

Market Review

Equities

Market Remained Range Bound

Market Commentary

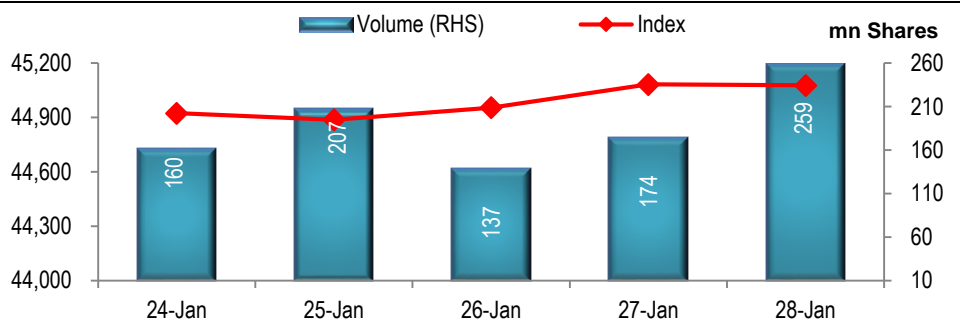
The market commenced on a negative note this week, given concerns over expectations of hike in policy rate. The market turned green after Monetary Policy Committee (MPC) kept the policy rate unchanged. However, momentum remained in check given hefty surge in international oil prices, climbing up to a 7-Yr high which raised concerns over inflation. Moreover, rising COVID-19 cases and postponement of IMF's review kept the market range bound. Meanwhile, reduction in cut-off yields of government's Market Treasury Bills by 68 bps provided resistance against bears. Furthermore, the market welcomed the passing of SBP bill 2021 by Senate, since it is now most likely that disbursement of USD 1bn will be approved by the Executive Board of IMF in the next scheduled meeting. The market closed at 45,078 points, gaining 60 points (up by 0.13%) WoW.

Sector-wise positive contributions came from i) Cement (55pts), ii) Power Generation & Distribution (45pts), iii) Food & Personal Care Products (30pts), iv) Fertilizer (26pts), and v) Commercial Banks (24pts). Whereas, sectors which contributed negatively were i) Technology & Communication (52pts), ii) Oil & Gas Exploration Companies (50pts) and iii) Automobile Assembler (14pts). Scrip-wise positive contributors were HUBC (50pts), BAFL (38pts), LUCK (36pts), FFC (32pts) and TRG (30pts). Meanwhile, scrip-wise positive contribution came from KAPCO (30pts), MARI (24pts) and BAHF (23pts).

Foreign selling continued this week, clocking-in at USD 4.0mn compared to a net sell of USD 2.09mn last week. Major selling was witnessed in Technology and Communication (USD 2.4mn) and Cement (USD 1.3mn). On the local front, buying was reported by Companies (USD 19.5mn) followed by Mutual Funds (USD 4.8mn). Average volumes clocked-in at 187mn shares (down by 7% WoW) while average value traded settled at USD 38mn (down by 9% WoW).

Other major news: i) Govt to launch Ehsaas Petrol Card for biker, ii) State Life signs MoU with UBL, iii) Forex reserves decline \$867 million, iv) BOP to raise Rs13bn debt financing for Lucky Electric v) PRL set to start exporting furnace oil next month vi) Nepra clears phasing out of Rs20bn power subsidies.

Exhibit: KSE100 index and volume



Outlook and Recommendation

With Pakistan and IMF 6th Review scheduled for next week (2nd Feb'21), any positive outcome could be a key trigger for the local bourse. Moreover, with the ongoing result season, certain sectors and scrips are expected to stay under limelight. Albeit, we expect the market to be positive in the next week. Our preferred stocks are OGDC, PPL, MARI, HBL, MCB, UBL, MEPL, FABL, LUCK, FCCL, ENGRO, FFC, HUBC, PSO, SNGP, INDU, NML, ILP, EPCL, and ASTL. The KSE-100 is currently trading at a PER of 5.1x (2022) compared to Asia Pac regional average of 13.6x while offering a dividend yield of ~8.6% versus ~2.4% offered by the region.

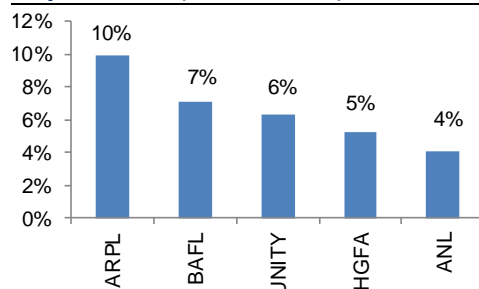
PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	45,078	0.13	1.08
KSEAI	30,803	(0.25)	0.25
KSE30	17,793	0.26	1.66
KMI30	73,157	0.21	2.05
BKTI	13,370	0.21	3.65
OGTI	11,791	(1.07)	2.80

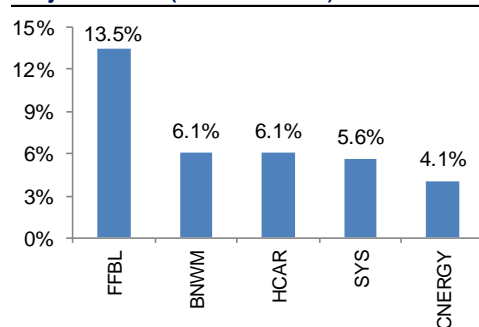
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
TRG	16.4	87.2
HUMNL	13.1	7.1
WTL	13.1	2.2
CENERGY	10.2	6.1
GGL	6.7	20.6

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



Analyst

AHL Research
research@arifhabilttd.com
 +92-21-32462589



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Business & Economic developments during the week.

