Inter-Governmental Commercial Transaction Act 2022. The agreement will be ratified by the federal cabinet before it is signed by the governments of the UAE and Pakistan. The cabinet committee approved the draft agreement, which included the terms of the agreement, cost of reconstruction of the terminal, lifespan of the terminal, maximum capacity to handle cargo, length of the quality wall, royalty, land rent per square meter in bonded areas, storage charges, dock labour charges, upfront payment (adjustable), (non-adjustable) and quantum and type of investment.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies Index Contribution

Bullish Companies

HBL	210.7
HUBC	114.9
OGDC	107.8
UBL	100.6
MEBL	92.6
Total	626.6

Bearish Companies

DAWH	(39.3)
ENGRO	(25.1)
SYS	(9.5)
THALL	(6.8)
PAKT	(6.3)
Total	(86.9)

Sectors

Index Contribution

Bullish Sectors

Commercial Banks	601.6
Oil & Gas Exploration Companies	175.5
Power Generation & Distribution	137.3
Oil & Gas Marketing Companies	112.9
Chemical	39.4
Total	1,066.7

Bearish Sectors

Fertilizer	(44.0)
Automobile Parts & Accessories	(6.8)
Tobacco	(6.3)
Glass & Ceramics	(4.9)
Engineering	(4.8)
Total	(66.7)



