

Market Review

Equities

Market stalled

Market Commentary

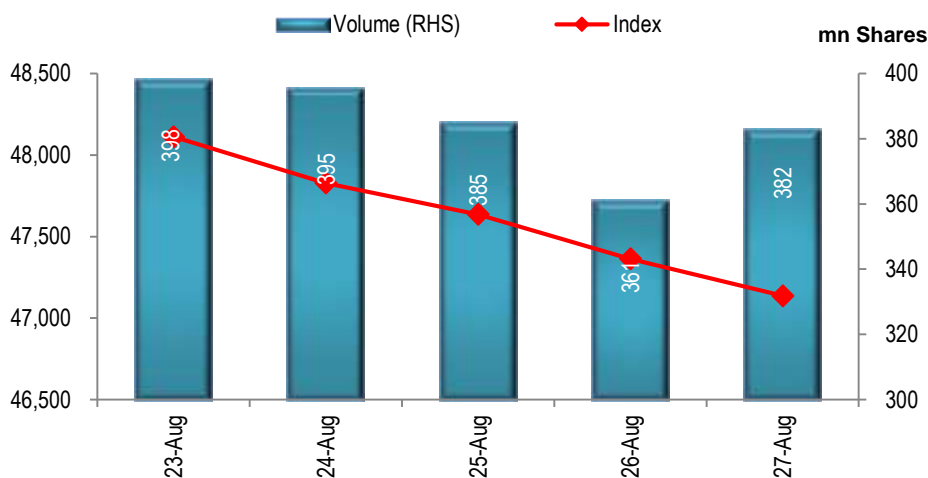
Market sentiment continued to remain dull throughout the week on account of political apprehensions in the region (US exit from Afghanistan), downwards sticky global commodity prices elevating CAD concerns, pressure on the PKR-USD parity (low of 166 in the week), and fear over the COVID outbreak. As a result, the KSE-100 index closed at 47,137 points (down 0.97% / 463points WoW).

Sector-wise negative contributions came from i) Cement (240pts), ii) Oil & Gas Marketing Companies (88pts), iii) Fertilizer (87pts), iv) Textile composite (46pts), and v) Refinery (33pts). Whereas positive sectors were: banks (68pts), Miscellaneous (61pts), and Technology (52pts). Scrip-wise negative contributors were LUCK (107pts), TRG (60pts), ENGRO (50pts), HBL (45pts) and PSO (44pts). Meanwhile, scrip-wise positive contribution came from SYS (124pts), MEBL (106pts), and PSEL (68pts).

Foreign selling was witnessed this week, settling at USD 4.4mn (net sell of USD 10.8mn last week). Selling was witnessed in Cements (USD 3.3mn), Banks (USD 2.8mn) and others sectors (USD 0.4mn). On the domestic front, major buying was reported by other organizations (USD 3.5mn), companies (USD 1.8mn) and Broker Proprietary Trading (USD 1.7mn). Average volumes clocked-in at 384mn shares (up by 45% WoW) while average value traded settled at USD 78mn (up by 12% WoW).

Other major news: i) US provides 3.7m doses of Pfizer vaccine, ii) Budget deficit target missed, iii) Pakistan, Russia to finish PGSP on time, iv) SECP introduces major capital market reforms, and v) SBP says it has received \$2.75bn from IMF.

Exhibit: KSE100 index and volume



Outlook and Recommendation

With official exit date of the United States approaching next week, we believe regional situation will continue to grab headlines. Albeit, reversal in the Pak Rupee slide during the last two days on the week, and with over 50% of the adult population being vaccinated in Pakistan, local worries may subside. Hence, a rebound in the market cannot be ruled out. Our preferred stocks are EPCL, PSO, OGDC, HUBC, MEBL, HBL, FFC, LUCK, ACPL, ENGRO, UBL, SNGP, and NML. The KSE-100 is currently trading at a PER of 5.9x (2022) compared to Asia Pac regional average of 14.2x while offering a dividend yield of ~7.0% versus ~2.6% offered by the region.

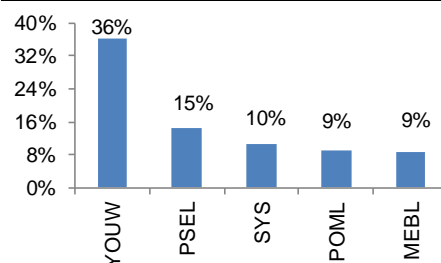
PSX Indices Performance

Index	Current	WoW (%)	CY21TD (%)
KSE100	47,137	(0.97)	7.7
KSEAI	32,229	(0.73)	4.7
KSE30	18,914	(0.99)	4.0
KMI30	76,769	(0.75)	7.9
BKTI	13,146	0.08	0.5
OGTI	12,071	0.60	(8.8)

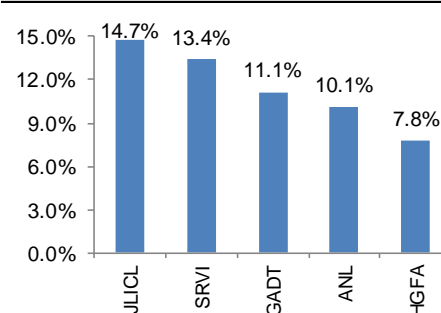
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	28.8	3.2
GGL	20.7	42.4
HUMNL	17.0	7.0
ANL	16.1	25.4
BOP	15.2	8.4

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



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Corporate Finance House
of the Year: 2020

Business & Economic developments during the week.