Foreign loans soar to \$10.4b in Jul-Dec (Tribune)

The government borrowed \$10.4 billion in the past six months, which was higher by 78% over the same period of last year, as it struggled to address the growing current account imbalance and keep the debt-financed foreign exchange reserves at current levels. Gross foreign loan disbursements during July-December of current fiscal year remained at \$9.3 billion, the Ministry of Economic Affairs reported on Wednesday. In addition to this, the government received \$1.1 billion in foreign loans from the overseas Pakistanis through the Naya Pakistan Certificates, the central bank data showed. The cumulative gross foreign loans secured in the first half of current fiscal year were higher by \$4.5 billion, or 78%, from the same period of previous fiscal year, showed the official statistics.

Rising global commodity prices cause quite a stir (BR)

The Federal Minister for Finance and Revenue, Shaukat Tarin, presided over a meeting of macroeconomic advisory group on Thursday. State Bank of Pakistan (SBP) governor Dr Reza Baqir, former governor and adviser to PM Dr Ishrat Hussain, Adviser to Chief Minister Punjab Dr Salman Shah, Dean NUST Dr Ashfaq Hassan Khan, Professor of Economics Dr Rashid Amjad, Director SDPI Dr Abid Qaiyum Suleri, and Country Director IGC Dr Ijaz Nabi attended the virtual conference. The meeting discussed the core macro-economic indicators of Pakistan's economy. The Macroeconomic Advisory Group members commended the efforts undertaken by the current government for economic stability on both fiscal as well as monetary fronts. All members shared their satisfaction over the progress of economy.

SBP works on new mechanism to attract borrowers (The News)

The State Bank of Pakistan (SBP) was working out a new mechanism to seek out businesses and their staff to apply for loans in banks under concessional credit schemes, a statement said on Wednesday. SBP Banking Services Corporation (SBP BSC) Managing Director Muhammad Ashraf Khan said at a SME Mela in Multan that the central bank was making all out efforts to enhance collaboration with the industry and chambers across the country to spread awareness about its credit schemes to boost credit utilisation. SBP BSC in partnership with industry chambers and women associations was working under a new mechanism to identify potential businesses and their employees to apply in the banks for loans under concessional credit schemes for SMEs and housing, he added.

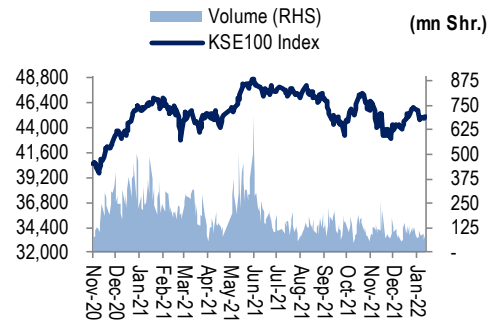
Economy prone to more lockdowns, demand shocks, warns Moody's (BR)

In the event of further lockdowns or shocks to external demand, the government of Pakistan (rating B3 stable) would have comparatively less fiscal headroom to support domestic economic activity, says Moody's Investors Services (Moody's). Moody's in its latest report stated that economies with relatively weak fiscal profiles, including India, Indonesia (Baa2 stable), Malaysia (A3 stable) and Pakistan, will be compelled to balance fiscal consolidation objectives with rising social demands to ameliorate structural problems such as weak governance, unequal access to healthcare or income inequality. These governments will face constraints on their ability to stimulate domestic demand or support companies as new pandemic-related disruptions to economic activity emerge.

Foreign investors repatriate \$891 million (Dawn)

The foreign investors repatriated \$891.2 million during the first half of the current fiscal year, slightly lower than \$892.3m in the same period last year. However, the repatriation of profits and dividends were different from last year as the outflow from sectors and to the countries were changed during FY22. The details issued by the State Bank of Pakistan (SBP) on Thursday showed that the profit outflow to the United Kingdom was dropped by a massive 46 per cent to \$170m compared to the repatriation of \$318m in the corresponding period last year

PSX Volume & Index



Top Contributors in KSE100 Index

Companies	Index Contribution
Bullish Companies	
HUBC	50.0
BAFL	38.3
LUCK	35.8
FFC	31.6
TRG	29.6
	185.3

Bearish Companies	
SYS	(87.5)
FFBL	(39.2)
HBL	(28.1)
PPL	(25.8)
OGDC	(24.1)
	(204.7)

Sectors	Index Contribution
Bullish Sectors	
Cement	55.0
Power Generation & Distribution	44.7
Food & Personal Care Products	29.6
Fertilizer	25.9
Commercial Banks	24.0
	179.1

Bearish Sectors	
Technology & Communication	(52.1)
Oil & Gas Exploration Companies	(49.5)
Automobile Assembler	(14.4)
Pharmaceuticals	(8.4)
Refinery	(7.3)
	(131.7)

