

Bulls win the tug-of-war

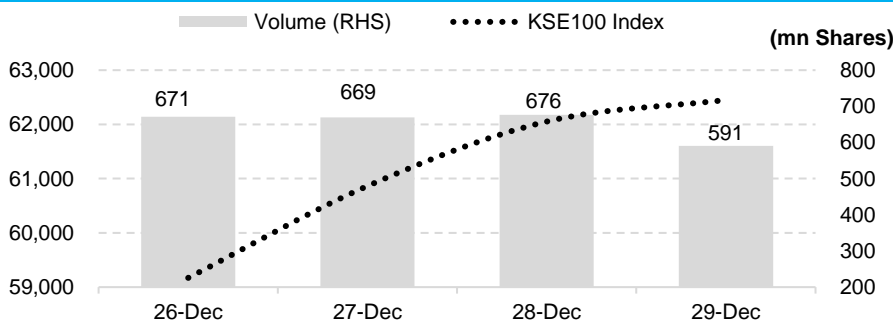
The market witnessed a meltdown at the beginning of the week amid profit-taking by investors owing to a substantial reduction in leveraged positions (losing 2,534 points DoD on the first day of the week). This bearish momentum was short-lived, as the market rebounded the following day by 1,693 pts (marking the third-highest increase in its history). The SBP reserves climbed by USD 853mn, settling at USD 7.8bn owing inflows from international creditors. Furthermore, Govt. disbursed PKR 131bn and PKR 57bn to Government-owned power plants and K-Electric, respectively. Meanwhile, the Asian Infrastructure Investment Bank approved USD 250mn for the RISE-II development policy framework in Pakistan. In addition to this, Pakistan and Saudi Arabia agreed on a bilateral legal framework for Saudi investment. Moreover, PKR/USD strengthened by PKR 0.67 | +0.24%, clocking in at PKR 281.86. Hence, KSE-100 closed at 62,451pts, gaining 746pts (+1.21%) WoW.

Sector-wise positive contributions came from i) Commercial Banks (369pts), ii) Cement (224pts), iii) Fertilizer (148pts), iv) Food & Personal Care (40pts), and v) Leather & Tanneries (39pts). Meanwhile, the sectors which mainly contributed negatively were i) Oil & Gas Exploration Companies (71pts), ii) Technology (44pts), iii) Automobile Assembler (42pts), iv) Miscellaneous (38pts), and v) Oil & Gas Marketing Companies (35pts). Scrip-wise positive contributors were MEBL (143pts), UBL (106pts), EFERT (80pts), LUCK (64pts), and MCB (60pts). Meanwhile, scrip-wise negative contributions came from HBL (91pts), PPL (57pts), PSEL (46pts), TRG (43pts), and PSO (34pts).

Foreigner selling was witnessed during this week, clocking in at USD 1.9mn compared to a net buy of USD 2.7mn last week. Major selling was witnessed in Banks (USD 1.6mn) and Textile (USD 0.5mn). On the local front, buying was reported by Insurance (USD 4.3mn) followed by Banks (USD 2.9mn). Average volumes arrived at 652mn shares (down by 46% WoW) while the average value traded settled at USD 62mn (down 20% WoW).

Other major news: i) Avanceon Arabia InfoTech sign \$3.6m deal for smart city project in Makkah, ii) PIA sends SOS to govt, wants SBP to arrange Rs15bn loan, iii) Crescent Steel bags Rs2.1bn pipe contract from Sui Southern Gass, iv) Govt borrowing jumps 200pc to Rs2.876trn YoY.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

We expect the local bourse to remain in the green zone. Moreover, we expect influx of fresh liquidity amid "January effect". Moreover, the scrips are trading at attractive valuations, and are expected to further boost positive sentiment at the index. Our preferred stocks are OGDC, PPL, MARI, MCB, UBL, MEBL, FABL, HBL LUCK, MLCF, FCCL, FFC, HUBC, PSO and INDU. The KSE-100 is currently trading at a PER of 4.2x (2024) as compared to its 5-year average of 5.9x offering a dividend yield of ~10.7% as compared to its 5-year average of ~6.0%.

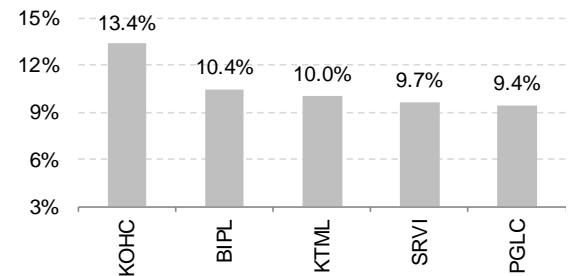
PSX Indices Performance

Index	Current	WoW (%)	CY23TD (%)
KSE100	62,451	1.2	54.5
KSEAll	41,916	1.5	52.2
KSE30	20,777	1.0	40.0
KMI30	104,729	1.1	53.4
BKTI	14,958	2.5	61.3
OGTI	14,861	(0.9)	37.5

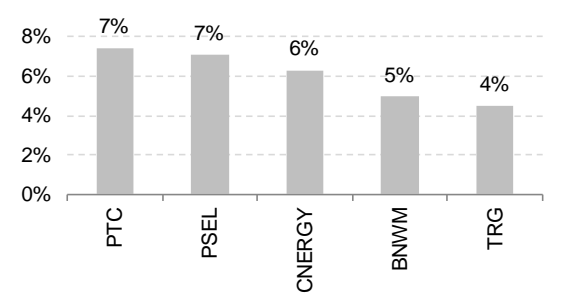
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	101.1	5.3
WTL	45.9	1.4
FFL	41.9	11.1
CENERGY	36.8	4.9
BOP	28.3	6.5