Best Investment Bank: 2022



Best Equity Advisor: 2021



Excellence Award Leading
Brokerage House for RDA2021



Best Money Market
Broker - (Islamic) 2021

AHL Universe - Recommendation Summary

Code	Company	Price 27-Jul-23	TP Jun-24	Upside (%)	Stance	EPS (PKR)				DPS (PKR)				P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices
						2021	2022	2023	2024	2021	2022	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	
Exploration & Production																						
PPL	Pakistan Petroleum Ltd.	72.7	108.67	49.4	Buy	19.3	19.7	37.6	35.8	3.50	2.00	3.50	3.00	1.9	2.0	4.8	4.1	0.4	0.3	21.3	17.1	KSE100, KSE30, KMI & MSCI
OGDC	Oil and Gas Dev Co.	91.7	135.4	47.7	Buy	21.3	31.1	45.1	39.2	6.90	7.25	8.00	7.50	2.0	2.3	8.7	8.2	0.4	0.3	20.5	15.4	KSE100, KSE30, KMI & MSCI
POL	Pakistan Oilfields Ltd.	440.1	553.01	25.7	Buy	47.1	91.4	125.3	98.1	50.00	70.00	90.00	76.00	3.5	4.5	20.5	17.3	1.9	2.0	60.1	42.9	KSE100, KSE30, KMI & MSCI
MARI	Mari Petroleum Ltd	1,564.2	2,414.8	54.4	Buy	235.7	247.8	397.9	536.7	141.00	124.00	195.00	268.00	3.9	2.9	12.5	17.1	1.3	1.1	36.9	41.0	KSE100, KSE30, KMI & MSCI
Commercial Banks																						
UBL	United Bank Ltd.*	149.6	187.9	25.5	Buy	24.8	25.8	40.0	45.5	18.00	22.00	28.00	32.00	3.7	3.3	18.7	21.4	0.7	0.7	20.6	21.4	KSE100, KSE30 & MSCI
BAFL	Bank Alfalah*	39.3	48.0	22.1	Buy	9.2	11.7	21.0	21.6	4.00	5.00	6.00	6.50	1.9	1.8	15.3	16.5	0.5	0.4	28.9	24.2	KSE100
MCB	MCB Bank Ltd.*	146.9	189.9	29.3	Buy	26.3	29.0	42.4	49.6	19.00	20.00	23.00	26.00	3.5	3.0	15.7	17.7	0.8	0.7	24.6	25.9	KSE100, KSE30 & MSCI
HBL	Habib Bank Ltd.*	90.8	112.2	23.6	Buy	23.9	23.2	32.4	38.0	7.50	6.75	6.00	7.00	2.8	2.4	6.6	7.7	0.4	0.4	15.6	16.1	KSE100, KSE30 & MSCI
ABL	Allied Bank Ltd.*	71.0	102.4	44.2	Buy	15.3	18.6	28.0	28.7	8.00	8.50	10.00	12.00	2.5	2.5	14.1	16.9	0.5	0.5	22.8	20.4	KSE100
NBP	National Bank of Pakistan.*	23.6	30.4	28.7	Buy	13.4	14.5	17.0	18.6	-	-	-	-	1.4	1.3	-	-	0.1	0.1	11.1	11.0	KSE100
AKBL	Askari Bank Ltd.*	15.8	20.2	27.8	Buy	6.7	9.7	11.7	13.1	-	-	-	-	1.4	1.2	-	-	0.2	0.2	20.4	19.0	KSE100
BOP	The Bank of Punjab*	4.2	6.2	48.4	Buy	3.8	3.2	1.7	1.9	-	-	-	-	2.5	2.2	-	-	0.2	0.2	8.0	8.4	KSE100
MEBL	Meezan Bank Ltd.*	125.0	151.6	21.3	Buy	15.8	25.1	34.7	37.4	6.00	8.50	11.00	13.00	3.6	3.3	8.8	10.4	1.4	1.1	44.1	36.0	KSE100, KSE30 & KMI
FABL	Faysal Bank Ltd.*	25.7	34.4	33.7	Buy	5.5	7.5	9.5	10.9	1.50	7.00	1.50	2.00	2.7	2.4	5.8	7.8	0.5	0.4	19.2	19.7	KSE100
Fertilizer																						