ASIAMONEY



Outstanding Company in the Financial Sector 2021

Best Corporate & Investment Bank: 2020



Best Broker in Pakistan



Top 25 Companies

AHL Universe - Recommendation Summary

Code	Company	Price 28-Jan-22	TP Dec-22	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.	78.6	158.8	102.1	Buy	18.5	19.3	24.6	1.00	3.50	4.50	4.1	3.2	4.5	5.7	0.5	0.5	14.3	16.0	KSE100, KSE30, KMI & MSCI
OGDC	Oil and Gas Dev Co.	86.3	163.9	90.0	Buy	23.5	21.3	27.2	6.75	6.90	11.50	4.1	3.2	8.0	13.3	0.5	0.4	12.4	14.6	KSE100, KSE30 & KMI
POL	Pakistan Oilfields Ltd.	393.0	546.5	39.1	Buy	57.7	47.1	72.3	50.00	50.00	69.00	8.3	5.4	12.7	17.6	2.8	2.6	33.6	49.5	KSE100, KSE30, KMI & MSCI
MARI	Mari Petroleum Ltd	1,698.5	2,522.8	48.5	Buy	227.2	235.7	304.0	6.10	141.00	182.00	7.2	5.6	8.3	10.7	2.0	1.7	30.1	32.8	KSE100, KSE30, KMI & MSCI
Commercial Banks																				
UBL	United Bank Ltd.*	140.1	217.2	55.0	Buy	17.1	23.6	28.2	12.00	16.00	18.00	5.9	5.0	11.4	12.8	0.8	0.8	13.9	16.1	KSE100, KSE30 & MSCI
BAFL	Bank Alfalah*	38.3	53.4	39.3	Buy	6.1	7.9	9.4	4.00	4.00	5.00	4.8	4.1	10.4	13.0	0.7	0.6	14.6	16.1	KSE100 & MSCI
MCB	MCB Bank Ltd.*	160.6	236.3	47.1	Buy	24.8	25.9	30.9	20.00	19.00	22.00	6.2	5.2	11.8	13.7	1.0	0.9	15.8	18.3	KSE100, KSE30 & MSCI
HBL	Habib Bank Ltd.*	120.5	184.7	53.2	Buy	21.1	24.7	29.3	4.25	7.00	9.00	4.9	4.1	5.8	7.5	0.6	0.6	13.1	14.3	KSE100, KSE30 & MSCI
ABL	Allied Bank Ltd.*	89.0	114.6	28.8	Buy	16.0	15.5	18.4	8.00	8.00	9.00	5.7	4.8	9.0	10.1	0.7	0.7	13.0	14.7	KSE100
NBP	National Bank of Pakistan.*	34.5	52.3	51.6	Buy	14.4	14.9	17.1	-	-	-	2.3	2.0	-	-	0.2	0.2	10.9	11.3	KSE100
AKBL	Askari Bank Ltd.*	23.0	34.3	49.1	Buy	8.6	7.5	8.8	3.00	2.00	2.50	3.1	2.6	8.7	10.9	0.5	0.4	16.2	16.9	KSE100
BOP	The Bank of Punjab*	8.4	12.9	53.8	Buy	2.6	4.3	5.0	1.00	1.00	1.00	2.0	1.7	11.9	11.9	0.4	0.3	20.4	20.8	KSE100
MEBL	Meezan Bank Ltd.*	137.8	220.5	60.0	Buy	13.8	16.3	20.3	7.00	8.00	10.00	8.4	6.8	5.8	7.3	2.5	2.1	32.8	33.9	KSE100, KSE30 & KMI
FABL	Faysal Bank Ltd.*	26.6	38.9	46.6	Buy	4.4	5.4	6.7	-	1.50	2.00	4.9	4.0	5.6	7.5	0.6	0.5	13.0	14.5	KSE100
Fertilizer																				
ENGRO	Engro Corporation*	271.1	343.2	26.6	Buy	43.6	57.7	55.5	26.00	30.00	29.00	4.7	4.9	11.1	10.7	0.7	0.6	15.5	13.4	KSE100, KSE30, KMI & MSCI
FFBL	Fauji Fert. Bin Qasim	23.1	33.8	46.2	Buy	1.7	4.9	5.3	-	-	1.00	4.7	4.4	-	4.3	1.1	0.9	31.9	23.5	KSE100
EFERT	Engro Fertilizer	81.1	83.0	2.3	Hold	13.6	14.1	9.2	13.00	14.50	7.50	5.8	8.8	17.9	9.2	1.1	1.1	25.3	12.3	KSE100, KSE30, KMI & MSCI
FFC	Fauji Fertilizer Co.	106.0	145.1	36.9	Buy	16.4	16.9	18.8	11.20	13.00	15.00	6.3	5.6	12.3	14.2	2.8	2.6	47.9	47.9	KSE100, KSE30 & MSCI
FATIMA	Fatima Fertilizer Co.	35.6	na	na	na	6.3	na	na	2.50	na	-	Group Company: No estimates are given						KSE100 & KMI		
AHCL	Arif Habib Corp. Ltd.	36.0	na	na	na	6.5	18.3	na	1.50	3.00	-	Group Company: No estimates are given						KSEALL		
Cement																				
LUCK	Lucky Cement Ltd.	680.8	1,004.4	47.5	Buy	10.3	43.5	53.1	-	-	-	15.6	12.8	-	-	1.9	1.7	13.2	14.1	KSE100, KSE30, KMI & MSCI
LUCK	Lucky Cement Ltd.*	680.8	1,004.4	47.5	Buy	19.0	70.7	104.2	-	-	-	9.6	6.5	-	-	1.4	1.2	15.8	19.4	KSE100, KSE30, KMI & MSCI
FCCL	Fauji Cement Co.	17.3	30.3	75.2	Buy	(0.0)	2.5	3.5	-	-	0.50	6.9	4.9	-	2.9	1.0	0.9	16.1	19.1	KSE100 & KMI
ACPL	Attock Cement Ltd.	132.2	203.4	53.9	Buy	8.1	8.1	9.3	3.50	4.00	3.00	16.4	14.2	3.0	2.3	1.1	1.0	6.6	7.2	KSEALL & KMI
DGKC	D.G. Khan Cement Co.	76.0	119.5	57.3	Buy	(4.9)	8.5	11.0	-	1.00	-	8.9	6.9	1.3	-	0.5	0.4	5.3	6.3	KSE100, KSE30 & KMI
KOHC	Kohat Cement Co.	181.4	261.4	44.1	Buy	(2.2)	17.4	28.1	-	-	-	10.4	6.5	-	-	1.6	1.3	17.1	22.5	KSE100 & KMI