Budget deficit target missed (BR)

The government has missed the budget deficit target for the last fiscal year 2020-21 by one percent and closed the fiscal year with 7.1 percent deficit against budgeted target of seven percent of the GDP, according to the Finance Ministry's consolidated federal and provincial fiscal operation. The fiscal operation released by the Finance Ministry noted that fiscal year was closed with Rs3,403 billion deficit against the budgeted target of Rs3,195 billion, whereas, the primary balance was closed as negative 1.4 percentage of the GDP. Financing of budget deficit was done by external and domestic resources. Rs1,338 billion financing was met through external (Net) and 2,065 billion through domestic (net), which included bank borrowing of Rs1,869 billion and non-bank borrowing of Rs196 billion.

Repatriation of profit, dividend declines 55pc in July (BR)

Repatriation of profit and dividend by the foreign investors fell sharply 55 percent during the first month of this fiscal year. Despite some improvement on the economic front, the repatriation of profit and dividend by foreign investors witnessed a downward trend in the first month of FY22. The State Bank of Pakistan (SBP) on Thursday reported that foreign investors repatriated some \$159.2 million during July 2021 as compared to \$354.5 million during July 2020, depicting a decline of \$ 194 million. The detailed analysis revealed that repatriation from Foreign Direct Investment (FDI) also declined. Major outflow of profit and dividend was recorded from the FDI and cumulatively some 88 percent of repatriated amount was sent as returns on FDI.

SECP introduces major capital market reforms (BR)

The Securities and Exchange Commission of Pakistan (SECP) has introduced major capital market reforms featuring legal, structural, regulatory, operational, and product development initiatives for robust and transparent capital market in the country. In line with international practice, to facilitate listing of companies especially State-Owned Enterprises (SOEs) and to promote the culture of good governance among the corporate sector, the SECP in collaboration with the PSX has introduced the concept of Direct Listing. To increase investor's outreach, accredited investors have been redefined. All institutional investors and individual investors, having net worth of greater than Rs5 million, can now invest in securities on GEM Board. Moreover, with the objective of bringing efficiency and creating ease in capital formation, the SECP has now allowed banks and accounting and auditing firms to act as advisor for listings on the GEM Board at the PSX.

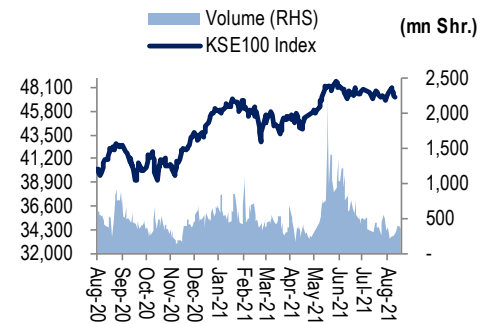
SBP says it has received \$2.75bn from IMF (BR)

The State Bank of Pakistan (SBP) has received \$2.75 billion from the International Monetary Fund (IMF) as part of the newly-allocated Special Drawing Rights (SDR), the central bank announced on Tuesday. "SBP has received \$2.75 billion from the IMF," said SBP in a tweet post. The latest funds would be vital for Pakistan to boost its foreign exchange position that has been a major concern for policymakers that are fighting to find the balance between economic growth and the country's current account position. SBP Governor Dr Reza Baqir had announced earlier that the IMF's SDR allocation would help take reserves to a historic high, adding that this time Pakistan's net international reserves position would improve as well.

Govt releases Rs6bn under DLT scheme for exporters (BR)

The Ministry of Commerce has released Rs6 billion under duty drawback on local taxes and levies (DLTL) scheme, informed Advisor to Prime Minister on Trade and Investment Abdul Razak Dawood on Tuesday. "I am glad to share that the Ministry of Commerce (MOC) has released a total of Rs6bn under DLT schemes," said Dawood, adding that this includes Rs5.6 billion for the textile sector and Rs400 million for the non-textile sector. "I hope this will contribute to improving the liquidity issues of our exporters and enable them to enhance Pakistan's exports," he said.

PSX Volume & Index



Top Contributors in KSE100 Index

Companies	Index Contribution
Bullish Companies	
SYS	124.3
MEBL	106.3
PSEL	67.9
MARI	24.7
MCB	19.1
	342.3
Bearish Companies	
LUCK	(106.7)
TRG	(60.3)
ENGRO	(49.5)
HBL	(44.8)
PSO	(44.3)
	(305.5)
Sectors	Index Contribution
Bullish Sectors	
Commercial Banks	67.6
Miscellaneous	61.3
Technology & Communication	52.5
Oil & Gas Exploration Companies	47.4
Automobile Assembler	15.4
	244.1
Bearish Sectors	
Cement	(240.4)
Oil & Gas Marketing Companies	(87.7)
Fertilizer	(87.3)
Textile Composite	(46.1)
Refinery	(32.5)
	(493.9)