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



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Best Brokerage House of the Year 2023

Best Economic Research House of the Year: 2023

Corporate Finance House of the Year: 2023

Best Equity Research Analyst: 2022

Best Equity Sales Person (Runner up): 2023



Best Securities House: 2023
Best Investment Bank: 2023



Best Equity House: 2022

Business and Economic News of the Week

CPPA seeks Rs4.66 per unit FCA for XW Discos (BR)

The Central Power Purchasing Agency (CPPA) has sought a massive Rs4.66 per unit fuel cost adjustment (FCA) for an increase in ex-Wapda distribution companies (Discos) to generate additional amount in January 2024. The National Electric Power Regulatory Authority (Nepra) will hold a public hearing today (Wednesday 7 December 2023) on the CPPA-G's request. In a petition, the CPPA acting as commercial agent of the Discos demanded an additional FCA of Rs4.66 per unit in the billing month of January 2024 for electricity consumed in November.

Profit repatriation surges four-fold in July-November (The News)

Foreign investors in Pakistan repatriated more than half a billion dollars in profits and dividends in the first five months of the 2023/24 fiscal year, a four-fold increase from a year ago, central bank data showed on Wednesday. The State Bank of Pakistan (SBP) said repatriation of profits and dividends on foreign investment rose to \$532.2 million in July-November, up 312 percent from \$129 million in the same period last year. In November, the multinational corporations (MNCs) operating in Pakistan and foreign investors in the stock market repatriated profits and dividends to their home countries totaling \$46.8 million.

T-bill auction raises four times more than target (Dawn)

The cash-starved government raised almost 300 per cent more than the target through the auction of treasury bills on Wednesday, reflecting a widening gap between revenue collection and its ever-rising expenditures. The caretaker government has been borrowing heavily to meet the rising spending while the banks are equally eager to invest in the risk-free high-yielding government papers. In the last auction held on Dec 13, the government raised Rs2.15 trillion. The State Bank of Pakistan (SBP) reported the government raised Rs1.9tr mostly for 12-month tenor on Wednesday. Investors are cautious about the interest rate which may see a change in coming months.

SBP launches EFS for exporters (The News)

The State Bank of Pakistan has introduced a new scheme to facilitate exports by allowing the import of input goods without foreign exchange remittance. The scheme, called Export Facilitation Scheme (EFS), includes an International Toll Manufacturing (ITM) procedure, which enables a foreign principal to provide input goods to a local exporter to produce finished goods for export. The State Bank of Pakistan (SBP) said in a circular that a module has been developed by Pakistan Customs/ WeBOC to facilitate EFS, including import-cum-export transactions under ITM.

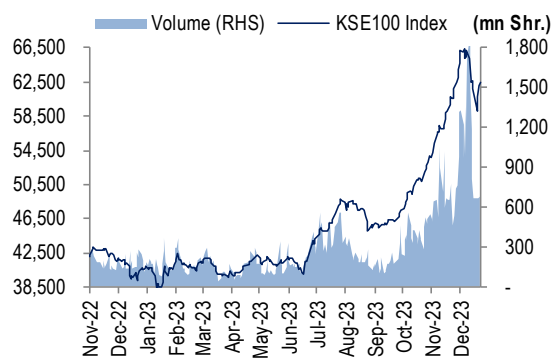
Inflation may ease to 24-25pc in January: finance ministry (Dawn)

The Ministry of Finance has anticipated that inflation will experience a gradual decline from this month mainly due to an improved supply situation, alleviation of imported inflationary pressures and the influence of a high-base effect. Inflation is expected to remain at 27.5-28.5 per cent in December 2023 and to fall further to 24-25pc in January 2024, according to the Monthly Economic Update and Outlook for December, released by the ministry on Wednesday.

Refineries shun Russian crude as fuel oil prices dip (The News)

Local refineries are reluctant to import the Russian crude oil as the global prices of furnace oil, a by-product of the Russian oil, have plunged, industry sources told The News on Tuesday. "We need the Russian crude oil at a discounted price because the price for the earlier cargo is not feasible in the present times when the furnace oil price has gone down in the international market," one source said.

PSX Volume and KSE100 Index



Top Contributors in KSE100 Index

Companies

Companies	Index Contribution
Bullish Companies	
MEBL	142.7
UBL	105.6
EFERT	80.3
LUCK	64.1
MCB	60.1
	452.8

Bearish Companies

HBL	(91.0)
PPL	(56.5)
PSEL	(45.6)
TRG	(42.9)
PSO	(34.5)
	(270.4)

Sectors

Sectors	Index Contribution
Bullish Sectors	
Commercial Banks	368.9
Cement	224.1
Fertilizer	147.7
Food & Personal Care Products	39.8
Leather & Tanneries	39.5
	819.9

Bearish Sectors

Oil & Gas Exploration Companies	(71.1)
Technology & Communication	(43.7)
Automobile Assembler	(41.6)
Miscellaneous	(37.8)
Oil & Gas Marketing Companies	(35.2)
	(229.4)

FinanceAsia

Best Investment Bank: 2022

Best Equity Advisor: 2021



Excellence Award Leading
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Best Money Market
Broker- (Islamic) 2021

