

Market Review

Equities

Saudi Financial Support Rejuvenate Investors Sentiments

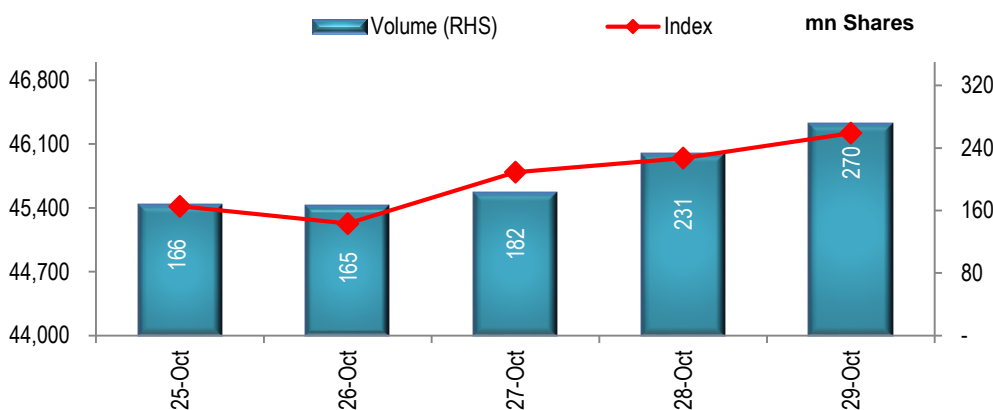
Market Commentary

This week trading activity remained jittery amid various macro-economic and security concerns including i) downside in Rupee to an all-time low of 175/USD, ii) augmenting inflationary reading going forward on account of increasing food and petroleum prices, and iii) TLP protest against the detention of its leader Saad Rizvi. However, market recovered most of the lost points as trading activity picked pace on the back of i) pledge of USD 4.2bn by Saudi Arabia to support Pakistan's economy (USD 3bn safe deposit and USD 1.2bn for Oil facility), and ii) recovery in the Pak Rupee, which appreciated from PKR 175/USD to PKR 171/USD. As a result, the KSE-100 index closed at 46,219pts, down by 641pts or 1.4% WoW.

Foreign selling continued this week, clocking-in at USD 2.7mn compared to a net sell of USD 7.3mn last week. Major selling was witnessed in Commercial Banks (USD 2.5mn) and Fertilizer (USD 1.7mn). On the local front, buying was reported by Other Organizations (USD 1.7mn) followed by Insurance Companies (USD 1.3mn). Average volumes clocked-in at 203mn shares (down by 32% WoW) while average value traded settled at USD 40mn (down by 37% WoW).

Other major news: i) Forex reserves fall to \$23.933bln, ii) Pakistan plans to issue dollar sukuk in two months, iii) Circular debt reaches Rs2.294trn in July-August, v) Total foreign loans hit \$3.2 billion in July-Sept, vi) CDWP puts Rs345.62bn projects on Ecnec table, vii) Govt to receive Rs60bn GDS from private plants, viii) Phase-III Thar coal mining expansion project approved, ix) NTDC to construct 765kv transmission line and x) IMF to allow Pakistan to utilize USD 2.78bn COVID support fund.

Exhibit: KSE100 index and volume



Outlook and Recommendation

We expect the market to show positivity in the upcoming week attributable to conclusion of talks with the IMF for the sixth tranche. Moreover, support from Saudi Arabia in terms of safe deposits, IMF tranche, and the upcoming Sukuk issue is (expected to raise USD 1,000mn) alongside suspension of debt repayment will release the pressure off of the country's foreign exchange reserves. However, current macro-economic concerns like rising imports and higher CPI could keep the market range-bound. Our preferred stocks are FABL, EPCL, PSO, OGDC, HUBC, HBL, MCB, LUCK, AGHA, FFC, ENGRO, INDU, PTL, SNGP, UNITY, HTL, and ILP. The KSE-100 is currently trading at a PER of 5.3x (2021) compared to Asia Pac regional average of 14.6x while offering a dividend yield of ~8.1% versus ~2.2% offered by the region.

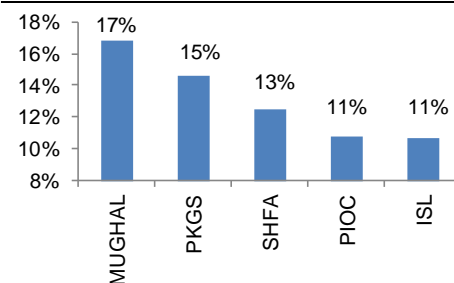
PSX Indices Performance

Index	Current	WoW (%)	CY21TD (%)
KSE100	46,219	1.41	5.6
KSEAI	31,637	1.58	2.8
KSE30	17,941	0.39	(1.3)
KMI30	74,564	1.59	4.8
BKTI	13,404	(1.30)	2.4
OGTI	11,543	0.30	(12.8)