AHL Universe - Recommendation Summary

Code	Company	Price 27-Aug-21	Target Price	Upside (%)	Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices	
						2020	2021	2022	2020	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022		
Exploration & Production																					
PPL	Pakistan Petroleum Ltd.	79.5	148.7	87.1	Buy	18.5	17.9	20.4	1.00	1.50	2.00	4.4	3.9	1.9	2.5	0.6	0.5	13.4	13.6	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	91.0	187.1	105.6	Buy	23.3	21.2	26.1	6.75	8.50	10.50	4.3	3.5	9.3	11.5	0.4	0.4	11.3	11.6	KSE100, KSE30 & KMI	
POL	Pakistan Oilfields Ltd.	394.1	556.6	41.3	Buy	57.7	47.1	60.0	50.00	50.00	54.00	8.4	6.6	12.7	13.7	2.8	2.6	33.6	41.6	KSE100, KSE30, KMI & MSCI	
MARI	Mari Petroleum Ltd	1,519.8	1,962.5	29.1	Buy	227.2	235.7	247.5	6.10	141.00	148.51	6.4	6.1	9.3	9.8	1.7	1.3	29.4	24.1	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	123.1	148.7	20.8	Buy	17.1	17.1	22.4	12.00	12.00	14.50	7.2	5.5	9.8	11.8	0.8	0.7	10.3	13.5	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	32.2	42.9	33.1	Buy	6.1	6.7	7.2	4.00	4.00	4.00	4.8	4.5	12.4	12.4	0.6	0.5	12.4	12.4	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	166.9	225.8	35.3	Buy	24.8	24.8	27.9	20.00	20.00	20.00	6.7	6.0	12.0	12.0	1.0	1.0	15.4	17.3	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	126.9	179.7	41.6	Buy	21.1	24.1	29.0	4.25	7.00	12.00	5.3	4.4	5.5	9.5	0.7	0.6	12.8	14.3	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	71.1	103.2	45.2	Buy	16.0	16.5	16.9	8.00	8.00	8.00	4.3	4.2	11.3	11.3	0.6	0.6	14.4	14.5	KSE100	
NBP	National Bank of Pakistan.*	33.6	49.4	47.0	Buy	14.4	15.9	16.1	-	-	2.00	2.1	2.1	-	6.0	0.3	0.2	12.5	12.1	KSE100	
AKBL	Askari Bank Ltd.*	20.5	27.5	34.2	Buy	8.6	7.7	6.0	3.00	2.00	1.00	2.7	3.4	9.8	4.9	0.4	0.4	16.7	11.7	KSE100	
BOP	The Bank of Punjab*	8.4	10.9	29.6	Buy	2.6	2.5	3.0	1.00	0.75	0.75	3.4	2.8	8.9	8.9	0.4	0.4	12.1	13.5	KSE100	
MEBL	Meezan Bank Ltd.**	141.0	177.4	25.8	Buy	15.8	18.4	21.5	7.00	8.00	9.50	7.6	6.6	5.7	6.7	2.3	1.9	32.3	31.7	KSE100, KSE30 & KMI	
Fertilizer																					
ENGRO	Engro Corporation*	290.6	410.5	41.3	Buy	43.6	43.4	47.2	26.00	33.00	35.00	6.7	6.2	11.4	12.0	0.8	0.8	12.2	12.6	KSE100, KSE30, KMI & MSCI	
FFBL	Fauji Fert. Bin Qasim	25.1				Coverage Restricted due to Advisory Mandate															KSE100
EFERT	Engro Fertilizer	77.2	77.8	0.8	Hold	13.6	7.5	7.1	13.00	7.50	6.50	10.3	10.9	9.7	8.4	2.4	2.3	22.2	21.7	KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	105.1	136.5	29.8	Buy	16.4	15.7	16.8	11.15	13.00	14.00	6.7	6.2	12.4	13.3	3.2	2.9	47.3	48.8	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	29.9	na	na	na	6.3	na	na	2.50			Group Company: No estimates are given								KSE100 & KMI	
AHCL	Arif Habib Corp. Ltd.	36.7	na	na	na	6.5	na	na	1.50			Group Company: No estimates are given								KSEALL	
Cement																					
LUCK	Lucky Cement Ltd.	819.9	1,387.3	69.2	Buy	10.3	43.5	68.8	-	-	22.00	18.8	11.9	-	2.7	2.3	2.0	13.2	18.1	KSE100, KSE30, KMI & MSCI	
LUCK	Lucky Cement Ltd.*	819.9	1,387.3	69.2	Buy	19.0	70.7	118.9	-	-	22.00	11.6	6.9	-	2.7	1.7	1.5	15.8	22.6	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	20.8	34.5	66.0	Buy	(0.0)	2.5	3.5	-	0.50	2.00	8.2	5.9	2.4	9.6	1.3	1.2	16.6	20.8	KSE100 & KMI	
ACPL	Attock Cement Ltd.	158.9	265.1	66.9	Buy	8.1	8.1	21.4	3.50	4.00	7.00	19.7	7.4	2.5	4.4	1.2	1.1	6.5	15.8	KSEALL & KMI	
DGKC	D.G. Khan Cement Co.	105.9	183.3	73.1	Buy	(4.9)	8.9	16.4	-	1.00	2.00	11.9	6.5	0.9	1.9	0.7	0.6	5.7	9.8	KSE100, KSE30 & KMI	