AHL Universe - Recommendation Summary

Code	Company	Price 29-Dec-23	TP Dec-24	Total Return (%)	Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices	
						2023	2024	2025	2023	2024	2025	2023	2024	2023	2024	2023	2024	2023	2024		
Exploration & Production																					
PPL	Pakistan Petroleum Ltd.	115.0	129.61	12.7	Hold	37.4	39.5	37.4	2.50	3.50	3.50	3.1	2.9	2.2	3.0	0.6	0.5	20.9	18.3	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	112.5	165.6	47.3	Buy	52.2	45.2	43.5	8.55	9.00	8.75	2.2	2.5	7.6	8.0	0.4	0.4	22.9	17.0	KSE100, KSE30, KMI & MSCI	
POL	Pakistan Oilfields Ltd.	421.9	554.82	31.5	Buy	128.4	120.4	110.8	80.00	76.00	70.00	3.3	3.5	19.0	18.0	1.8	1.7	61.4	49.2	KSE100, KSE30 & MSCI	
MARI	Mari Petroleum Ltd	2,096.1	2,711.4	29.4	Buy	420.7	553.3	609.1	147.00	235.00	280.00	5.0	3.8	7.0	11.2	1.7	1.3	37.5	38.9	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	177.8	276.0	55.2	Buy	46.7	56.1	52.3	43.00	42.00	39.00	3.8	3.2	24.2	23.6	1.0	0.9	24.9	28.7	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	48.5	69.1	42.5	Buy	21.8	25.9	23.9	6.00	8.00	7.00	2.2	1.9	12.4	16.5	0.6	0.5	30.1	29.1	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	172.6	294.1	70.4	Buy	53.6	61.4	58.7	30.00	34.00	33.00	3.2	2.8	17.4	19.7	0.9	0.8	30.6	30.9	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	110.8	158.3	42.8	Buy	41.0	50.2	43.5	8.00	10.00	10.00	2.7	2.2	7.2	9.0	0.5	0.4	19.4	20.3	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	83.0	148.8	79.3	Buy	32.8	38.6	33.3	11.00	14.00	12.00	2.5	2.2	13.3	16.9	0.6	0.5	26.4	26.3	KSE100	
NBP	National Bank of Pakistan.*	32.1	47.6	48.3	Buy	23.5	26.0	22.4	-	3.00	2.00	1.4	1.2	-	9.3	0.2	0.2	15.0	14.6	KSE100	
AKBL	Askari Bank Ltd.*	24.7	33.7	36.3	Buy	12.7	15.0	13.8	3.00	5.00	4.00	1.9	1.7	12.1	20.2	0.4	0.3	22.4	22.1	KSE100	
BOP	The Bank of Punjab*	6.5	7.9	21.6	Buy	2.8	3.2	2.9	0.50	0.75	0.50	2.3	2.0	7.7	11.6	0.3	0.3	13.4	13.4	KSE100 & MSCI	
MEBL	Meezan Bank Ltd.*	161.4	240.0	48.7	Buy	47.5	57.7	54.9	18.00	22.00	21.00	3.4	2.8	11.2	13.6	1.7	1.2	58.5	50.7	KSE100, KSE30 & KMI	
FABL	Faysal Bank Ltd.*	32.6	53.4	63.8	Buy	12.0	16.1	14.9	4.00	6.00	6.00	2.7	2.0	12.3	18.4	0.6	0.5	24.0	27.9	KSE100, KMI & MSCI	
Fertilizer																					
ENGRO	Engro Corporation*	294.9	372.1	26.2	Buy	63.2	76.0	85.6	54.00	61.00	69.00	4.7	3.9	18.3	20.7	0.5	0.5	12.1	12.2	KSE100, KSE30, KMI & MSCI	
FFBL	Fauji Fert. Bin Qasim	31.9	29.9	(6.3)	Hold	2.1	4.6	5.5	-	-	1.00	15.1	7.0	-	-	1.6	1.3	11.4	20.8	KSE100, KMI & MSCI	
EFERT	Engro Fertilizer	112.2	110.2	(1.8)	Hold	16.4	17.5	18.1	18.00	20.00	20.00	6.9	6.4	16.0	17.8	3.5	3.8	49.7	56.7	KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	113.2	152.3	34.5	Buy	25.6	27.7	28.3	20.00	21.00	22.00	4.4	4.1	17.7	18.6	2.5	2.2	59.8	56.7	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	35.5	na	na	na	na	na	na	na	na	na	Group Company: No estimates are given									KSE100 & KMI
AHCL	Arif Habib Corp. Ltd.	35.9	na	na	na	8.4	na	na	-	na	na	Group Company: No estimates are given									KSEALL
Cement																					
LUCK	Lucky Cement Ltd.*	787.0	1,148.9	46.0	Buy	166.4	217.6	232.7	18.00	20.00	43.00	4.7	3.6	2.3	2.5	0.9	0.7	21.2	21.8	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	18.9	35.0	85.0	Buy	3.0	3.8	7.0	-	-	2.00	6.2	4.9	-	-	0.7	0.6	12.1	13.5	KSE100, KMI & MSCI	
ACPL	Attock Cement Ltd.	96.2	155.1	61.2	Buy	11.0	22.2	30.4	6.00	10.00	12.00	8.7	4.3	6.2	10.4	0.2	0.2	4.0	4.9	KSEALL, KMI & MSCI	