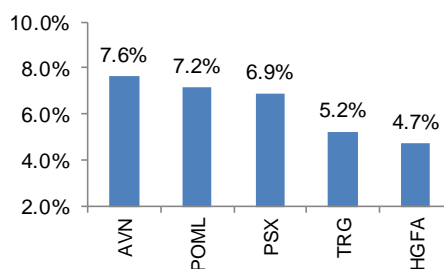
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
HUMNL	31.4	7.1
WTL	11.4	2.4
UNITY	9.0	28.5
TRG	6.8	121.8
MLCF	6.6	38.4

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



Analyst

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

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Best Equity Research
Analyst: 2020

Corporate Finance House
of the Year: 2020

Business & Economic developments during the week.**Tarin explains Saudi package, IMF talks (BR)**

There was no link of US \$ 4.2 billion Saudi package for Pakistan with the ongoing negotiation with the International Monetary Fund (IMF) on 6th review for revival of the Extended Fund Facility (EFF). This was stated by Advisor on Finance Shaukat Tarin, while addressing a press conference along with Minister for Energy Hammad Azhar on Wednesday. The adviser on finance said that he was informed by Saudi finance minister on Tuesday that funds are being released for Pakistan. He added that he was trying to provide relief to the people even in the face of rising global prices of oil products and this was done by lowering petroleum levy but stated that petroleum prices in Pakistan are still lower compared to other countries. The Adviser on Finance said an agreement has been reached with Saudi Arabia on \$1.2 billion oil facility on deferred payment for a period of one year and \$3 billion deposit in the State Bank of Pakistan (SBP) during Prime Minister Imran Khan's visit to Saudi Arabia and a meeting with Saudi Crown Prince Muhammad bin Salman.

WB projects Pak inflation at 9pc in current fiscal year (The News)

While lowering down Pakistan's GDP growth projection to 3.4 percent and keeping inflation at 9 percent for the current fiscal year, the World Bank has highlighted four major risks for Islamabad's economy, including external pressures and increasing exposure to debt-related shocks. This was highlighted in the World Bank's 'Pakistan Development Update: Reviving Exports', launched here at the WB office here on Thursday.

Finance ministry warns of higher inflation (Dawn)

Recording fiscal deficit during the first two months of the current fiscal year unchanged at 0.9 per cent of GDP, the finance ministry on Thursday warned that the exchange rate, commodity supplies and seasonality could intensify the magnitude of prices and transportation costs in the country. "The effect of these impulses — surge in international oil prices, exchange rate depreciation and adjustments in administered prices — may intensify the magnitude of prices and transportation cost," Economic Adviser's Wing of the Ministry of Finance stated in its monthly Economic Update & Outlook. The ministry said the country had seen the revival of economic activities but an unprecedented increase in international commodity prices was putting pressure on domestic prices as well as on the local currency.

Pakistan, Germany sign accord for suspension of debt worth 26.213mln euros (The News)

Pakistan and Germany on Thursday signed an agreement for the Debt Service Suspension Initiatives (DSSI) for phase-II for 26.213 million euros. A statement issued by German embassy in Islamabad said the signing of agreement coincides with the forthcoming celebrations for the 60 years of Pakistan-Germany development cooperation. KfW maintains an active portfolio of more than euro 600 million financial cooperation with Pakistan in the fields of energy and climate, governance, and training and jobs creation for sustainable economic growth.

CPEC carries no 'hidden' debt: Umar (BR)

Federal Planning and Development Minister Asad Umar said that misinformation was spread about the CPEC loan and clarified that the Chinese debt is only 26 percent of the total external liabilities of Pakistan. Asad Umar was talking to media persons in Islamabad on Tuesday. He said that CPEC-related projects are transparent and carry no hidden debt. Reacting to a recent report of an American think tank on CPEC, he said details about the corridor project have been shared on multiple occasions including at the level of parliament. There is also a parliamentary oversight on this mega project, he added. Asad Umar said the terms of debt financing for power projects executed under the CPEC is actually more favorable than the non-CPEC financing which had come in from other multilateral agencies.