KOHC	Kohat Cement Co.	211.1	298.3	41.3	Buy	(2.2)	18.5	28.8	-	3.00	10.00	11.4	7.3	1.4	4.7	1.9	1.7	18.3	24.4	KSE100 & KMI	
MLCF	Maple Leaf Cement.*	43.2	70.0	62.1	Buy	(3.2)	3.5	7.6	-	-	1.00	12.4	5.6	-	2.3	1.2	1.0	10.5	19.8	KSE100, KSE30 & KMI	
POWER	Power Cement	8.6	na	na	na	(3.4)	na	na	-			Group Company: No estimates are given								KSEALL & KMI	
Oil & Gas Marketing																					
PSO	Pakistan State Oil	217.0	306.5	41.3	Buy	(13.8)	62.1	38.3	-	15.00	15.00	3.5	5.7	6.9	6.9	0.8	0.7	24.0	13.3	KSE100, KSE30, KMI & MSCI	
APL	Attock Petroleum Ltd.	326.6	441.5	35.2	Buy	10.1	49.4	47.5	9.00	27.00	27.50	6.6	6.9	8.3	8.4	1.4	1.4	23.9	20.8	KSE100 & KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	46.6	91.1	95.5	Buy	9.5	21.6	21.4	4.00	6.00	6.00	2.2	2.2	12.9	12.9	0.8	0.6	49.7	49.7	KSE100 & KMI	
Automobile Assemblers and Parts																					
PSMC	Pak Suzuki Motor Co.	342.6	416.5	21.6	Buy	(19.3)	42.1	53.7	-	17.00	22.00	8.1	6.4	5.0	6.4	1.1	1.0	13.6	16.0	KSE100	
INDU	Indus Motor Co.	1,368.3	1,524.5	11.4	Buy	64.7	163.2	165.7	30.00	103.50	109.00	8.4	8.3	7.6	8.0	2.4	2.2	29.8	27.6	KSE100	
HCAR	Honda Atlas Cars (Pak)	341.5	362.7	6.2	Hold	4.8	12.6	34.5	1.00	4.52	14.00	27.2	9.9	1.3	4.1	2.7	2.4	10.5	25.7	KSE100 & KMI	
MTL	Millat Tractors Ltd.	1,111.0	1,419.4	27.8	Buy	38.4	108.7	121.8	40.00	120.00	136.00	10.2	9.1	10.8	12.2	14.9	14.7	147.6	162.2	KSE100, KMI & MSCI	
PTL	Panther Tyres Ltd.	74.9	94.7	26.5	Buy	1.8	6.1	9.1	-	2.00	2.50	12.3	8.2	2.7	3.3	1.9	1.6	18.7	21.4	KSEALL & KMI	
Power Generation & Distribution**																					
HUBC	Hub Power Company*	76.9	149.6	94.7	Buy	19.3	23.7	27.8	-	10.00	12.75	3.2	2.8	13.0	16.6	0.9	0.8	32.2	30.4	KSE100, KSE30 & MSCI	
NCPL	Nishat Chu. Power Ltd.	13.7	25.2	84.2	Buy	12.7	7.4	4.5	-	3.00	3.00	1.8	3.0	21.9	21.9	0.2	0.2	13.6	7.6	KSEALL	
NPL	Nishat Power Limited	18.5	35.0	88.7	Buy	14.0	8.0	5.0	2.00	5.00	9.00	2.3	3.7	27.0	48.6	0.3	0.2	11.5	6.7	KSEALL	
KAPCO	Kot Addu Power Co.	39.2	59.2	50.9	Buy	26.8	11.6	21.0	1.50	10.00	10.00	3.4	1.9	25.5	25.5	0.7	0.6	18.3	34.1	KSE100 & KSE30	
Textile Composite																					
NML	Nishat Mills Ltd.	96.2	162.3	68.7	Buy	10.0	16.1	22.5	3.00	6.50	7.00	6.0	4.3	6.8	7.3	0.4	0.4	7.7	10.0	KSE100, KSE30 & KMI	
NCL	Nishat (Chunian) Ltd.	51.1	57.7	13.0	Buy	1.1	17.4	14.2	1.00	4.00	4.00	2.9	3.6	7.8	7.8	0.7	0.6	26.7	18.1	KSE100	
FML	Feroze1888 Mills Ltd.	101.0	144.9	43.5	Buy	7.8	13.8	17.5	2.34	5.53	6.98	7.3	5.8	5.5	6.9	1.5	1.3	22.5	24.2	KSE100 & KMI	
ILP	Interloop Ltd.	75.1	95.4	26.9	Buy	2.1	7.5	10.8	2.00	4.00	5.50	10.0	7.0	5.3	7.3	3.2	2.6	34.9	41.4	KSE100 & KMI	
Chemicals																					
LOTCEM	Lotte Chemical Pak Ltd.	14.7	15.4	4.6	Hold	1.4	2.8	2.2	0.75	0.75	0.55	5.2	6.7	5.1	3.7	1.2	1.1	23.8	17.5	KSE100	
EPCL	Engro Polymer & Chem.	60.8	81.1	33.4	Buy	6.3	15.3	16.6	1.25	3.00	5.00	4.0	3.7	4.9	8.2	1.5	1.2	44.0	35.9	KSE100 & KMI	
ICI	ICI Pakistan Ltd.*	842.5	1,040.3	23.5	Buy	28.1	60.3	66.5	16.00	40.00	40.00	14.0	12.7	4.7	4.7	3.1	2.6	23.2	22.1	KSE100 & KMI	
Engineering																					
ASTL	Amreli Steels Ltd.	42.6	47.9	12.4	Buy	(4.2)	4.6	2.9	-	-	0.50	9.3	14.5	-	1.2	1.1	1.0	12.1	7.3	KSEALL	
ITTEFAQ	Ittefaq Iron Industries Ltd.	16.9	25.5	50.9	Buy	(1.7)	2.0	2.7	-	-	-	8.3	6.2	-	-	0.6	0.5	7.1	8.8	KSEALL & KMI	
Technology & Communication																					
AVN	Avanceon Ltd.	128.8	95.1	(26.2)	Sell	4.1	8.0	9.8	1.00	3.00	3.50	16.0	13.1	2.3	2.7	4.4	3.6	29.8	29.9	KSEALL & KMI	
Food & Personal Care Product																					
UNITY	Unity Foods Ltd.	37.8	54.4	44.0	Buy	0.2	3.8	4.7	-	0.50	1.00	10.0	8.0	1.3	2.6	2.8	2.2	38.7	30.4	KSE100, KSE30 & KMI	