MCLFC	Maple Leaf Cement*	34.3	46.0	34.2	Buy	(3.2)	3.5	3.8	-	-	1.00	9.8	9.0	-	2.9	1.1	1.0	11.0	11.4	KSE100, KSE30 & KMI
POWER	Power Cement	6.3	na	na	na	(3.4)	0.2	na	-	-	-	Group Company: No estimates are given						KSEALL & KMI		
Oil & Gas Marketing																				
PSO	Pakistan State Oil	185.5	300.0	61.7	Buy	(13.8)	62.1	75.8	-	15.00	20.00	3.0	2.4	8.1	10.8	0.6	0.5	23.0	23.3	KSE100, KSE30, KMI & MSCI
APL	Attock Petroleum Ltd.	323.2	436.0	34.9	Buy	10.1	49.4	58.5	9.00	27.00	32.50	6.5	5.5	8.4	10.1	1.4	1.3	23.9	24.3	KSE100 & KMI
HTL	Hi-Tech Lubricants Ltd.	46.1	78.3	69.8	Buy	0.9	4.7	5.8	-	4.00	3.00	9.9	8.0	8.7	6.5	1.5	1.3	15.7	17.7	KSEALL & KMI
SNGP	Sui Northern Gas Pipeline Ltd.	33.2	80.9	143.8	Buy	9.5	21.2	19.8	4.00	6.00	6.00	1.6	1.7	18.1	18.1	0.6	0.5	49.7	49.7	KSE100 & KMI
Automobile Assemblers and Parts																				
PSMC	Pak Suzuki Motor Co.	223.0	327.9	47.0	Buy	(19.3)	35.7	41.3	-	15.00	17.00	6.2	5.4	6.7	7.6	0.7	0.7	11.7	12.6	KSE100 & KMI
INDU	Indus Motor Co.	1,300.0	1,823.7	40.3	Buy	64.7	163.2	248.2	30.00	103.50	125.00	8.0	5.2	8.0	9.6	2.1	1.8	28.7	36.8	KSE100
HCAR	Honda Atlas Cars (Pak)	203.2	316.5	55.8	Buy	4.8	12.6	22.6	1.00	4.52	8.00	16.2	9.0	2.2	3.9	1.6	1.4	10.3	16.8	KSE100 & KMI
MTL	Millat Tractors Ltd.	880.9	1,153.0	30.9	Buy	32.0	85.9	90.6	40.00	100.00	90.00	10.3	9.7	11.4	10.2	6.5	6.5	87.8	66.9	KSE100, KMI & MSCI
PTL	Panther Tyres Ltd.	38.6	53.3	38.2	Buy	1.5	5.1	5.2	-	2.00	1.00	7.6	7.4	5.2	2.6	1.0	0.9	16.7	12.4	KSEALL & KMI
Power Generation & Distribution**																				
HUBC	Hub Power Company*	81.9	132.1	81.8	Buy	19.3	26.0	26.0	-	12.00	13.25	3.2	3.1	14.7	16.2	1.0	0.8	34.8	28.5	KSE100, KSE30, KMI & MSCI
NCPL	Nishat Chu. Power Ltd.	16.6	14.5	(3.7)	Hold	12.5	6.8	4.5	-	-	1.50	2.4	3.7	-	9.0	0.3	0.3	12.4	7.5	KSEALL
NPL	Nishat Power Limited	20.0	22.7	23.7	Buy	13.8	7.6	6.5	2.00	1.50	2.00	2.6	3.1	7.5	10.0	0.3	0.3	10.8	9.0	KSEALL
KAPCO	Kot Addu Power Co.	35.1	50.2	43.0	Buy	26.8	11.6	11.9	1.50	10.00	10.00	3.0	2.9	28.5	28.5	0.5	0.5	16.3	17.0	KSE100 & KSE30
Textile Composite																				
NML	Nishat Mills Ltd.	82.4	144.6	75.5	Buy	10.0	16.8	28.2	3.00	4.00	11.50	4.9	2.9	4.9	14.0	0.3	0.3	7.5	11.0	KSE100 & KMI
NCL	Nishat (Chunian) Ltd.	49.8	58.4	17.5	Buy	1.1	23.3	20.0	1.00	5.00	4.00	2.1	2.5	10.1	8.0	0.6	0.5	34.3	23.1	KSE100
FML	Feroze 1888 Mills Ltd.	68.7	124.2	80.9	Buy	7.4	10.8	10.1	2.34	3.43	4.28	6.4	6.8	5.0	6.2	1.1	1.0	18.9	15.6	KSE100 & KMI
ILP	Interloop Ltd.	74.0	92.7	25.4	Buy	2.0	7.0	10.6	2.00	2.50	4.00	10.6	6.9	3.4	5.4	3.2	2.5	33.3	40.6	KSE100 & KMI
Chemicals																				
LOTCEM	Lotte Chemical Pak Ltd.	15.1	18.5	23.2	Buy	1.4	2.8	2.4	0.75	1.50	1.00	5.4	6.3	10.0	6.6	1.2	1.0	22.7	17.4	KSE100
EPCL	Engro Polymer & Chem.	57.3	77.5	35.2	Buy	6.3	16.3	13.8	1.25	11.80	5.50	3.5	4.1	20.6	9.6	1.7	1.4	53.0	37.6	KSE100, KSE30 & KMI
ICI	ICI Pakistan Ltd.*	760.7	1,064.7	40.0	Buy	25.1	60.7	91.9	16.00	40.00	40.00	12.5	8.3	5.3	5.3	2.8	2.2	23.7	29.4	KSE100 & KMI
Leather																				
SGF	Service Global Footwear Limiter	48.7	71.3	46.3	Buy	3.5	2.7	4.8	-	1.50	2.50	18.0	10.2	3.1	5.1	1.5	1.4	10.3	14.4	KSEALL
Engineering																				
ASTL	Amreli Steels Ltd.	42.8	61.2	43.0	Buy	(4.2)	4.6	8.2	-	-	0.50	9.3	5.2	-	1.2	0.9	0.8	11.0	16.0	KSEALL
ITTEFAQ	Ittefaq Iron Industries Ltd.	11.5	13.7	19.8	Buy	(1.7)	1.8	3.4	-	-	-	6.2	3.4	-	-	0.4	0.3	6.2	10.5	KSEALL & KMI
AGHA	Agha Steel Industries Ltd.	23.8	53.9	126.8	Buy	2.0	3.4	4.8	-	-	1.00	7.1	5.0	-	4.2	1.0	0.9	18.5	19.3	KMI
Food & Personal Care Product																				
UNITY	Unity Foods Ltd.	29.3	38.8	32.6	Buy	0.2	3.4	3.3	-	-	1.00	8.7	8.8	-	3.4	2.2	1.8	35.0	22.3	KSE100, KSE30 & KMI