DGKC	D.G. Khan Cement Co.	77.4	98.7	27.5	Buy	(8.3)	9.8	16.2	-	-	4.00	(9.3)	7.9	-	-	0.5	0.5	(5.4)	6.5	KSE100, KSE30, KMI & MSCI	
KOHC	Kohat Cement Co.	234.2	322.1	37.5	Buy	29.7	38.6	37.3	-	11.58	11.18	7.9	6.1	-	4.9	1.4	1.1	19.4	20.8	KSE100, KSE30, KMI & MSCI	
MLCF	Maple Leaf Cement.*	38.9	59.4	52.5	Buy	5.4	6.7	8.2	-	2.00	3.00	7.2	5.8	-	5.1	0.9	4.3	13.2	26.5	KSE100, KMI & MSCI	
POWER	Power Cement	6.0	na	na	na	0.2	na	na	-	na	na	Group Company: No estimates are given									KMI
Oil & Gas Marketing																					
PSO	Pakistan State Oil	176.7	258.8	46.5	Buy	12.1	65.9	73.7	7.50	10.00	12.00	14.7	2.7	4.2	5.7	0.4	0.4	2.6	13.7	KSE100, KSE30, KMI & MSCI	
APL	Attock Petroleum Ltd.	378.51	398.20	5.2	Hold	100.2	97.3	110.6	27.50	57.50	67.50	3.8	3.9	7.3	15.2	1.0	0.9	30.2	25.4	KSE100 & KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	73.5	84.3	14.7	Hold	18.8	23.3	25.6	8.00	7.00	8.00	3.9	3.2	10.9	9.5	0.9	0.8	149.7	249.7	KSE100, KSE30, KMI & MSCI	
Automobile Assemblers																					
PSMC	Pak Suzuki Motor Co.	558.4				Coverage Restricted due to Advisory Mandate															KSE100 & KMI
INDU	Indus Motor Co.	1,199.9	1,571.0	30.9	Buy	123.0	186.1	227.1	71.80	109.00	133.00	9.8	6.4	6.0	9.1	1.6	1.4	16.9	23.2	KSE100	
HCAR	Honda Atlas Cars (Pak)	213.7	248.1	16.1	Buy	1.8	19.4	27.8	-	8.00	11.00	117.3	11.0	-	3.7	1.6	1.5	1.3	13.8	KSE100 & KMI	
MTL	Millat Tractors Ltd.	581.3	661.2	13.8	Hold	17.6	48.6	59.0	25.00	49.00	53.00	33.0	12.0	4.3	8.4	14.4	14.6	45.8	121.4	KSE100, KSE30, KMI & MSCI	
Power Generation & Distribution																					
HUBC	Hub Power Company*	117.1	170.7	45.8	Buy	44.4	53.4	57.5	30.00	30.00	24.25	2.6	2.2	25.6	25.6	1.0	0.8	40.6	39.4	KSE100, KSE30, KMI & MSCI	
NCPL	Nishat Chu. Power Ltd.	28.0	29.6	5.7	Hold	10.8	12.7	10.3	-	4.00	2.75	2.6	2.2	-	14.3	0.4	0.4	16.4	18.1	KMI & MSCI	
NPL	Nishat Power Ltd.	31.0	35.8	15.5	Buy	11.6	13.6	9.9	7.00	6.00	4.00	2.7	2.3	22.6	19.4	0.4	0.3	14.1	15.4	KSEALL & MSCI	
Textile Composite																					
NML	Nishat Mills Ltd.	76.7	107.3	39.9	Buy	34.6	41.3	44.4	5.00	6.00	6.50	2.2	1.9	6.5	7.8	0.3	0.3	14.4	15.2	KSE100, KMI & MSCI	
NCL	Nishat (Chunian) Ltd.	26.0	39.0	50.4	Buy	(4.2)	10.8	11.5	-	4.00	4.00	(6.2)	2.4	-	15.4	0.3	0.3	(4.4)	12.1	KSEALL	
ILP	Interloop Ltd.	72.0	99.2	37.8	Buy	14.4	16.2	20.1	5.00	5.50	8.00	5.0	4.4	6.9	7.6	2.3	1.7	52.2	44.3	KSE100 & KMI	
Chemicals																					
LOTCEM	Lotte Chemical Pak Ltd.	26.99	27.90	3.4	Hold	4.5	4.5	4.9	3.50	2.00	2.50	6.0	6.0	13.0	7.4	1.7	1.4	28.8	25.6	KSE100 & KMI	
EPCL	Engro Polymer & Chem.	46.6	56.8	21.9	Buy	6.6	8.6	10.6	5.50	6.00	7.50	7.0	5.4	11.8	12.9	1.5	1.4	22.1	27.8	KSE100, KSE30 & KMI	
LCI	Lucky Core Industries Ltd.	778.6	937.1	20.4	Buy	191.1	86.8	113.1	43.00	40.00	50.00	4.1	9.0	5.5	5.1	1.6	1.1	45.7	14.6	KSE100 & KMI	
Leather & Tanneries																					
SGF	Service Global Footwear Ltd.	60.32	76.40	26.7	Buy	4.9	8.8	14.3	3.00	3.50	5.50	12.3	6.8	5.0	5.8	1.9	1.6	15.9	25.6	KMI	
Engineering																					
ASTL	Amreli Steels Ltd.	23.1	27.4	18.6	Buy	(2.3)	1.5	5.7	-	-	2.00	(10.1)	15.3	-	-	0.5	0.5	(4.6)	3.0	KSEALL	
AGHA	Agha Steel Industries Ltd.	14.2	26.7	87.8	Buy	1.5	1.1	5.1	-	-	-	9.5	13.2	-	-	0.5	0.5	5.6	3.9	KMI	
ASL	Aisha Steel Mills Ltd.	8.7	na	na	na	(3.5)	na	na	-	na	na	Group Company: No estimates are given									KSEALL
Technology & Communication																					
SYS	Systems Ltd.	423.6	614.0	44.9	Buy	31.7	35.7	43.1	5.00	6.75	12.50	13.3	11.9	1.2	1.6	3.8	2.9	33.3	27.5	KSE100, KSE30, KMI & MSCI	