ENGRO	Engro Corporation*	254.1	366.8	44.3	Buy	48.5	42.2	54.2	72.6	25.00	34.00	50.00	62.00	4.7	3.5	19.7	24.4	0.5	0.5	12.1	-	KSE100, KSE30, KMI & MSCI
FFBL	Fauji Fert. Bin Qasim	14.0	15.2	8.1	Hold	4.9	1.8	0.5	2.7	-	-	-	-	28.1	5.2	-	-	0.8	0.7	2.8	13.8	KSE100 & KMI
EFERT	Engro Fertilizer	82.1	97.3	18.6	Buy	15.8	12.0	11.0	12.1	16.50	13.50	12.00	14.00	7.5	6.8	14.6	17.1	2.8	3.2	34.9	44.3	KSE100, KSE30, KMI & MSCI
FFC	Fauji Fertilizer Co.	100.5	136.2	35.5	Buy	17.2	15.8	18.1	20.8	14.50	12.13	14.00	16.00	5.5	4.8	13.9	15.9	2.3	2.1	43.2	44.7	KSE100, KSE30 & MSCI
FATIMA	Fatima Fertilizer Co.	28.0	na	na	na	8.8	6.7	na	na	3.50	3.50	-	-	Group Company: No estimates are given								KSE100 & KMI
AHCL	Arif Habib Corp. Ltd.	28.0	na	na	na	18.3	8.5	na	na	3.00	4.00	-	-	Group Company: No estimates are given								KSEALL
Cement																						
LUCK	Lucky Cement Ltd.	587.0	954.6	62.6	Buy	44.9	48.8	43.6	67.3	-	-	-	20.00	13.5	8.7	-	3.4	1.3	1.3	10.3	14.8	KSE100, KSE30, KMI & MSCI
LUCK	Lucky Cement Ltd.*	587.0	954.6	62.6	Buy	72.9	94.1	151.9	189.0	-	-	-	20.00	3.9	3.1	-	3.4	0.6	0.5	19.0	18.3	KSE100, KSE30, KMI & MSCI
FCCL	Fauji Cement Co.	12.1	19.1	58.4	Buy	1.4	2.9	3.1	4.1	-	-	-	-	3.9	2.9	-	-	0.4	0.4	12.2	13.9	KSE100 & KMI
ACPL	Attock Cement Ltd.	90.1	149.4	65.8	Buy	8.1	8.2	24.7	28.4	4.00	3.50	-	-	3.6	3.2	-	-	0.6	0.5	17.7	17.1	KSEALL & KMI
DGKC	D.G. Khan Cement Co.	54.6	72.0	31.9	Buy	8.5	6.8	6.5	8.2	1.00	1.00	-	-	8.3	6.6	-	-	0.3	0.3	4.0	4.8	KSE100, KSE30 & KMI
KOHC	Kohat Cement Co.	177.4	291.9	64.5	Buy	17.4	25.0	30.4	35.1	-	-	-	-	5.8	5.1	-	-	1.1	0.9	20.2	19.1	KSE100 & KMI
MLCF	Maple Leaf Cement.*	31.1	56.5	81.6	Buy	3.6	4.2	7.7	9.0	-	-	-	2.00	4.0	3.4	-	6.4	0.7	0.6	17.8	17.9	KSE100, KSE30 & KMI
POWER	Power Cement	4.3	na	na	na	0.3	(0.4)	na	na	-	-	-	-	Group Company: No estimates are given								KMI
Oil & Gas Marketing																						
PSO	Pakistan State Oil	131.0	202.8	54.8	Buy	62.1	183.7	24.2	64.3	15.00	10.00	10.00	10.00	5.4	2.0	7.6	7.6	0.3	0.2	5.2	12.8	KSE100, KSE30, KMI & MSCI
APL	Attock Petroleum Ltd.	310.96	398.20	28.1	Buy	39.5	149.0	82.6	53.9	27.00	45.00	25.00	20.00	3.8	5.8	8.0	6.4	0.9	0.9	25.9	15.6	KSE100 & KMI
SNGP	Sui Northern Gas Pipeline Ltd.	44.9	66.3	47.7	Buy	17.3	16.3	18.8	20.5	7.00	4.00	8.00	8.00	2.4	2.2	17.8	17.8	0.6	0.5	149.7	249.7	KSE100 & KMI
Automobile Assemblers																						
PSMC	Pak Suzuki Motor Co.	127.0	148.2	16.7	Buy	32.6	(77.0)	(152.6)	7.6	6.50	-	-	6.00	nm	16.8	-	4.7	0.4	0.4	(57.0)	2.4	KSE100 & KMI