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

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
BAFL	38.3	7.1	10.8	10.8	38.3	33.4	38.3	30.2	38.3	27.1
UNITY	29.3	6.3	10.5	10.5	30.7	21.0	41.0	21.0	49.4	21.0
KOHC	181.4	3.4	(3.8)	(3.8)	201.7	166.4	225.4	152.9	246.7	152.9
NPL	20.0	3.3	0.4	0.4	20.1	17.1	20.1	16.9	25.6	16.9
NML	82.4	3.0	3.5	3.5	92.7	77.0	95.2	77.0	117.4	76.3
HUBC	81.9	2.7	14.8	14.8	82.0	69.9	82.0	69.6	82.4	69.0
EFERT	81.1	2.5	6.6	6.6	81.3	70.7	81.3	65.7	81.3	50.5
AHCL	36.0	2.1	0.3	0.3	36.6	32.2	37.7	32.2	39.1	31.7
MLCF	34.3	2.0	(4.6)	(4.6)	40.0	31.5	46.2	31.1	49.3	31.1
LUCK	680.8	2.0	0.2	0.2	790.3	630.9	883.4	630.9	940.7	630.9
PSO	185.5	1.8	2.0	2.0	196.5	164.1	219.4	164.1	240.3	164.1
ICI	760.7	1.7	(0.0)	(0.0)	811.9	709.2	875.5	709.2	897.6	709.2
FABL	26.6	1.6	15.5	15.5	28.7	22.7	28.7	17.9	28.7	15.4
NCL	49.8	1.6	9.2	9.2	50.8	39.5	50.8	39.5	50.8	39.1
EPCL	57.3	1.5	5.7	5.7	60.8	51.0	60.8	47.9	60.8	35.9
FATIMA	35.6	1.2	(1.1)	(1.1)	36.6	29.0	36.6	28.1	36.6	26.0
PTL	38.6	1.2	(7.7)	(7.7)	46.1	34.9	62.0	34.9	63.1	34.9
LOTCHEM	15.1	1.1	10.2	10.2	15.2	12.9	15.2	12.0	15.6	11.6
POWER	6.3	0.8	(0.9)	(0.9)	7.8	6.1	9.3	6.1	11.8	6.1
POL	393.0	0.7	9.9	9.9	396.1	334.8	396.1	334.8	396.1	324.2
MEBL	137.8	0.6	2.8	2.8	153.6	134.1	153.6	112.3	153.6	84.3
MCB	160.6	0.5	4.7	4.7	163.1	146.7	163.1	144.2	167.1	144.2
ASTL	42.8	0.4	(4.4)	(4.4)	48.5	40.0	48.5	36.5	51.9	36.5
ABL	89.0	0.2	8.2	8.2	89.0	74.0	89.0	66.3	89.0	63.6
SGF	48.7	0.0	5.1	5.1	54.1	43.4	60.2	41.1	63.8	41.1
INDU	1,300.0	0.0	5.8	5.8	1,324.8	1,183.2	1,324.8	1,064.1	1,324.8	888.6
ENGRO	271.1	(0.2)	(0.5)	(0.5)	289.5	265.3	289.9	261.7	294.8	250.0
MTL	880.9	(0.4)	2.2	2.2	909.0	854.0	909.0	847.5	909.0	727.9
FML	68.7	(0.5)	(6.1)	(6.1)	92.3	68.5	101.3	68.5	113.5	68.5
APL	323.2	(0.6)	2.9	2.9	330.2	296.5	330.2	288.9	343.9	288.9
BOP	8.4	(0.6)	(1.2)	(1.2)	8.9	8.3	8.9	7.9	8.9	7.7
UBL	140.1	(0.7)	2.6	2.6	143.9	133.3	143.9	111.2	143.9	103.2
MARI	1,698.5	(0.7)	2.7	2.7	1,737.1	1,603.5	1,779.2	1,417.6	1,779.2	1,286.0
ILP	74.0	(0.7)	1.7	1.7	75.6	64.9	76.8	64.9	76.8	58.7
AGHA	23.8	(0.8)	(9.1)	(9.1)	32.5	22.0	32.5	22.0	39.5	22.0
FCCL	17.3	(1.1)	(5.7)	(5.7)	21.5	16.8	22.3	16.2	27.2	16.2
NCPL	16.6	(1.2)	3.8	3.8	17.5	12.1	17.5	11.7	19.5	11.7
NBP	34.5	(1.2)	(0.0)	(0.0)	36.4	33.0	36.4	32.5	42.9	30.5
ITTEFAQ	11.5	(1.2)	(4.3)	(4.3)	15.1	10.9	18.0	10.9	21.9	10.9
HBL	120.5	(1.3)	3.4	3.4	128.0	114.9	128.0	106.3	133.0	106.3
DGKC	76.0	(1.3)	(8.4)	(8.4)	95.8	68.4	112.6	68.4	139.7	68.4
PSMC	223.0	(1.4)	(4.4)	(4.4)	250.9	208.1	364.5	202.9	364.5	202.9
SNGP	33.2	(1.6)	(0.7)	(0.7)	43.6	33.2	50.5	33.2	50.5	32.4
AKBL	23.0	(1.7)	4.5	4.5	24.0	21.9	24.6	20.2	24.6	19.0
ACPL	132.2	(1.7)	(4.9)	(4.9)	148.1	120.9	164.1	120.9	185.2	120.9
OGDC	86.3	(1.8)	0.1	0.1	88.8	79.6	90.0	78.0	106.3	78.0
KAPCO	35.1	(1.9)	8.6	8.6	35.8	28.3	35.8	26.6	37.0	26.6
HTL	46.1	(1.9)	6.0	6.0	60.6	38.1	66.8	38.1	74.9	38.1
PPL	78.6	(2.0)	(0.6)	(0.6)	82.1	70.5	82.1	69.8	92.3	69.8
HCAR	203.2	(6.1)	(14.2)	(14.2)	244.4	195.0	366.0	195.0	388.4	195.0
FFBL	23.1	(13.5)	(6.8)	(6.8)	27.3	23.0	27.3	20.2	29.2	20.2