Source: Bloomberg, AHL Research, *Earnings Consolidated Basis

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
SGF	60.32	17.07	44.76	99.14	60.32	31.64	60.32	27.40	60.32	23.03
AKBL	24.72	8.75	12.57	41.43	25.18	15.57	25.18	13.58	25.18	12.12
POWER	5.96	8.17	3.83	29.00	6.43	4.06	6.43	3.49	6.43	3.49
FFBL	31.90	7.44	32.92	108.09	32.08	15.10	32.08	12.67	32.08	11.11
MEBL	161.36	6.97	4.21	84.60	175.04	116.53	175.04	91.91	175.04	77.46
FATIMA	35.49	5.00	5.00	26.51	35.89	28.98	35.89	25.44	35.89	23.90
ACPL	96.22	4.51	4.77	82.56	107.42	79.87	107.42	73.13	107.42	48.59
FCCL	18.92	4.47	7.87	57.40	20.51	11.90	20.51	10.54	20.51	10.51
FABL	32.58	4.46	19.21	43.51	33.41	23.09	33.41	20.42	33.41	18.37
UBL	177.84	4.16	(2.03)	140.52	190.05	138.63	190.05	113.79	190.05	67.60
EFERT	112.23	4.08	11.21	78.67	114.72	76.75	114.72	70.50	114.72	61.97
LOTCHEM	26.99	3.29	(2.56)	22.83	28.59	24.50	29.34	22.60	29.81	20.52
DGKC	65.79	2.99	22.58	(15.14)	82.43	47.15	82.43	41.54	82.43	39.44
LUCK	786.98	2.97	-	82.24	818.48	580.18	818.48	514.35	818.48	371.22
MLCF	38.92	2.96	(1.59)	72.44	42.71	31.95	42.71	27.05	42.71	19.34
MCB	172.55	2.85	2.86	82.24	191.57	129.29	191.57	109.15	191.57	87.67
MARI	2,096.10	2.53	22.74	49.43	2,191.83	1,528.65	2,191.83	1,474.96	2,191.83	1,260.12
LCI	778.60	2.41	12.09	30.67	799.01	571.11	799.01	554.30	799.01	485.52
APL	378.51	2.24	4.08	43.30	403.54	295.67	403.54	269.21	403.54	264.37
ILP	72.00	1.80	7.37	110.83	75.25	44.51	75.25	34.93	75.25	28.44
EPCL	46.59	1.77	3.44	30.11	51.25	39.15	51.25	37.08	51.25	34.95
BAFL	48.51	1.70	7.18	87.63	53.19	38.31	53.19	31.65	53.19	24.29
FML	90.25	1.40	4.82	62.76	93.00	81.00	93.00	61.56	93.00	48.22
HUBC	117.09	0.77	(4.24)	134.85	123.69	80.45	123.69	68.82	123.69	45.65
FFC	113.19	0.73	0.78	32.48	120.77	90.34	120.77	87.50	120.77	86.42
ENGRO	294.91	0.70	1.00	32.79	325.10	250.59	325.10	236.68	325.10	223.97
ABL	83.00	0.57	(1.17)	51.08	90.51	67.29	90.51	63.23	90.51	54.84
SNGP	73.52	0.41	16.62	102.56	78.47	46.48	78.47	41.02	78.47	34.15
HCAR	213.72	(0.37)	(7.25)	28.55	232.13	133.16	232.13	99.59	232.13	82.41
HUMNL	6.85	(0.44)	(5.39)	17.29	8.04	5.47	8.04	5.35	8.04	5.30
OGDC	112.45	(1.02)	3.35	54.61	126.75	91.39	126.75	80.55	126.75	67.70
AHCL	35.92	(1.24)	19.73	4.30	38.79	24.50	38.79	24.35	38.79	23.25
AGHA	14.23	(1.39)	(9.07)	2.37	16.16	10.79	16.16	9.19	16.16	9.11
KAPCO	28.43	(1.39)	(0.42)	48.91	31.99	21.95	31.99	18.86	31.99	16.48
INDU	1,199.92	(1.66)	0.82	30.95	1,292.53	869.18	1,292.53	864.68	1,292.53	731.72
POL	421.94	(2.00)	(2.97)	30.27	451.57	387.84	451.57	355.51	451.57	326.66
ITTEFAQ	7.79	(2.01)	1.56	40.36	8.62	5.61	8.62	4.75	8.62	4.20
MTL	581.27	(2.13)	(0.76)	107.99	655.84	427.10	655.84	382.07	655.84	276.20
BOP	6.48	(2.26)	19.56	55.96	7.57	3.94	7.57	3.42	7.57	3.19
NML	76.72	(2.34)	(1.94)	51.41	83.64	57.68	83.64	53.08	83.64	45.52
PPL	115.03	(2.38)	25.35	74.50	126.26	71.46	126.26	64.82	126.26	55.25
NBP	32.11	(2.49)	3.31	36.12	37.46	22.77	37.46	20.22	37.46	18.89
NPL	30.95	(2.83)	5.60	112.63	33.85	23.40	33.85	17.33	33.85	13.66
PSO	176.71	(2.96)	1.39	30.18	217.22	116.04	217.22	103.66	217.22	93.36
NCL	25.95	(3.60)	(9.86)	24.52	29.99	22.03	29.99	19.98	29.99	19.98
NCPL	27.97	(3.65)	14.68	96.56	32.23	21.59	32.23	17.91	32.23	13.60
ASTL	23.06	(4.00)	(9.57)	28.47	27.53	20.17	27.53	17.41	27.53	14.99
HBL	110.84	(4.41)	(0.74)	88.89	129.52	91.48	129.52	74.74	129.52	56.54
PSMC	558.36	(8.16)	4.24	226.97	607.99	132.49	607.99	102.53	607.99	82.38