INDU	Indus Motor Co.	958.5	1,322.0	37.9	Buy	163.2	201.0	104.0	125.5	103.50	93.75	46.00	61.00	9.2	7.6	4.8	6.4	1.3	1.2	14.6	16.2	KSE100
HCAR	Honda Atlas Cars (Pak)	135.7	122.2	(9.9)	Hold	12.6	17.6	(0.6)	9.3	4.52	7.00	-	5.00	(233.3)	14.6	-	3.7	1.0	0.9	(0.4)	6.5	KSE100 & KMI
MTL	Millat Tractors Ltd.	395.0	389.3	(1.5)	Hold	30.1	28.3	15.8	29.6	100.00	85.00	31.00	51.00	25.1	13.4	7.8	12.9	10.8	10.8	43.1	80.8	KSE100, KSE30, KMI & MSCI
Power Generation & Distribution**																						
HUBC	Hub Power Company*	84.9	126.9	70.3	Buy	26.0	21.9	34.6	37.7	12.00	6.50	29.50	15.75	2.5	2.2	34.7	18.5	0.8	0.6	34.4	32.1	KSE100, KSE30, KMI & MSCI
NCPL	Nishat Chu. Power Ltd.	20.2	21.0	24.0	Buy	6.8	6.8	9.4	7.5	-	10.00	2.00	2.00	2.2	2.7	9.9	9.9	0.3	0.3	13.6	10.0	KSEALL
NPL	Nishat Power Limited	22.3	23.3	27.2	Buy	7.6	9.4	11.1	8.9	1.50	4.50	4.00	3.00	2.0	2.5	18.0	13.5	0.3	0.2	13.5	10.2	KSEALL
Textile Composite																						
NML	Nishat Mills Ltd.	66.6	84.8	27.3	Buy	16.8	29.3	38.2	37.6	4.00	4.00	7.50	7.50	1.7	1.8	11.3	11.3	0.3	0.2	15.8	13.8	KSE100 & KMI
NCL	Nishat (Chunian) Ltd.	22.7	32.7	44.2	Buy	23.3	31.1	(2.5)	12.0	5.00	7.00	-	4.00	(9.0)	1.9	-	17.6	0.2	0.2	(2.6)	12.2	KSE100
FML	Feroze1888 Mills Ltd.	71.5	104.3	45.9	Buy	10.8	8.5	26.7	15.5	3.43	4.27	5.00	6.00	2.7	4.6	7.0	8.4	0.9	0.8	34.5	18.5	KMI
ILP	Interloop Ltd.	37.7	71.4	89.2	Buy	4.5	8.8	12.8	13.6	2.50	4.00	5.00	5.50	2.9	2.8	13.2	14.6	1.2	0.9	47.4	36.8	KSE100
Chemicals																						
LOTCEM	Lotte Chemical Pak Ltd.	Coverage Restricted due to Advisory Mandate																			KSE100	
EPCL	Engro Polymer & Chem.	43.9	51.9	18.3	Buy	16.6	12.9	5.8	10.5	16.30	12.50	4.00	7.25	7.6	4.2	9.1	16.5	1.4	1.3	19.1	32.8	KSE100, KSE30 & KMI
LCI	Lucky Core Industries Limited	679.9	920.1	35.3	Buy	60.3	91.7	242.1	86.9	40.00	35.00	15.00	20.00	2.8	7.8	2.2	2.9	1.1	1.0	48.5	12.8	KSE100 & KMI
Engineering																						
ASTL	Amreli Steels Ltd.	21.0	24.0	13.8	Hold	4.61	4.46	3.09	4.35	-	-	-	-	6.8	4.8	-	-	0.4	0.4	5.8	7.7	KSEALL
AGHA	Agha Steel Industries Ltd.	10.6	18.3	73.0	Buy	3.37	3.07	1.53	2.16	-	-	-	-	6.9	4.9	-	-	0.4	0.4	5.7	7.6	KSEALL
ASL	Aisha Steel Mills Ltd.	6.3	na	na	na	6.9	1.2	na	na	2.00	-	-	-	Group Company: No estimates are given								KSEALL
Technology & Communication																						
HUMNL	Hum Network Limited.	6.0	10.2	70.7	Buy	0.9	1.2	1.7	2.1	-	0.50	0.75	1.00	3.5	2.9	12.6	16.8	1.0	0.9	33.5	33.1	KSEALL