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

Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	241.59	246.00	SELL	-4.41	Individuals	214.94	202.58	BUY	12.37
Companies	42.30	22.86	BUY	19.45	Companies	19.44	29.76	SELL	-10.32
Banks / DFIs	8.15	8.70	SELL	-0.55	Banks / DFIs	9.41	3.49	BUY	5.92
NBFC	0.04	0.13	SELL	-0.09	NBFC	0.19	0.06	BUY	0.13
Mutual Funds	18.59	13.84	BUY	4.75	Mutual Funds	12.40	20.21	SELL	-7.80
Other Organizations	5.05	20.12	SELL	-15.08	Other Organizations	1.90	1.25	BUY	0.65
Broker Proprietary Trading	70.21	70.87	SELL	-0.67	Broker Proprietary Trading	51.06	50.37	BUY	0.68
Insurance Companies	4.46	3.86	BUY	0.60	Insurance Companies	1.21	0.75	BUY	0.45
Total	390.39	386.38	BUY	4.00	Total	310.55	308.47	BUY	2.09

LIPI Sector Wise

Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	32.52	32.07	BUY	0.45	Commercial Banks	12.42	11.98	BUY	0.44
Fertilizer	13.64	12.52	BUY	1.11	Fertilizer	5.57	5.44	BUY	0.13
Cement	20.77	19.52	BUY	1.25	Cement	11.00	11.35	SELL	-0.35
Power Generation & Distribution	14.37	14.04	BUY	0.33	Power Generation & Distribution	11.92	12.59	SELL	-0.68
Exploration & Production	14.78	14.21	BUY	0.57	Exploration & Production	13.99	13.87	BUY	0.13
Oil & Gas Marketing Companies	14.60	14.29	BUY	0.31	Oil & Gas Marketing Companies	6.24	4.94	BUY	1.30
Food and Personal Care Products	35.95	35.40	BUY	0.55	Food and Personal Care Products	12.27	12.38	SELL	-0.11
Textile Composite	8.44	8.95	SELL	-0.51	Textile Composite	4.31	4.07	BUY	0.24
Technology and Communication	154.35	151.99	BUY	2.36	Technology and Communication	119.97	118.73	BUY	1.24
Debt	0.75	0.75	SELL	0.00	Debt	0.29	0.29	SELL	0.00
All other Sectors	80.22	82.64	SELL	-2.42	All other Sectors	52.03	52.33	SELL	-0.30
Total	390.39	386.38	BUY	4.00	Total	250.03	247.97	BUY	2.09

FIPI Normal

Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.02	0.01	BUY	0.01	Foreign Individuals	0.19	0.00	BUY	0.19
Foreign Corporates	5.00	6.92	SELL	-1.92	Foreign Corporates	2.08	4.87	SELL	-2.79
Overseas Pakistani	18.33	20.43	SELL	-2.09	Overseas Pakistani	15.21	14.71	BUY	0.51
Total	23.36	27.36	SELL	-4.00	Total	17.49	19.57	SELL	-2.09

FIPI Sector Wise

Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.14	1.59	SELL	-0.45	Commercial Banks	1.36	1.45	SELL	-0.09
Fertilizer	0.57	1.68	SELL	-1.11	Fertilizer	0.61	0.73	SELL	-0.12
Cement	0.63	1.87	SELL	-1.25	Cement	0.98	0.71	BUY	0.27
Power Generation & Distribution	1.12	1.45	SELL	-0.33	Power Generation & Distribution	1.31	0.92	BUY	0.40
Exploration & Production	0.53	1.09	SELL	-0.57	Exploration & Production	0.87	1.00	SELL	-0.14
Oil & Gas Marketing Companies	1.19	1.51	SELL	-0.31	Oil & Gas Marketing Companies	0.43	1.80	SELL	-1.38
Food and Personal Care Products	1.79	2.34	SELL	-0.55	Food and Personal Care Products	0.95	0.91	BUY	0.04
Textile Composite	0.99	0.48	BUY	0.51	Textile Composite	0.28	0.54	SELL	-0.25
Technology and Communication	8.75	11.10	SELL	-2.36	Technology and Communication	6.68	7.63	SELL	-0.95
All other Sectors	6.66	4.25	BUY	2.42	All other Sectors	4.02	3.90	BUY	0.13
Total	23.36	27.36	SELL	-4.00	Total	17.49	19.57	SELL	-2.09

Source: NCCPL, AHL Research

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.5	1.4	1.5	1.9	2.2	3.0	3.0	3.9	2.2	2.4	8.6	-72.4%
P/E (x)	14.4	20.8	11.3	14.1	15.5	15.3	9.8	13.0	8.7	13.6	5.1	-62.3%
P/B (x)	2.0	3.1	2.0	1.5	8.7	1.6	1.2	2.1	0.9	2.6	0.8	-68.9%