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

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
MEBL	162.2	8.5	29.8	55.3	162.2	111.7	162.2	107.0	162.2	77.7
FATIMA	29.9	5.9	6.0	2.7	29.9	27.9	29.9	26.0	31.9	26.0
AVN	128.8	3.2	12.8	66.5	128.8	84.1	128.8	61.3	128.8	49.1
FML	101.0	3.1	3.1	1.6	103.1	96.5	115.7	93.9	127.5	93.9
MARI	1,519.8	2.7	0.6	18.3	1,571.0	1,480.6	1,600.3	1,467.8	1,622.1	1,179.7
INDU	1,368.3	2.6	10.7	14.2	1,372.9	1,197.4	1,372.9	967.3	1,389.1	967.3
MTL	1,111.0	1.8	1.7	14.2	1,130.9	1,067.6	1,154.4	1,042.4	1,154.4	749.1
MCB	166.9	1.2	3.2	0.7	168.0	152.9	170.2	152.9	178.5	145.1
PPL	79.5	0.9	(2.9)	(10.5)	94.9	78.8	94.9	78.8	100.4	77.5
BOP	8.4	0.8	2.4	(9.4)	8.9	8.1	9.3	7.7	10.1	7.7
OGDC	91.0	0.6	(2.6)	(9.2)	100.2	90.5	103.6	86.5	111.9	84.1
AKBL	20.5	0.4	(6.9)	(12.4)	22.9	20.2	24.3	19.0	25.0	17.8
EPCL	60.8	0.4	17.5	33.2	61.9	46.7	61.9	42.4	61.9	34.4
POL	394.1	0.3	3.1	4.6	402.0	367.4	407.8	351.2	423.1	300.8
ILP	75.1	0.2	2.8	10.4	76.1	67.5	76.6	61.3	76.6	53.7
NBP	33.6	(0.4)	(4.9)	(21.9)	37.8	33.6	37.8	30.5	43.9	30.5
EFERT	77.2	(0.4)	1.4	22.0	77.9	68.8	77.9	62.0	77.9	58.9
ABL	71.1	(0.6)	(1.3)	(16.7)	74.2	70.0	80.9	68.5	89.1	68.5
AHCL	36.7	(0.9)	(3.1)	(8.3)	40.0	35.8	40.0	34.5	44.5	34.5
HUBC	76.9	(1.2)	0.2	0.6	82.2	74.3	83.6	73.7	87.9	69.1
FFC	105.1	(1.2)	(1.4)	3.4	109.4	103.7	109.4	98.5	109.4	93.8
PSMC	342.6	(1.4)	0.8	41.6	364.5	286.6	364.5	235.4	364.5	179.3
ICI	842.5	(1.5)	(6.2)	10.8	920.6	842.5	920.6	791.3	920.6	679.3
PTL	74.9	(1.6)	(1.7)	15.4	77.9	64.9	77.9	58.8	77.9	58.8
UBL	123.1	(1.8)	1.6	12.2	128.2	118.2	128.2	106.2	128.2	92.8
ITTEFAQ	16.9	(1.9)	(0.1)	2.3	21.9	15.9	21.9	13.6	21.9	11.6
ACPL	158.9	(2.0)	(10.7)	5.9	181.3	154.0	191.2	154.0	191.2	141.9
HBL	126.9	(2.0)	0.2	(0.3)	136.8	122.4	136.8	111.2	137.8	111.2
ENGRO	290.6	(2.2)	(1.5)	(1.0)	307.8	290.6	307.8	261.0	307.8	261.0
NCL	51.1	(2.3)	(1.0)	21.4	54.9	48.5	54.9	43.6	54.9	34.6
KAPCO	39.2	(2.4)	0.7	61.9	41.5	35.2	41.5	33.1	41.5	20.2
APL	326.6	(2.4)	1.3	(2.4)	342.4	318.4	343.8	315.1	385.0	307.7
KEL	3.7	(2.6)	(2.9)	(5.4)	4.7	3.7	4.7	3.6	4.7	3.6
NML	96.2	(2.8)	(0.2)	(5.4)	105.1	93.3	111.2	80.0	123.1	80.0
LOTCHEM	14.7	(3.0)	(5.1)	2.3	17.0	14.7	17.2	12.9	17.2	10.4
NPL	18.5	(3.1)	(6.4)	(21.5)	22.3	18.5	24.9	18.5	29.6	18.5
HCAR	341.5	(3.2)	(5.8)	5.4	388.4	334.7	388.4	232.4	388.4	232.4
FFBL	25.1	(3.6)	(6.1)	(1.0)	28.0	25.1	29.2	24.2	29.2	17.7
UNITY	37.8	(3.8)	(5.2)	17.8	49.4	37.6	49.4	25.3	49.4	13.9
PSO	217.0	(3.9)	(1.8)	3.1	243.2	214.3	243.2	212.2	253.4	182.0
LUCK	819.9	(4.7)	(7.7)	17.8	940.7	815.4	940.7	799.4	940.7	605.0
NCPL	13.7	(5.3)	(9.7)	(9.3)	17.5	13.7	17.5	13.7	20.6	12.9
DGKC	105.9	(6.1)	(2.5)	(7.5)	131.1	103.6	137.1	103.6	141.5	101.1
KOHC	211.1	(6.3)	1.8	(3.7)	234.4	202.5	234.4	189.5	246.7	170.7
MLCF	43.2	(6.5)	0.0	(4.0)	49.3	42.8	49.3	41.7	49.3	35.4
SNGP	46.6	(6.6)	(6.2)	4.9	56.3	45.9	56.3	36.6	67.9	36.6
FCCL	20.8	(6.8)	(4.9)	(4.2)	24.5	20.8	25.0	20.8	27.2	18.7
POWER	8.6	(7.3)	(4.7)	(13.5)	10.6	8.6	10.7	8.1	11.8	8.0
ASTL	42.6	(8.1)	1.3	(11.6)	47.7	41.4	47.7	36.8	53.5	36.8