Source: Bloomberg, AHL Research, *Earnings Consolidated Basis, **upside is total return

Pakistan Weekly Update

Pakistan
Stock Market



July 27, 2023

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
HBL	90.77	14.83	23.95	48.17	90.77	67.26	90.77	66.68	91.17	57.60
NBP	23.63	14.82	21.30	0.17	23.63	18.89	25.49	18.89	33.44	18.89
PSO	131.00	9.46	18.01	(9.02)	131.00	99.03	140.60	99.03	181.36	99.03
NML	66.60	7.96	17.32	21.11	66.66	54.63	66.66	50.55	75.69	49.40
OGDC	91.67	7.58	17.53	20.61	91.67	73.69	101.09	73.69	101.09	65.23
LCI	679.91	7.07	12.54	7.86	679.91	569.72	679.91	513.64	736.08	513.64
HCAR	135.66	6.62	46.88	(18.40)	135.66	82.41	135.66	82.41	193.98	82.41
MEBL	124.97	5.60	44.69	33.49	124.97	82.96	124.97	82.96	124.97	82.96
HUBC	84.92	5.18	22.05	51.30	84.92	64.10	84.92	55.03	84.92	45.52
MCB	146.92	5.12	28.35	40.03	147.76	110.34	147.76	100.69	147.76	97.15
UBL	149.63	4.89	36.82	88.99	149.63	102.10	149.63	77.44	149.63	72.38
FML	71.50	4.38	(4.60)	16.76	82.00	59.75	82.00	53.74	82.00	53.25
NCL	22.68	4.28	11.72	8.83	22.98	20.00	23.78	20.00	43.73	20.00
PPL	72.73	4.03	22.98	8.27	72.73	56.30	82.65	56.30	82.65	50.33
ITTEFAQ	6.22	4.01	36.11	12.07	7.12	4.40	7.12	4.20	8.60	4.20
FFBL	14.03	3.85	19.10	(8.48)	14.34	11.11	14.34	11.11	21.03	11.11
AKBL	15.80	3.61	21.91	(9.60)	15.80	12.12	18.70	12.12	18.70	12.12
SNGP	44.88	3.43	17.94	23.65	44.88	38.05	45.84	37.35	45.84	27.63
BAFL	39.29	2.96	29.07	41.40	39.51	28.52	39.51	27.61	39.51	26.11
FABL	25.71	2.59	27.40	4.03	25.71	20.00	25.71	20.00	30.18	19.03
ASTL	21.04	1.84	37.07	17.21	22.00	14.99	22.00	14.99	30.86	14.99
APL	310.96	1.83	3.57	11.88	311.52	293.51	311.52	285.60	311.52	241.43
PSMC	126.97	1.59	33.37	(25.65)	126.99	82.38	134.44	82.38	198.56	82.38
NCPL	20.19	1.20	20.90	41.88	20.19	14.93	20.19	13.60	20.19	9.78
MARI	1,564.15	1.15	3.27	7.44	1,582.22	1,494.03	1,599.39	1,382.29	1,609.48	1,307.83
NPL	22.27	1.14	31.39	36.45	22.27	16.03	22.27	15.57	22.27	14.42
ILP	37.74	0.96	7.03	5.71	39.81	29.73	39.81	29.73	39.81	29.73
KAPCO	23.76	0.76	14.23	1.40	24.02	20.23	25.78	20.23	25.78	20.23
LUCK	587.00	0.68	12.43	31.44	587.00	443.20	587.00	392.97	587.00	383.90
POL	440.05	0.66	9.53	17.31	440.05	399.99	440.05	388.40	440.05	326.50
FATIMA	27.95	0.65	(6.24)	(6.57)	29.85	27.13	29.85	25.98	34.61	25.49
KOHC	177.44	0.56	2.29	20.14	188.77	147.10	188.77	126.19	188.77	115.77
FFC	100.51	0.45	2.10	9.62	103.10	96.77	103.10	93.51	103.10	90.10
POWER	4.32	0.23	5.37	(6.49)	4.38	3.84	4.68	3.84	5.46	3.84
ACPL	90.13	0.11	8.76	59.38	97.28	73.00	97.28	52.13	97.28	52.13
EPCL	43.90	0.07	3.91	11.64	46.07	39.98	46.64	39.98	59.40	37.50
HUMNL	5.95	-	1.88	1.88	6.15	5.30	6.15	5.30	6.24	5.24
EFERT	82.08	(0.09)	(0.55)	17.74	87.11	80.04	87.20	71.58	87.20	67.38
ABL	71.03	(0.24)	6.01	19.79	73.00	65.00	73.00	59.19	73.00	55.77
MLCF	31.12	(0.32)	9.85	37.88	32.12	26.49	32.12	20.78	32.12	19.34
MTL	395.03	(0.36)	1.21	36.79	402.21	334.57	402.21	310.79	438.19	284.33
DGKC	54.62	(0.56)	6.47	5.77	57.99	46.04	57.99	39.44	63.83	39.44
LOTCHEM	27.78	(0.57)	0.94	26.42	29.81	23.97	29.81	20.52	29.81	18.89
AHCL	28.00	(0.64)	12.59	(18.70)	28.67	23.25	33.95	23.25	35.00	23.25
AGHA	10.59	(0.84)	8.95	(23.81)	11.65	9.11	12.31	9.11	16.56	9.11
INDU	958.51	(1.18)	1.62	(1.03)	985.04	895.02	985.04	793.53	1,028.01	773.37
ENGRO	254.13	(1.29)	(2.22)	11.90	282.89	254.10	282.89	235.74	282.89	184.82
BOP	4.19	(1.64)	20.75	0.85	4.27	3.19	4.64	3.19	5.52	3.19