Source (s): Bloomberg, AHL Research

Pakistan Weekly Update

Pakistan
Stock Market



December 29, 2023

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	4.0	1.4	3.1	2.7	3.6	3.4	3.6	3.5	2.0	3.1	10.7	-71.4%
P/E (x)	13.9	18.4	9.5	11.1	7.6	14.6	9.9	16.1	9.1	12.6	4.2	-66.6%
P/B (x)	1.9	3.0	1.5	1.3	1.0	1.3	1.1	2.2	0.9	1.4	0.7	-47.0%

Source: Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	290.30	296.81	SELL	(6.51)
Companies	19.43	20.57	SELL	(1.14)
Banks / DFIs	19.76	16.85	BUY	2.91
NBFC	0.14	0.07	BUY	0.07
Mutual Funds	11.58	11.43	BUY	0.15
Other Organizations	4.43	3.73	BUY	0.70
Broker Proprietary Trading	75.58	74.15	BUY	1.44
Insurance Companies	7.18	2.91	BUY	4.26
Total	428.41	426.52	BUY	1.89

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	306.39	308.75	SELL	(2.35)
Companies	14.74	14.61	BUY	0.12
Banks / DFIs	12.59	8.10	BUY	4.48
NBFC	0.10	0.09	BUY	0.01
Mutual Funds	6.89	20.35	SELL	(13.45)
Other Organizations	3.40	3.42	SELL	(0.02)
Broker Proprietary Trading	66.69	67.31	SELL	(0.62)
Insurance Companies	11.92	2.73	BUY	9.19
Total	422.71	425.36	SELL	-2.65

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	32.71	31.15	BUY	1.56
Fertilizer	18.41	18.46	SELL	(0.05)
Cement	27.26	27.49	SELL	(0.23)
Power Generation & Distribution	23.97	23.92	BUY	0.05
Exploration & Production	73.61	73.44	BUY	0.17
Oil & Gas Marketing Companies	36.40	36.06	BUY	0.34
Food and Personal Care Products	23.05	23.26	SELL	(0.21)
Textile Composite	8.57	8.08	BUY	0.49
Technology and Communication	67.75	67.82	SELL	(0.07)
Debt	2.00	1.99	BUY	0.01
All other Sectors	114.68	114.85	SELL	(0.16)
Total	428.41	426.52	BUY	1.89

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	32.81	31.58	BUY	1.23
Fertilizer	15.32	13.98	BUY	1.34
Cement	23.10	24.16	SELL	(1.06)
Power Generation & Distribution	36.23	39.70	SELL	(3.47)
Exploration & Production	71.85	72.18	SELL	(0.33)
Oil & Gas Marketing Companies	35.87	35.44	BUY	0.42
Food and Personal Care Products	19.80	20.34	SELL	(0.54)
Textile Composite	3.96	4.16	SELL	(0.20)
Technology and Communication	55.25	54.60	BUY	0.64
Debt	0.01	0.01	SELL	-
All other Sectors	127.78	128.48	SELL	(0.70)
Total	421.98	424.63	SELL	(2.65)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	2.72	2.67	BUY	0.05
Foreign Corporates	4.10	6.87	SELL	(2.77)
Overseas Pakistani	24.22	23.39	BUY	0.83
Total	31.04	32.92	SELL	(1.89)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.17	0.01	BUY	0.16
Foreign Corporates	10.04	9.70	BUY	0.34
Overseas Pakistani	26.10	23.94	BUY	2.15
Total	36.31	33.66	BUY	2.65

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.49	3.05	SELL	(1.56)
Fertilizer	2.21	2.16	BUY	0.05
Cement	2.57	2.34	BUY	0.23
Power Generation & Distribution	2.24	2.29	SELL	(0.05)
Exploration & Production	4.40	4.57	SELL	(0.17)
Oil & Gas Marketing Companies	1.59	1.93	SELL	(0.34)
Food and Personal Care Products	1.93	1.72	BUY	0.21
Textile Composite	0.26	0.75	SELL	(0.49)
Technology and Communication	7.00	6.93	BUY	0.07
All other Sectors	7.34	7.17	BUY	0.16
Total	31.04	32.92	SELL	(1.89)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.75	2.98	SELL	(1.23)
Fertilizer	1.83	3.17	SELL	(1.34)
Cement	3.10	2.04	BUY	1.06
Power Generation & Distribution	6.64	3.17	BUY	3.47
Exploration & Production	6.13	5.80	BUY	0.33
Oil & Gas Marketing Companies	1.72	2.15	SELL	(0.42)
Food and Personal Care Products	1.69	1.15	BUY	0.54
Textile Composite	0.55	0.35	BUY	0.20
Technology and Communication	3.86	4.50	SELL	(0.64)
All other Sectors	9.04	8.35	BUY	0.70
Total	36.31	33.66	BUY	2.65