Source: Bloomberg, AHL Research

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)
Brazil	IBOV Index	112,612	3.9	10.3	10.3	Czech Republic	PX Index	1,413	(2.5)	(0.9)	(0.9)
Argentina	MERVAL Index	85,969	2.4	1.0	1.0	Norway	OBXP Index	551	(2.7)	(4.5)	(4.5)
Kazakhstan	KZKAK Index	3,524	1.5	(3.9)	(3.9)	Latvia	RIGSE Index	1,258	(2.7)	(2.8)	(2.8)
Lebanon	BLOM Index	978	0.9	(5.0)	(5.0)	Kenya	NSEASI Index	160	(2.9)	(4.3)	(4.3)
Russia	IMOEX Index	3,481	0.8	(11.6)	(11.6)	Lithuania	VILSE Index	949	(2.9)	(3.4)	(3.4)
Russia	RTSI\$ Index	1,413	0.8	(11.5)	(11.5)	Chile	IPSA Index	4,563	(3.0)	11.8	11.8
Uae	ADSMI Index	8,766	0.7	3.3	3.3	Estonia	TALSE Index	1,930	(3.0)	(5.1)	(5.1)
Jordan	JOSMGNFF Index	2,199	0.6	3.6	3.6	USA	NDX Index	14,003	(3.0)	(14.2)	(14.2)
Romania	BET Index	13,128	0.4	(1.0)	(1.0)	Portugal	PSI20 Index	5,515	(3.0)	(3.1)	(3.1)
Dubai	DFMGI Index	3,220	0.3	0.8	0.8	Austria	ATX Index	3,807	(3.2)	(3.0)	(3.0)
Vietnam	VNIndex Index	1,479	0.3	(0.6)	(0.6)	Spain	IBEX Index	8,546	(3.5)	(3.5)	(3.5)
Mauritius	SEMDEX Index	2,135	0.2	2.0	2.0	Sri Lanka	CSEALL Index	12,863	(3.6)	5.88	5.88
Pakistan	KSE100 Index	45,078	0.1	1.2	1.2	Mexico	MEXBOL Index	50,466	(3.7)	(6.7)	(6.7)
Nigeria	NGSEINDX Index	46,153	0.0	9.7	9.7	Croatia	CRO Index	2,123	(3.8)	0.4	0.4
Qatar	DSM Index	12,509	(0.1)	7.9	7.9	Denmark	KFX Index	1,625	(3.9)	(14.3)	(14.3)
Bahrain	BHSEASI Index	1,808	(0.3)	0.6	0.6	Bulgaria	SOFIX Index	615	(3.9)	(4.9)	(4.9)
USA	INDU Index	34,161	(0.3)	(6.0)	(6.0)	Greece	ASE Index	922	(4.0)	0.9	0.9
Philippines	PCOMP Index	7,252	(0.5)	1.5	1.5	Ireland	ISEQ Index	8,077	(4.1)	(6.4)	(6.4)
Ghana	GGSECI Index	2,774	(0.8)	(2.2)	(2.2)	India	SENSEX Index	57,200	(4.1)	(2.5)	(2.5)
Malaysia	FBMKLCI Index	1,520	(0.9)	(3.8)	(3.8)	Italy	FTSEMIB Index	26,366	(4.4)	(5.1)	(5.1)
Tunisia	TUSISE Index	7,101	(0.9)	(0.6)	(0.6)	France	CAC Index	6,876	(4.5)	(6.0)	(6.0)
Saudi Arabia	SASEIDX Index	12,179	(0.9)	8.1	8.1	Germany	DAX Index	15,176	(4.5)	(6.0)	(6.0)
Mongolia	MSETOP Index	41,530	(0.9)	(6.3)	(6.3)	Japan	NKY Index	26,717	(4.6)	(7.5)	(7.5)
Bangladesh	DSEX Index	7,028	(1.1)	3.8	3.8	Belgium	BEL20 Index	4,023	(4.8)	(8.7)	(8.7)
Taiwan	TWSE Index	17,674	(1.4)	(3.2)	(3.2)	China	SHSZ300 Index	4,564	(4.9)	(7.7)	(7.7)
Oman	MSM30 Index	4,171	(1.5)	1.0	1.0	Finland	HEX Index	11,908	(5.0)	(8.9)	(8.9)
Hungary	BUX Index	52,347	(1.6)	4.4	4.4	Switzerland	SMI Index	11,994	(5.1)	(8.6)	(8.6)
USA	SPX Index	4,327	(1.6)	(9.2)	(9.2)	Europe	SX5E Index	4,089	(5.1)	(7.0)	(7.0)
Ukraine	PFTS Index	522	(1.7)	(5.0)	(5.0)	Netherland	AEX Index	738	(5.2)	(9.6)	(9.6)
Canada	SPTSX Index	20,544	(1.8)	(3.8)	(3.8)	Australia	AS51 Index	6,988	(5.5)	(10.0)	(10.0)
Indonesia	JCI Index	6,646	(1.9)	(0.1)	(0.1)	Hong Kong	HSI Index	23,550	(5.8)	0.7	0.7
Iceland	ICEXI Index	2,550	(2.0)	(2.8)	(2.8)	Luxembourg	LUXXX Index	1,662	(5.8)	(2.2)	(2.2)
Egypt	EGX30 Index	11,500	(2.0)	(4.0)	(4.0)	Slovenia	SBITOP Index	1,274	(5.8)	(0.4)	(0.4)
UK	UKX Index	7,442	(2.0)	(0.4)	(0.4)	South Africa	JALSH Index	73,012	(5.8)	1.0	1.0
Thailand	SET Index	1,640	(2.1)	(1.3)	(1.3)	Sweden	OMX Index	2,232	(6.4)	(11.8)	(11.8)
Serbia	BELEX15 Index	857	(2.3)	2.8	2.8	New Zealand	NZSE Index	1,915	(6.7)	(13.2)	(13.2)
Singapore	FSSTI Index	3,246	(2.4)	3.2	3.2	Poland	WIG20 Index	2,171	(7.5)	(5.6)	(5.6)
Turkey	XU100 Index	1,985	(2.5)	3.8	3.8						