Source (s): Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	201.50	202.64	SELL	(1.14)
Companies	16.35	16.38	SELL	(0.03)
Banks / DFIs	6.07	6.04	BUY	0.04
NBFC	0.10	0.09	BUY	0.01
Mutual Funds	6.73	12.71	SELL	(5.98)
Other Organizations	8.09	2.87	BUY	5.22
Broker Proprietary Trading	58.81	57.91	BUY	0.90
Insurance Companies	2.11	3.88	SELL	(1.77)
Total	299.75	302.52	SELL	(2.76)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	139.74	139.84	SELL	(0.10)
Companies	11.59	10.86	BUY	0.73
Banks / DFIs	7.05	5.15	BUY	1.89
NBFC	0.07	0.10	SELL	(0.04)
Mutual Funds	12.07	17.85	SELL	(5.78)
Other Organizations	3.54	5.46	SELL	(1.92)
Broker Proprietary Trading	30.36	30.75	SELL	(0.39)
Insurance Companies	2.64	2.43	BUY	0.21
Total	207.06	212.46	SELL	-5.40

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	47.63	48.74	SELL	(1.11)
Fertilizer	5.03	5.22	SELL	(0.19)
Cement	15.62	15.83	SELL	(0.20)
Power Generation & Distribution	10.13	10.10	BUY	0.03
Exploration & Production	41.89	43.17	SELL	(1.28)
Oil & Gas Marketing Companies	41.11	41.33	SELL	(0.22)
Food and Personal Care Products	18.77	18.74	BUY	0.03
Textile Composite	5.17	5.17	SELL	(0.00)
Technology and Communication	50.45	50.64	SELL	(0.19)
Debt	-	-	SELL	-
All other Sectors	63.95	63.58	BUY	0.37
Total	299.75	302.52	SELL	(2.76)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	31.06	33.29	SELL	(2.23)
Fertilizer	4.44	5.11	SELL	(0.67)
Cement	14.02	14.66	SELL	(0.64)
Power Generation & Distribution	12.80	13.06	SELL	(0.26)
Exploration & Production	23.39	24.55	SELL	(1.16)
Oil & Gas Marketing Companies	22.24	22.25	SELL	(0.01)
Food and Personal Care Products	12.50	12.66	SELL	(0.16)
Textile Composite	2.02	2.07	SELL	(0.05)
Technology and Communication	32.48	33.31	SELL	(0.82)
Debt	0.00	0.00	SELL	-
All other Sectors	48.69	48.09	BUY	0.60
Total	203.64	209.04	SELL	(5.40)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	3.53	3.47	BUY	0.06
Foreign Corporates	7.70	3.75	BUY	3.95
Overseas Pakistani	13.75	15.00	SELL	(1.25)
Total	24.99	22.23	BUY	2.76

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.01	0.01	SELL	(0.01)
Foreign Corporates	5.97	0.79	BUY	5.18
Overseas Pakistani	10.69	10.46	BUY	0.23
Total	16.67	11.27	BUY	5.40