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

Category	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	479.32	480.59	SELL	-1.27	Individuals	201.46	201.71	SELL	-0.25
Companies	44.88	43.11	BUY	1.78	Companies	18.82	11.03	BUY	7.78
Banks / DFIs	11.04	12.55	SELL	-1.52	Banks / DFIs	4.18	5.52	SELL	-1.33
NBFC	0.70	0.34	BUY	0.36	NBFC	0.10	0.17	SELL	-0.07
Mutual Funds	81.12	78.86	BUY	2.27	Mutual Funds	12.92	7.06	BUY	5.87
Other Organizations	10.95	7.46	BUY	3.49	Other Organizations	1.31	0.87	BUY	0.43
Broker Proprietary Trading	104.06	102.40	BUY	1.66	Broker Proprietary Trading	49.49	50.30	SELL	-0.81
Insurance Companies	10.10	12.48	SELL	-2.38	Insurance Companies	3.16	3.95	SELL	-0.79
Total	742.17	737.79	BUY	4.38	Total	291.43	280.61	BUY	10.82

LIPI Sector Wise
Current Week

Sector	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	26.75	23.93	BUY	2.82	Commercial Banks	6.32	6.46	SELL	-0.14
Fertilizer	10.20	10.13	BUY	0.07	Fertilizer	3.51	3.44	BUY	0.06
Cement	81.75	78.46	BUY	3.29	Cement	25.53	23.00	BUY	2.53
Power Generation & Distribution	10.64	10.63	BUY	0.01	Power Generation & Distribution	7.22	7.40	SELL	-0.18
Exploration & Production	22.24	22.41	SELL	-0.16	Exploration & Production	4.54	4.14	BUY	0.40
Oil & Gas Marketing Companies	35.03	35.23	SELL	-0.20	Oil & Gas Marketing Companies	8.32	8.22	BUY	0.11
Food and Personal Care Products	61.02	61.15	SELL	-0.13	Food and Personal Care Products	24.26	23.86	BUY	0.39
Textile Composite	44.07	44.81	SELL	-0.73	Textile Composite	12.18	12.34	SELL	-0.16
Technology and Communication	179.59	180.61	SELL	-1.02	Technology and Communication	98.07	101.04	SELL	-2.97
All other Sectors	270.87	270.43	BUY	0.44	All other Sectors	101.49	90.71	BUY	10.79
Total	742.17	737.79	BUY	4.38	Total	291.43	280.61	BUY	10.82

FIPI Normal
Current Week

Category	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.24	0.15	BUY	0.09	Foreign Individuals	0.03	0.02	BUY	0.01
Foreign Corporates	8.41	15.96	SELL	-7.55	Foreign Corporates	6.11	16.93	SELL	-10.82
Overseas Pakistani	33.65	30.57	BUY	3.08	Overseas Pakistani	12.30	12.32	SELL	-0.02
Total	42.30	46.68	SELL	-4.38	Total	18.44	29.27	SELL	-10.82

FIPI Sector Wise
Current Week

Sector	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	4.99	7.81	SELL	-2.82	Commercial Banks	2.14	2.00	BUY	0.14
Fertilizer	0.69	0.76	SELL	-0.07	Fertilizer	0.35	0.42	SELL	-0.06
Cement	3.61	6.90	SELL	-3.29	Cement	1.85	4.39	SELL	-2.53
Power Generation & Distribution	0.78	0.79	SELL	-0.01	Power Generation & Distribution	0.88	0.70	BUY	0.18
Exploration & Production	1.54	1.38	BUY	0.16	Exploration & Production	0.54	0.94	SELL	-0.40
Oil & Gas Marketing Companies	2.46	2.26	BUY	0.20	Oil & Gas Marketing Companies	0.34	0.44	SELL	-0.11
Food and Personal Care Products	2.32	2.19	BUY	0.13	Food and Personal Care Products	0.84	1.23	SELL	-0.39
Textile Composite	2.15	1.41	BUY	0.73	Textile Composite	0.52	0.35	BUY	0.16
Technology and Communication	8.84	7.81	BUY	1.02	Technology and Communication	6.24	3.27	BUY	2.97
All other Sectors	14.92	15.36	SELL	-0.44	All other Sectors	4.74	15.53	SELL	-10.79
Total	42.30	46.68	SELL	-4.38	Total	18.44	29.27	SELL	-10.82

Source: NCCPL, AHL Research

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.2	1.4	1.5	1.8	3.0	2.8	2.7	3.8	1.8	2.3	6.9	-66.5%
P/E (x)	14.6	20.7	12.4	15.3	10.7	16.8	11.5	14.2	11.1	14.2	5.9	-58.4%
P/B (x)	1.7	3.1	2.2	1.5	8.7	1.7	1.4	2.2	1.1	2.6	0.9	-64.9%