Source (s): NCCPL, AHL Research

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

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY23TD (%)
Mongolia	MSETOP Index	41,437	6.2	11.8	10.4	Indonesia	JCI Index	7,273	0.8	3.6	6.7
Zimbabwe	ZHIALSH Index	210,834	5.2	6.8	19.3	Lithuania	VILSE Index	944	0.8	0.7	3.0
Hong Kong	HSI Index	17,047	4.3	0.0	(13.9)	Estonia	TALSE Index	1,767	0.8	2.5	3.3
Taiwan	TWSE Index	17,931	3.9	5.2	27.5	Slovenia	SBITOP Index	1,251	0.8	5.1	23.5
South Africa	JALSH Index	76,893	3.6	4.1	(2.8)	Czech Republic	PX Index	1,412	0.7	1.5	18.4
Singapore	FSSTI Index	3,240	3.5	6.8	1.1	USA	NDX Index	16,898	0.7	6.0	54.5
China	SHSZ300 Index	3,431	3.3	(1.4)	(13.9)	Italy	FTSEMIB Index	30,439	0.7	4.0	32.6
South Korea	KOSPI Index	2,655	3.0	5.8	16.4	Luxembourg	LUXXX Index	1,526	0.7	10.4	7.9
Russia	IMOEX Index	3,096	3.0	(2.0)	17.2	Romania	BET Index	15,335	0.7	5.0	35.0
Qatar	DSM Index	10,590	3.0	5.5	(0.6)	Poland	WIG20 Index	2,355	0.7	8.2	46.3
Chile	IPSA Index	6,246	2.8	5.7	14.3	Finland	HEX Index	10,129	0.7	5.3	(3.2)
Saudi Arabia	SASEIDX Index	11,932	2.7	6.8	14.2	Germany	DAX Index	16,742	0.7	4.9	24.2
Vietnam	VNIndex Index	1,130	2.4	3.2	9.2	Croatia	CRO Index	2,517	0.6	5.0	32.3
Russia	RTSI\$ Index	1,082	2.3	(3.0)	11.5	Hungary	BUX Index	60,556	0.6	5.7	48.9
Bahrain	BHSEASI Index	1,961	2.3	1.1	3.5	Europe	SX5E Index	4,529	0.6	5.0	23.3
Iceland	ICEXI Index	2,126	2.1	12.5	0.5	USA	SPX Index	4,783	0.6	4.7	24.6
Thailand	SET Index	1,416	2.0	5.8	(14.0)	Mexico	MEXBOL Index	57,464	0.6	9.2	36.6
Tunisia	TUSISE Index	8,718	1.7	3.1	9.2	UK	UKX Index	7,733	0.6	4.6	9.1
Switzerland	SMI Index	11,092	1.6	6.7	13.8	Ghana	GGSECI Index	3,131	0.6	(0.8)	8.5
India	SENSEX Index	72,240	1.6	8.1	18.1	Canada	SPTSX Index	20,929	0.6	6.3	10.5
Japan	NKY Index	33,464	1.6	4.6	18.7	Serbia	BELEX15 Index	876	0.5	1.4	10.2
Egypt	EGX30 Index	24,691	1.5	(0.3)	35.4	Spain	IBEX Index	10,120	0.5	2.2	27.0
Latvia	RIGSE Index	1,337	1.5	0.3	19.8	Greece	ASE Index	1,290	0.4	2.8	43.3
Pakistan	KSE100 Index	62,451	1.4	4.4	24.1	France	CAC Index	7,558	0.3	5.0	20.6
New Zealand	NZSE Index	1,778	1.4	6.4	(1.4)	Portugal	PSI20 Index	6,407	0.2	0.6	15.6
Norway	OBXP Index	572	1.3	5.5	(0.0)	Kenya	NSEASI Index	92	0.2	(2.2)	(43.2)
Bulgaria	SOFIX Index	746	1.2	1.6	28.4	Lebanon	BLOM Index	1,995	0.1	22.6	41.5
Kazakhstan	KZKAK Index	4,187	1.2	0.9	30.5	Jordan	JOSMGNFF Index	2,428	0.1	0.9	(2.9)
Denmark	KFX Index	2,283	1.1	4.2	28.2	Ireland	ISEQ Index	8,760	0.0	6.5	27.3
Sri Lanka	CSEALL Index	10,654	1.1	2.0	42.5	Belgium	BEL20 Index	3,704	(0.0)	0.8	(5.3)
Brazil	IBOV Index	134,185	1.0	6.8	33.1	Belgium	BEL20 Index	3,704	(0.0)	0.8	(5.3)
Australia	AS51 Index	7,591	1.0	10.1	7.4	Mauritius	SEMDEX Index	2,038	(0.5)	(1.7)	(1.2)
Austria	ATX Index	3,426	1.0	5.8	13.2	Philippines	PCOMP Index	6,450	(0.8)	3.8	(1.4)
Uae	ADSMI Index	9,578	0.9	0.2	(6.2)	Ukraine	PFTS Index	507	(1.4)	(4.5)	(5.3)
Dubai	DFMGI Index	4,060	0.9	1.7	21.7	Oman	MSM30 Index	4,485	(1.7)	(3.7)	(7.7)
Sweden	OMX Index	2,399	0.9	12.2	22.0	Turkey	XU100 Index	7,462	(2.4)	(8.3)	(14.2)
Malaysia	FBMKLCI Index	1,455	0.9	1.7	(6.7)	Nigeria	NGSEINDX Index	74,774	(4.1)	(9.7)	(29.3)
USA	INDU Index	37,710	0.9	4.9	13.8	Argentina	MERVAL Index	904,067	(5.1)	(50.4)	(1.9)
Netherland	AEX Index	789	0.9	4.7	18.2						