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	3.58	2.47	BUY	1.11
Fertilizer	0.55	0.36	BUY	0.19
Cement	0.88	0.68	BUY	0.20
Power Generation & Distribution	0.43	0.46	SELL	(0.03)
Exploration & Production	3.23	1.94	BUY	1.28
Oil & Gas Marketing Companies	2.36	2.15	BUY	0.22
Food and Personal Care Products	1.27	1.30	SELL	(0.03)
Textile Composite	0.22	0.21	BUY	0.00
Technology and Communication	6.15	5.96	BUY	0.19
All other Sectors	6.32	6.69	SELL	(0.37)
Total	24.99	22.23	BUY	2.76

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	3.67	1.44	BUY	2.23
Fertilizer	0.89	0.22	BUY	0.67
Cement	1.04	0.41	BUY	0.64
Power Generation & Distribution	0.70	0.45	BUY	0.26
Exploration & Production	2.15	1.00	BUY	1.16
Oil & Gas Marketing Companies	1.25	1.24	BUY	0.01
Food and Personal Care Products	0.75	0.58	BUY	0.16
Textile Composite	0.25	0.20	BUY	0.05
Technology and Communication	3.02	2.19	BUY	0.82
All other Sectors	2.95	3.55	SELL	(0.60)
Total	16.67	11.27	BUY	5.40

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Pakistan
Stock Market



July 27, 2023

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.1	2.4	1.8	2.5	3.3	3.4	3.5	3.4	2.4	3.0	10.4	-71.4%
P/E (x)	13.0	18.0	9.3	11.3	9.9	15.0	9.8	15.1	10.0	12.4	3.8	-69.2%
P/B (x)	1.7	2.7	1.5	1.3	1.1	1.5	1.1	2.1	0.9	1.5	0.6	-61.6%

Source: Bloomberg, 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	1,779	5.2	3.3	26.2	Czech Republic	PX Index	1,352	0.5	5.9	16.4
Qatar	DSM Index	10,895	4.3	8.1	2.3	USA	NDX Index	15,499	0.5	2.1	41.7
South Africa	JALSH Index	78,235	3.9	10.0	3.8	Ireland	ISEQ Index	9,041	0.5	4.8	31.1
Malaysia	FBMKLCI Index	1,451	3.5	8.7	(5.5)	Spain	IBEX Index	9,688	0.4	2.1	21.3
Latvia	RIGSE Index	1,334	3.3	7.5	19.3	Mauritius	SEMDEX Index	2,007	0.4	1.5	(5.8)
Ghana	GGSECI Index	2,933	3.2	4.4	6.8	Indonesia	JCI Index	6,897	0.3	3.0	4.0
Hong Kong	HSI Index	19,639	3.2	4.3	(0.7)	South Korea	KOSPI Index	2,604	0.3	4.5	14.8
Russia	RTSI\$ Index	1,041	2.8	5.9	7.3	Germany	DAX Index	16,343	0.2	2.3	21.0
Brazil	IBOV Index	122,560	2.7	5.1	24.7	Europe	SX5E Index	4,428	0.1	1.8	20.3
Russia	IMOEX Index	2,991	2.7	5.7	12.5	Canada	SPTSX Index	20,562	(0.0)	2.1	8.5
Pakistan	KSE100 Index	47,077	2.6	13.4	(7.9)	Slovenia	SBITOP Index	1,264	(0.1)	3.8	24.5
Japan	NKY Index	32,891	2.6	1.7	17.4	Tunisia	TUSISE Index	9,028	(0.1)	1.9	13.5
China	SHSZ300 Index	3,902	2.5	2.8	(2.9)	Portugal	PSI20 Index	6,219	(0.1)	6.2	11.9
Australia	AS51 Index	7,456	2.4	5.1	5.2	Greece	ASE Index	1,347	(0.2)	6.5	49.3
Singapore	FSSTI Index	3,337	2.0	6.0	3.5	Serbia	BELEX15 Index	879	(0.2)	2.2	10.2
Mexico	MEXBOL Index	54,502	1.9	3.3	29.9	Kazakhstan	KZKAK Index	3,664	(0.3)	3.2	17.3
Turkey	XU100 Index	6,811	1.8	14.2	(14.2)	Austria	ATX Index	3,227	(0.3)	3.4	6.4
Switzerland	SMI Index	11,361	1.7	4.4	13.1	Ukraine	PFTS Index	507	(0.4)	(0.0)	(2.4)
Nigeria	NGSEINDX Index	65,527	1.5	5.7	(23.8)	Belgium	BEL20 Index	3,815	(0.5)	(0.0)	(2.8)
Italy	FTSEMIB Index	29,518	1.5	5.7	28.3	Belgium	BEL20 Index	3,815	(0.5)	(0.0)	(2.8)
Poland	WIG20 Index	2,183	1.4	7.5	32.9	France	CAC Index	7,452	(0.5)	1.8	18.6
Netherland	AEX Index	791	1.4	3.3	18.3	Oman	MSM30 Index	4,780	(0.5)	0.2	(1.6)
Taiwan	TWSE Index	17,242	1.4	1.7	20.1	Romania	BET Index	13,241	(0.6)	7.8	17.3
Thailand	SET Index	1,543	1.3	5.7	(6.6)	Hungary	BUX Index	53,536	(0.6)	5.1	32.2
Uae	ADSMI Index	9,759	1.3	2.2	(4.4)	India	SENSEX Index	66,267	(0.6)	2.4	9.8
Luxembourg	LUXXX Index	1,498	1.1	5.2	5.6	Estonia	TALSE Index	1,893	(0.8)	1.3	10.4
Dubai	DFMGI Index	4,029	1.1	6.3	20.8	Mongolia	MSETOP Index	36,630	(1.0)	(1.0)	(2.7)
New Zealand	NZSE Index	1,839	1.0	1.9	0.8	Lithuania	VILSE Index	981	(1.0)	1.2	6.7
Vietnam	VNIndex Index	1,197	0.9	6.5	18.7	Finland	HEX Index	9,902	(1.1)	0.6	(5.6)
Chile	IPSA Index	6,379	0.9	7.2	24.6	Croatia	CRO Index	2,407	(1.2)	3.7	25.6
Sweden	OMX Index	2,258	0.9	1.0	10.3	Argentina	MERVAL Index	471,103	(1.5)	4.1	51.6
USA	INDU Index	35,520	0.8	3.2	7.2	Bulgaria	SOFIX Index	677	(1.6)	2.2	16.2
Bahrain	BHSEASI Index	1,992	0.8	1.8	5.2	Egypt	EGX30 Index	17,339	(1.7)	(1.9)	(4.9)
Saudi Arabia	SASEIDX Index	11,848	0.8	3.4	13.3	Jordan	JOSMGNFF Index	2,435	(2.0)	(1.1)	(2.5)
UK	UKX Index	7,706	0.7	3.7	10.1	Iceland	ICEXI Index	2,078	(2.5)	8.8	1.4
Sri Lanka	CSEALL Index	11,258	0.7	11.4	48.0	Denmark	KFX Index	2,022	(2.8)	0.1	13.3
Philippines	PCOMP Index	6,678	0.7	4.5	3.7	Zimbabwe	ZHIALLSH Index	117,025	(2.8)	(31.7)	500.3
USA	SPX Index	4,567	0.7	2.6	18.9	Kenya	NSEASI Index	107	(3.3)	(0.9)	(27.0)