Source: Bloomberg, AHL Research

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY21TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY21TD (%)
Estonia	TALSE Index	2,007	8.3	12.7	43.4	Croatia	CRO Index	1,964	1.9	0.5	9.3
Sri Lanka	CSEALL Index	8,931	7.9	9.4	22.0	Belgium	BEL20 Index	4,318	1.8	2.3	15.1
Argentina	MERVAL Index	73,204	7.7	9.9	23.2	Bahrain	BHSEASI Index	1,667	1.7	4.4	11.9
South Africa	JALSH Index	67,646	6.8	(2.8)	13.4	Czech Republic	PX Index	1,282	1.7	5.5	23.3
Norway	OBXP Index	548	6.6	4.1	15.0	France	CAC Index	6,682	1.7	0.6	16.2
Thailand	SET Index	1,611	6.3	7.1	2.4	China	SHSZ300 Index	4,827	1.7	0.2	(6.6)
Brazil	IBOV Index	120,678	6.1	(1.7)	0.8	Morocco	MOSEMDX Index	10,397	1.7	3.3	12.5
Malaysia	FBMKLCI Index	1,590	6.0	7.1	(6.2)	USA	SPX Index	4,509	1.5	2.6	20.1
Taiwan	TWSE Index	17,210	5.7	(0.1)	17.5	Latvia	RIGSE Index	1,281	1.3	3.0	8.2
Greece	ASE Index	914	4.4	2.4	9.1	Italy	FTSEMIB Index	26,007	1.2	2.0	12.3
Poland	WIG20 Index	2,324	4.1	2.4	12.5	Bangladesh	DSEX Index	6,851	1.1	6.1	26.0
South Korea	KOSPI Index	3,134	3.8	(3.0)	2.2	Germany	DAX Index	15,852	1.1	1.5	11.0
Kazakhstan	KZKAK Index	3,137	3.4	1.1	15.5	USA	INDU Index	35,456	1.0	1.5	15.8
New Zealand	NZSE Index	2,124	3.4	4.0	(3.8)	Tunisia	TUSISE Index	7,348	0.9	0.38	2.98
Canada	SPTSX Index	20,645	3.4	0.7	19.9	Spain	IBEX Index	8,922	0.9	2.3	6.7
Romania	BET Index	12,390	3.3	3.6	19.6	Jordan	JOSMGNFF Index	2,027	0.9	(2.9)	22.4
Philippines	PCOMP Index	6,787	3.2	8.5	(8.4)	Switzerland	SMI Index	12,439	0.9	2.2	12.7
Lithuania	VILSE Index	1,002	3.1	3.3	17.8	Qatar	DSM Index	11,103	0.7	3.6	6.2
Mexico	MEXBOL Index	52,426	3.0	1.4	17.5	Portugal	PSI20 Index	5,326	0.6	5.4	5.0
Chile	IPSA Index	4,459	2.9	1.8	(3.1)	Indonesia	JCI Index	6,041	0.6	0.1	(1.3)
Ireland	ISEQ Index	8,841	2.9	5.7	15.7	Singapore	FSSTI Index	3,081	0.5	(2.1)	6.4
Egypt	EGX30 Index	11,126	2.9	3.6	2.8	Bulgaria	SOFIX Index	570	0.3	(0.9)	22.0
Netherland	AEX Index	787	2.9	3.8	21.6	Kenya	NSEASI Index	187	0.2	4.2	22.3
Luxembourg	LUXXX Index	1,687	2.87	1.5	21.0	Hungary	BUX Index	51,069	0.2	7.1	21.9
Australia	AS51 Index	7,488	2.8	0.9	8.1	Slovenia	SBITOP Index	1,197	0.2	1.9	27.6
Finland	HEX Index	13,218	2.7	0.7	16.7	Uae	ADSMI Index	7,625	0.1	4.2	51.1
Turkey	XU100 Index	1,458	2.6	5.5	(12.2)	Nigeria	NGSEINDX Index	39,486	0.1	2.4	(4.5)
India	SENSEX Index	56,125	2.6	8.0	16.9	Serbia	BELEX15 Index	796	0.0	1.9	2.7
Russia	RTSI\$ Index	1,664	2.5	2.4	19.9	Oman	MSM30 Index	3,963	(0.5)	(1.7)	8.3
Sweden	OMX Index	2,373	2.5	(0.3)	20.2	Saudi Arabia	SASEIDX Index	11,129	(0.7)	1.1	28.1
Austria	ATX Index	3,610	2.4	3.2	24.7	Ukraine	PFTS Index	526	(0.8)	(0.1)	11.0
Japan	NKY Index	27,641	2.3	1.3	(5.3)	Ghana	GGSECI Index	2,740	(1.0)	(1.1)	37.0
Iceland	ICEXI Index	2,474	2.3	2.0	31.6	Vietnam	VNIndex Index	1,313	(1.0)	0.9	20.6
Hong Kong	HSI Index	25,408	2.3	(2.3)	(7.1)	Mauritius	SEMDEX Index	1,958	(1.1)	1.9	10.7
USA	NDX Index	15,433	2.3	3.2	19.7	Denmark	KFX Index	1,817	(1.4)	4.2	19.1
Dubai	DFMGI Index	2,900	2.2	4.9	16.4	Lebanon	BLOM Index	1,053	(1.7)	9.4	60.0
UK	UKX Index	7,148	2.0	0.8	11.7	Pakistan	KSE100 Index	47,137	(1.8)	(1.8)	4.0
Europe	SX5E Index	4,191	1.9	2.0	13.9						