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

Key Economic Data & Commodities Prices

Month end	Units	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Current*
Money Market Data														
03-M T-Bill	%	16.7	17.75	19.53	21.60	21.90	22.09	22.65	22.95	23.13	22.46	21.65	21.33	21.30
06-M T-Bill	%	17.0	17.87	19.82	21.32	21.80	22.00	22.87	22.99	23.20	22.81	21.70	21.33	21.37
12-M T-Bill	%	17.0	17.95	19.93	21.39	21.76	22.00	22.93	23.02	23.28	22.90	21.76	21.30	21.35
03-Y PIB	%	15.6	16.83	18.20	18.33	18.30	19.10	19.47	19.46	20.57	19.11	17.82	16.50	16.55
05-Y PIB	%	14.6	15.48	15.80	15.23	15.00	15.10	16.08	16.86	17.22	17.23	15.46	15.90	15.92
10-Y PIB	%	13.7	14.45	15.50	15.22	15.10	15.10	15.32	15.96	16.31	16.12	15.15	14.97	14.91
06-M KIBOR	%	17.0	17.97	20.06	22.03	22.06	22.18	22.97	23.22	23.21	22.95	22.00	21.47	21.50
Policy Rate	%	16.00	17.00	17.00	20.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Inflation (YoY)														
Headline (CPI New Base)	%	24.5	27.6	31.6	35.4	36.4	38.0	29.4	28.3	27.4	31.4	26.8	29.2	29.2
Monetary Sector														
M1	PKR bn	22,963	22,798	23,131	24,074	24,802	25,017	26,157	25,857	25,964	26,184	26,403	n.a	26,403
M2	PKR bn	27,335	27,292	27,878	28,732	29,433	29,859	31,280	30,966	31,209	31,425	31,722	n.a	31,722
M3	PKR bn	30,744	30,688	31,241	32,070	32,743	33,140	34,545	34,246	34,483	34,287	34,906.3	n.a	34,906
Banking Sector														
Deposits	PKR bn	22,467	22,754	22,921	23,562	23,429	24,388	25,508	25,702	26,110	26,318	26,398	26,798	26,798
Advances	PKR bn	11,913	11,659	11,723	11,836	12,111	12,072	12,202	11,898	11,775	11,857	11,898	11,964	11,964
Investment	PKR bn	17,902	19,293	18,993	19,236	19,695	20,144	20,896	21,468	22,016	22,622	23,232	24,587	24,587
WALR	%	14.6	15.0	15.5	16.3	17.6	17.7	18.2	18.4	18.9	19.3	19.3	19.3	19.3
WADR	%	8.1	8.0	8.7	8.7	9.7	10.2	10.5	11.3	11.3	11.4	11.6	11.7	11.7
Spread	%	6.5	7.0	6.8	7.5	7.9	7.6	7.7	7.1	7.6	7.9	7.7	7.6	7.6
External Sector														
Forex Reserves	USD bn	10.8	8.4	9.3	9.8	10.0	9.5	9.2	13.5	13.2	12.5	12.0	12.0	12.9
With SBP	USD bn	5.3	3.1	3.8	4.2	4.5	4.1	4.4	8.2	7.8	7.6	7.4	7.4	7.8
With Banks	USD bn	5.6	5.3	5.5	5.6	5.6	5.4	4.7	5.3	5.3	4.9	4.6	4.6	5.1
Exchange rate	PKR/USD	226.4	267.9	261.5	283.7	283.8	285.5	286.0	286.6	305.5	287.7	281.5	285.2	281.9
C/A Balance	USD mn	(290.0)	(230.0)	(36.0)	750.0	78.0	220.0	504.0	(775.0)	(160.0)	(46.0)	(184.0)	9.0	9.0
Exports	USD bn	2.3	2.2	2.2	2.4	2.1	2.6	2.1	2.1	2.5	2.5	2.8	2.7	2.7
Imports	USD bn	4.2	3.9	3.9	4.0	3.7	3.8	3.2	4.2	4.0	4.0	4.4	4.5	4.5
Trade Balance	USD bn	(1.9)	(1.7)	(1.7)	(1.6)	(1.6)	(1.2)	(1.1)	(2.1)	(1.5)	(1.5)	(1.6)	(1.7)	(1.7)
Remittances	USD bn	2.0	1.9	2.0	2.5	2.2	2.1	2.2	2.0	2.1	2.2	2.5	2.3	2.3
Key Commodities Prices														
International														
Coal	USD/ton	205.6	141.7	143.1	132.5	127.9	100.2	100.3	102.7	113.1	122.5	120.9	108.0	101.3
Steel (HRC)	USD/ton	595.5	635.9	628.8	636.2	574.0	519.9	531.7	569.1	543.3	532.3	526.8	560.2	574.8
PTA	USD/ton	790.0	830.0	785.0	840.0	875.0	780.0	770.0	825.0	800.0	830.0	790.0	765.0	780.0
Gold	USD/oz	1,824.0	1,928.4	1,826.9	1,980.4	1,990.0	1,962.7	1,913.7	1,965.1	1,940.2	1,864.9	1,983.9	2,036.4	2,065.6
Cotton (COTLOOK A)	USd/lb	99.3	102.0	99.4	96.5	93.2	93.8	89.3	94.9	97.0	98.4	95.0	89.7	90.4
Crude oil (WTI)	USD/bbl	80.3	78.9	77.1	74.4	76.8	68.1	67.7	81.8	83.6	91.7	81.0	76.0	71.8
Crude oil (Arab Light)	USD/bbl	84.2	82.9	83.4	78.8	80.9	74.7	77.8	88.8	90.5	97.7	91.2	87.7	82.4
Crude oil (Brent)	USD/bbl	85.9	84.5	83.9	79.3	79.5	72.7	72.3	85.6	86.9	95.4	87.4	82.8	78.4
Local														
Cotton	PKR/maund	17,000.0	21,000.0	20,000.0	18,700.0	20,000.0	20,000.0	17,500.0	17,935.0	20,100.0	17,700.0	17,000.0	17,200.0	17,000.0
Cement	PKR/bag	1,043.7	1,043.0	1,109.9	1,125.8	1,120.9	1,121.4	1,144.7	1,140.8	1,177.0	1,196.1	1,195.9	1,241.3	1,236.4
Gold	PKR/10 grms	158,780	173,190	166,580	178,160	188,230	197,620	185,270	190,590	207,050	176,270	185,530	186,474	188,020

*Current Price

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

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

Equity Valuation Methodology

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

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

Risks

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

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

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

Arif Habib Limited (AHL) has a shareholding in NBP, BOP, MLCF, HUBC, KEL and HUMNL.