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

Key Economic Data & Commodities Prices

Month end	Units	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Current*
Money Market Data														
03-M T-Bill	%	15.5	15.8	15.5	15.6	16.8	16.7	17.75	19.53	21.60	21.90	22.09	22.65	22.90
06-M T-Bill	%	15.7	15.8	15.7	15.7	16.9	17.0	17.87	19.82	21.32	21.80	22.00	22.87	22.94
12-M T-Bill	%	15.8	15.9	15.7	15.7	16.9	17.0	17.95	19.93	21.39	21.76	22.00	22.93	22.95
03-Y PIB	%	13.4	13.7	13.8	14.1	15.1	15.6	16.83	18.20	18.33	18.30	19.10	19.47	19.44
05-Y PIB	%	13.4	13.0	13.1	13.2	14.0	14.6	15.48	15.80	15.23	15.00	15.10	16.08	16.84
10-Y PIB	%	15.5	15.8	15.5	15.6	16.8	16.7	17.75	19.53	21.60	21.90	22.09	22.65	22.90
06-M KIBOR	%	15.8	16.0	15.9	15.8	17.0	17.0	17.97	20.06	22.03	22.06	22.18	22.97	23.19
Policy Rate	%	15.00	15.00	15.00	15.00	16.00	16.00	17.00	17.00	20.00	21.00	21.00	22.00	22.00
Inflation (YoY)														
Headline (CPI New Base)	%	24.9	27.3	23.2	26.6	23.8	24.5	27.6	31.6	35.4	36.4	38.0	29.4	29.4
Monetary Sector														
M1	PKR bn	22,256	22,361	22,661	22,578	22,805	22,963	22,798	23,131	24,074	24,802	25,017	n.a	25,017
M2	PKR bn	26,799	26,894	27,261	27,296	27,387	27,335	27,292	27,878	28,732	29,433	29,859	n.a	29,859
M3	PKR bn	30,372	30,432	30,737	30,737	30,818	30,744	30,688	31,241	32,070	32,743	33,140	n.a	33,140
Banking Sector														
Deposits	PKR bn	22,101	22,152	22,820	22,412	22,732	22,467	22,754	22,921	23,562	23,429	24,388	25,508	25,508
Advances	PKR bn	10,858	10,922	11,084	11,052	11,092	11,913	11,659	11,723	11,836	12,111	12,072	12,202	12,202
Investment	PKR bn	17,608	18,183	17,484	18,285	18,483	17,902	19,293	18,993	19,236	19,695	20,144	20,896	20,896
WALR	%	12.8	13.2	13.7	14.0	14.12	14.6	15.0	15.5	16.3	17.6	17.7	18.2	18.2
WADR	%	7.1	7.5	7.6	7.7	7.79	8.1	8.0	8.7	8.7	9.7	10.2	10.5	10.5
Spread	%	5.8	5.7	6.0	6.2	6.33	6.5	7.0	6.8	7.5	7.9	7.6	7.7	7.7
External Sector														
Forex Reserves	USD bn	14.0	13.4	13.3	14.7	13.4	10.8	8.4	9.3	9.8	10.0	9.5	9.2	14.1
With SBP	USD bn	8.4	7.7	7.9	8.9	7.5	5.3	3.1	3.8	4.2	4.5	4.1	4.4	8.7
With Banks	USD bn	5.6	5.7	5.4	5.8	5.9	5.6	5.3	5.5	5.6	5.6	5.4	4.7	5.3
Exchange rate	PKR/USD	239.4	218.8	228.5	220.9	223.9	226.4	267.9	261.5	283.7	283.8	285.5	286.0	286.5
C/A Balance	USD mn	(1,215.0)	(676.0)	(363.0)	(569.0)	(252.0)	(290.0)	(230.0)	(36.0)	750.0	78.0	220.0	334.0	334.0
Exports	USD bn	2.3	2.8	2.5	2.3	2.2	2.3	2.2	2.2	2.4	2.1	2.6	2.1	2.1
Imports	USD bn	5.3	5.8	4.8	4.6	4.3	4.2	3.9	3.9	4.0	3.7	3.8	3.2	3.2
Trade Balance	USD bn	(3.1)	(3.0)	(2.3)	(2.3)	(2.0)	(1.9)	(1.7)	(1.7)	(1.6)	(1.6)	(1.2)	(1.1)	(1.1)
Remittances	USD bn	2.5	2.7	2.4	2.2	2.1	2.1	1.9	2.0	2.5	2.2	2.0	2.2	2.2
Key Commodities Prices														
International														
Coal	USD/ton	332.0	346.5	295.0	214.6	250.8	205.6	141.7	143.1	132.5	127.9	100.2	100.3	95.5
Steel (HRC)	USD/ton	587.0	577.8	566.3	509.5	550.6	595.5	635.9	628.8	636.2	574.0	519.9	531.7	562.4
PTA	USD/ton	870.0	860.0	870.0	805.0	795.0	790.0	830.0	785.0	840.0	875.0	780.0	770.0	810.0
Gold	USD/oz	1,765.9	1,711.0	1,660.6	1,633.6	1,768.5	1,824.0	1,928.4	1,826.9	1,980.4	1,990.0	1,962.7	1,913.7	1,972.1
Cotton (COTLOOK A)	USD/lb	131.4	135.3	107.1	92.5	97.5	99.3	102.0	99.4	96.5	93.2	93.8	89.3	95.4
Crude oil (WTI)	USD/bbl	98.6	89.6	79.5	86.5	80.6	80.3	78.9	77.1	74.4	76.8	68.1	67.7	78.8
Crude oil (Arab Light)	USD/bbl	111.9	105.2	98.4	95.6	85.3	84.2	82.9	83.4	78.8	80.9	74.7	77.8	87.1
Crude oil (Brent)	USD/bbl	110.0	96.5	88.0	94.8	85.4	85.9	84.5	83.9	79.3	79.5	72.7	72.3	82.9
Local														
Cotton	PKR/maund	19,200.0	21,500.0	19,000.0	16,000.0	16,500.0	17,000.0	21,000.0	20,000.0	18,700.0	20,000.0	20,000.0	17,500.0	17,935
Cement	PKR/bag	1,042.4	1,035.8	1,029.5	1,033.2	1,043.5	1,043.7	1,043.0	1,109.9	1,125.8	1,120.9	1,121.4	1,145.4	1,140.8
Gold	PKR/10 grms	138,890	123,890	123,970	128,090	138,460	158,780	173,190	166,580	178,160	188,230	197,620	185,270	190,420

*Current Price

Disclaimer

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

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

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

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

Equity Valuation Methodology

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

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

Risks

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

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

This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.

© 2023 Arif Habib Limited: Corporate Member of the Pakistan Stock Exchanges. No part of this publication may be copied, reproduced, stored or disseminated in any form or by any means without the prior written consent of Arif Habib Limited.

Disclosure required under Research Analyst Regulations, 2015:

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

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