Source: Bloomberg, AHL Research, * Last Closing

Key Economic Data & Commodities Prices

Month end	Units	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Current*
Money Market Data														
03-M T-Bill	%	7.1	7.2	7.4	7.3	7.4	7.3	7.2	7.2	7.6	8.2	9.7	10.4	10.2
06-M T-Bill	%	7.2	7.4	7.8	7.5	7.6	7.5	7.5	7.4	8.0	8.8	10.2	11.3	10.5
12-M T-Bill	%	7.3	7.7	7.9	7.7	7.7	7.8	7.7	7.6	8.7	9.1	10.7	11.4	10.8
03-Y PIB	%	8.3	8.7	9.4	8.9	9.0	9.0	8.9	8.7	9.7	9.9	11.4	11.4	10.7
05-Y PIB	%	9.3	9.5	9.9	9.4	9.4	9.5	9.4	9.3	10.0	10.2	11.5	11.5	10.8
10-Y PIB	%	10.0	10.0	10.4	10.0	9.9	9.9	10.0	9.9	10.5	11.0	11.9	11.6	11.2
06-M KIBOR	%	7.4	7.6	7.9	7.6	7.7	7.7	7.6	7.5	8.2	8.9	10.3	11.5	10.7
Policy Rate	%	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.25	7.25	8.75	9.75	9.75
Inflation (YoY)														
Headline (CPI New Base)	%	5.7	8.7	9.1	11.1	10.9	9.7	8.4	8.4	9.0	9.2	11.5	12.3	12.3
Monetary Sector														
M1	PKR bn	17,930	18,186	18,403	18,723	18,935	19,824	19,888	19,812	20,085	19,902	20,128	na	20,128
M2	PKR bn	21,429	21,683	21,985	22,213	22,476	23,722	23,576	23,537	23,904	23,646	23,933	na	23,933
M3	PKR bn	25,708	25,935	26,228	26,441	26,606	27,731	27,563	27,494	27,840	27,576	27,857	na	27,857
Banking Sector														
Deposits	PKR bn	17,086	17,257	17,906	17,561	17,955	19,796	18,839	19,208	19,829	19,344	19,668	20,972	20,972
Advances	PKR bn	8,467	8,527	8,600	8,665	8,811	8,996	8,878	8,936	9,290	9,394	9,646	10,149	10,149
Investment	PKR bn	11,421	11,612	12,553	12,418	13,068	13,742	14,102	13,902	14,096	13,796	13,556	14,124	14,124
WALR	%	8.0	7.9	7.8	8.0	7.9	8.0	7.8	7.8	7.7	7.9	8.01	8.68	8.7
WADR	%	3.6	3.6	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.84	4.61	4.6
Spread	%	4.4	4.4	4.3	4.5	4.5	4.5	4.2	4.3	4.1	4.2	4.17	4.07	4.1
External Sector														
Forex Reserves	USD bn	20.1	20.1	20.6	22.7	23.3	23.3	24.9	27.2	26.0	23.8	22.3	22.5	22.5
With SBP	USD bn	13.0	13.0	13.5	15.6	16.1	16.1	17.8	20.1	19.3	17.2	16.0	16.2	16.2
With Banks	USD bn	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.1	6.7	6.6	6.4	6.3	6.3
Exchange rate	PKR/USD	159.83	160.22	152.76	153.45	154.40	157.54	162.43	166.39	170.66	171.65	175.72	176.51	176.77
C/A Balance	USD mn	(219)	(34)	(364)	(188)	(650)	(1,619)	(814)	(1,473)	(1,134)	(1,760)	(1,908)	(1,932)	(1,932)
Exports	USD bn	2.1	2.2	2.6	2.3	2.1	2.5	2.3	2.3	2.6	2.4	2.7	2.9	2.9
Imports	USD bn	4.4	4.5	5.2	5.0	5.0	6.3	5.4	6.0	6.1	6.0	6.4	6.5	6.5
Trade Balance	USD bn	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.4)	(3.7)	(3.4)	(3.7)	(3.7)	(3.6)	(3.6)
Remittances	USD bn	2.3	2.3	2.7	2.8	2.5	2.7	2.7	2.7	2.7	2.5	2.4	2.5	2.5
Key Commodities Prices														
International														
Coal	USD/ton	87.1	83.3	96.9	93.2	108.3	114.9	123.0	146.8	200.5	220.0	117.0	137.3	174.9
Steel (HRC)	USD/ton	700.9	697.1	818.6	888.4	886.2	836.9	918.7	887.4	900.1	848.0	744.9	747.2	765.5
PTA	USD/ton	510.0	585.0	690.0	695.0	695.0	745.0	750.0	745.0	745.0	780.0	735.0	725.0	805.0
Gold	USD/oz	1,898.7	1,860.8	1,707.7	1,769.1	1,906.9	1,770.1	1,814.2	1,813.6	1,757.0	1,783.4	1,774.5	1,829.2	1,797.4
Cotton (COTLOOK A)	USd/lb	84.6	86.6	87.2	91.9	89.7	96.6	100.3	103.7	110.2	123.1	123.3	125.9	135.1
Crude oil (WTI)	USD/bbl	48.5	53.6	59.2	63.6	66.3	73.5	74.0	68.5	75.0	83.6	66.2	75.2	86.6
Crude oil (Arab Light)	USD/bbl	49.9	55.6	63.4	66.1	68.7	75.0	75.4	72.2	79.0	83.9	72.8	79.2	90.8
Crude oil (Brent)	USD/bbl	51.8	56.4	63.5	67.3	69.3	75.1	76.3	73.0	78.5	84.4	70.6	77.8	89.3
Local														
Cotton	PKR/maund	10,200	10,800	11,500	11,300	12,300	12,600	13,000	14,200	14,100	15,400	17,500	18,000	19,400
Cement	PKR/bag	587	597	611	615	615	640	654	674	678	723	742	739	737
Gold	PKR/10 grms	97,737	97,136	90,880	89,510	93,020	92,770	93,880	92,250	97,310	102,280	101,680	107,940	108,880

*Current Price

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'22 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 +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 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 PPL, OGDC, NBP, AKBL, PSO, SNGP and EPCL.