Source: Bloomberg, AHL Research, * Last Closing

Key Economic Data & Commodities Prices

Month end	Units	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Current*
Money Market Data																
03-M T-Bill	%	7.1	7.0	7.1	7.1	7.1	7.1	7.1	7.1	7.2	7.4	7.3	7.4	7.3	7.2	7.2
06-M T-Bill	%	7.1	7.0	7.2	7.2	7.2	7.2	7.2	7.2	7.4	7.8	7.5	7.6	7.5	7.5	7.4
12-M T-Bill	%	7.1	7.0	7.3	7.3	7.3	7.3	7.3	7.3	7.7	7.9	7.7	7.7	7.8	7.7	7.6
03-Y PIB	%	7.5	8.0	8.3	8.3	8.3	8.3	8.3	8.3	8.7	9.4	8.9	9.0	9.0	8.9	8.7
05-Y PIB	%	8.1	8.6	8.9	9.1	9.1	9.3	9.3	9.3	9.5	9.9	9.4	9.4	9.5	9.4	9.3
10-Y PIB	%	8.7	9.2	9.5	9.8	9.6	10.0	10.0	10.0	10.0	10.4	10.0	9.9	9.9	10.0	9.9
06-M KIBOR	%	7.2	7.1	7.3	7.3	7.4	7.4	7.4	7.4	7.6	7.9	7.6	7.7	7.7	7.6	7.5
Policy Rate	%	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Inflation (YoY)																
Headline (CPI New Base)	%	8.6	9.3	8.2	9.0	8.9	8.3	8.0	5.7	8.7	9.1	11.1	10.9	9.7	8.4	8.4
Monetary Sector																
M1	PKR bn	17,206	17,159	17,128	17,232	17,317	17,541	17,951	17,930	18,186	18,403	18,723	18,935	19,824	na	19,824
M2	PKR bn	20,640	20,530	20,519	20,743	20,811	21,063	21,604	21,429	21,683	21,985	22,213	22,476	23,722	na	23,722
M3	PKR bn	24,966	24,854	24,853	25,083	25,163	25,419	25,971	25,711	25,942	26,228	26,441	26,616	27,738	na	27,738
Banking Sector																
Deposits	PKR bn	16,229	16,122	16,327	16,886	16,664	16,841	17,876	17,086	17,257	17,906	17,561	17,955	19,796	18,839	18,839
Advances	PKR bn	8,202	8,120	8,053	8,094	8,116	8,166	8,497	8,467	8,527	8,600	8,665	8,811	8,996	8,878	8,878
Investment	PKR bn	10,681	10,809	10,869	11,090	10,942	11,071	11,552	11,421	11,612	12,553	12,418	13,068	13,742	14,102	14,102
WALR	%	10.1	8.9	8.7	8.3	8.4	8.1	8.0	8.0	7.9	7.8	8.0	7.9	8.0	7.8	7.8
WADR	%	4.4	3.9	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.6	3.6
Spread	%	5.7	5.0	4.9	4.6	4.7	4.5	4.4	4.4	4.4	4.3	4.5	4.5	4.5	4.2	4.2
External Sector																
Forex Reserves	USD bn	18.0	19.6	19.9	19.4	19.4	20.3	20.5	20.1	20.1	20.6	22.7	23.3	23.3	24.9	24.6
With SBP	USD bn	11.2	12.5	12.7	12.2	12.2	13.1	13.4	13.0	13.0	13.5	15.6	16.1	16.1	17.8	17.6
With Banks	USD bn	6.7	7.1	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.0
Exchange rate	PKR/USD	168.1	167.0	166.2	165.7	160.3	159.4	160.3	159.8	160.2	152.8	153.5	154.4	157.5	162.4	165.6
C/A Balance	USD mm	(121)	583	255	27	448	563	(629)	(219)	(34)	(364)	(188)	(650)	(1,619)	(773)	(773)
Exports	USD bn	1.6	1.9	1.5	2.0	2.0	2.2	2.3	2.1	2.2	2.6	2.3	2.1	2.5	2.3	2.3
Imports	USD bn	3.6	3.6	3.2	3.8	3.5	4.1	5.0	4.4	4.5	5.2	5.0	5.0	6.3	5.4	5.4
Trade Balance	USD bn	(2.0)	(1.7)	(1.6)	(1.9)	(1.5)	(1.8)	(2.8)	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.1)	(3.1)
Remittances	USD bn	2.5	2.8	2.1	2.5	2.3	2.3	2.4	2.3	2.3	2.7	2.8	2.5	2.7	2.7	2.7
Key Commodities Prices																
International																
Coal	USD/ton	54.7	53.7	59.2	62.3	59.4	83.7	87.7	87.1	83.3	96.9	93.2	108.3	114.9	123.0	138.3
Steel (HRC)	USD/ton	534.1	556.6	582.9	567.4	580.2	629.0	699.5	700.9	697.1	818.6	888.4	886.2	836.9	918.7	872.8
PTA	USD/ton	445.0	440.0	450.0	440.0	455.0	465.0	510.0	510.0	585.0	690.0	695.0	695.0	745.0	750.0	725.0
Gold	USD/oz	1,781	1,957	1,968	1,886	1,868	1,777	1,894	1,899	1,861	1,708	1,769	1,907	1,770	1,814	1,818
Cotton (COTLOOK A)	USD/lb	68.0	67.1	71.1	71.2	77.0	79.0	82.9	84.6	86.6	87.2	91.9	89.7	96.6	100.3	103.7
Crude oil (WTI)	USD/bbl	39.3	39.9	42.6	40.2	36.2	45.3	48.4	48.5	53.6	59.2	63.6	66.3	73.5	74.0	68.7
Crude oil (Arab Light)	USD/bbl	35.2	42.7	46.9	40.3	36.7	46.6	50.1	49.9	55.6	63.4	66.1	68.7	75.0	75.4	72.2
Crude oil (Brent)	USD/bbl	41.2	42.9	45.3	41.0	37.7	47.6	51.3	51.8	56.4	63.5	67.3	69.3	75.1	76.3	72.7
Local																
Cotton	PKR/maund	8,200	8,100	8,600	8,950	10,100	9,450	10,000	10,200	10,800	11,500	11,300	12,300	12,600	13,000	14,000
Cement	PKR/bag	545.9	558.8	558.2	565.9	568.2	573.6	581.7	587.2	597.0	610.6	614.9	615.2	640.1	653.9	673.6
Gold	PKR/10 grms	89,592	105,238	100,652	95,850	97,094	94,993	97,436	97,737	97,136	90,880	89,510	93,020	92,770	93,880	92,250

*Current Price

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Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -10% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -10% from last closing of market price(s)

* Upside for Power Generation Companies (Ex. KEL) is upside plus dividend yield.

Equity Valuation Methodology

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

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

Risks

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 shareholding in OGDC, NBP, PSO, BOP, and AKBL.