AHL Universe - Recommendation Summary

Code	Company	Price 29-Oct-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.	76.5	148.7	94.4	Buy	18.5	19.3	20.4	1.00	3.50	2.00	4.0	3.7	4.6	2.6	0.5	0.5	14.4	13.6	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	85.5	187.1	118.8	Buy	23.5	21.3	26.1	6.75	6.90	10.50	4.0	3.3	8.1	12.3	0.4	0.4	11.3	11.6	KSE100, KSE30 & KMI	
POL	Pakistan Oilfields Ltd.	380.0	556.6	46.5	Buy	57.7	47.1	60.0	50.00	50.00	54.00	8.1	6.3	13.2	14.2	2.7	2.5	33.6	41.6	KSE100, KSE30, KMI & MSCI	
MARI	Mari Petroleum Ltd	1,695.0	1,962.5	15.8	Buy	227.2	235.7	247.5	6.10	141.00	148.51	7.2	6.8	8.3	8.8	1.9	1.5	29.4	24.1	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	140.7	148.7	5.7	Hold	17.1	24.1	27.2	12.00	15.00	17.00	5.8	5.2	10.7	12.1	0.9	0.8	14.5	16.4	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	35.7	42.9	20.3	Buy	6.1	7.9	9.0	4.00	5.00	5.50	4.5	4.0	14.0	15.4	0.6	0.6	14.7	15.6	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	164.0	225.8	37.7	Buy	24.8	24.9	28.5	20.00	19.50	20.00	6.6	5.7	11.9	12.2	1.0	1.0	15.5	17.6	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	123.1	179.7	46.0	Buy	21.1	24.1	27.6	4.25	7.00	8.00	5.1	4.5	5.7	6.5	0.6	0.6	12.8	13.6	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	79.0	103.2	30.7	Buy	16.0	16.3	18.2	8.00	8.00	8.50	4.9	4.3	10.1	10.8	0.7	0.7	14.2	15.7	KSE100	
NBP	National Bank of Pakistan.*	34.2	49.4	44.5	Buy	14.4	15.9	17.9	-	-	-	2.1	1.9	-	-	0.3	0.2	12.5	13.4	KSE100	
AKBL	Askari Bank Ltd.*	23.0	27.5	19.5	Buy	8.6	5.5	6.2	3.00	1.00	1.50	4.2	3.7	4.3	6.5	0.5	0.4	11.9	12.2	KSE100	
BOP	The Bank of Punjab*	8.8	10.9	24.3	Buy	2.6	4.1	4.6	1.00	0.75	1.00	2.1	1.9	8.6	11.4	0.4	0.4	20.2	21.1	KSE100	
MEBL	Meezan Bank Ltd.*	136.0	177.4	30.4	Buy	13.8	14.6	16.6	7.00	6.00	7.00	9.3	8.2	4.4	5.1	2.5	2.1	29.4	28.1	KSE100, KSE30 & KMI	
FABL	Faysal Bank Ltd.*	27.5	41.2	50.1	Buy	4.4	4.9	5.1	-	1.50	2.00	5.7	5.3	5.5	7.3	0.6	0.6	11.7	11.5	KSE100	
Fertilizer																					
ENGRO	Engro Corporation*	282.0	410.5	45.6	Buy	43.6	51.8	47.2	26.00	33.00	35.00	5.4	6.0	11.7	12.4	0.8	0.7	14.6	12.6	KSE100, KSE30, KMI & MSCI	
EFERT	Engro Fertilizer	71.5	77.8	8.8	Buy	13.6	14.3	7.1	13.00	14.50	6.50	5.0	10.1	20.3	9.1	2.2	2.2	42.5	21.7	KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	103.0	136.5	32.5	Buy	16.4	15.7	16.8	11.15	13.00	14.00	6.5	6.1	12.6	13.6	3.1	2.9	47.3	48.8	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	30.3	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.	772.0	1,387.3	79.7	Buy	10.3	43.5	68.8	-	-	22.00	17.7	11.2	-	2.8	2.2	1.9	13.2	18.1	KSE100, KSE30, KMI & MSCI	
LUCK	Lucky Cement Ltd.*	772.0	1,387.3	79.7	Buy	19.0	70.7	118.9	-	-	22.00	10.9	6.5	-	2.8	1.6	1.4	15.8	22.6	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	19.3	34.5	79.1	Buy	(0.0)	2.5	3.5	-	-	2.00	7.7	5.5	-	10.4	1.2	1.1	16.5	20.8	KSE100 & KMI	
ACPL	Attock Cement Ltd.	139.5	265.1	90.1	Buy	8.1	8.1	21.4	3.50	4.00	7.00	17.3	6.5	2.9	5.0	1.1	1.0	6.5	15.8	KSEALL & KMI	
DGKC	D.G. Khan Cement Co.	88.1	183.3	108.1	Buy	(4.9)	8.5	16.4	-	1.00	2.00	10.4	5.4	1.1	2.3	0.6	0.5	5.4	9.8	KSE100, KSE30 & KMI	
KOHC	Kohat Cement Co.	190.0	298.3	57.0	Buy	(2.2)	17.4	28.8	-	-	10.00	10.9	6.6	-	5.3	1.7	1.5	17.1	24.2	KSE100 & KMI	
MLCF	Maple Leaf Cement.*	38.4	70.0	82.6	Buy	(3.2)	3.5	7.6	-	-	1.00	11.0	5.0	-	2.6	1.1	0.9	10.5	19.8	KSE100, KSE30 & KMI	
POWER	Power Cement	7.4	na	na	na	(3.4)	0.2	na	-	-	-	Group Company: No estimates are given						KSEALL & KMI			
Oil & Gas Marketing																					
PSO	Pakistan State Oil	190.5	306.5	60.9	Buy	(13.8)	62.1	53.1	-	15.00	15.00	3.1	3.6	7.9	7.9	0.7	0.6	24.0	18.4	KSE100, KSE30, KMI & MSCI	
APL	Attock Petroleum Ltd.	326.0	441.5	35.4	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	
HTL	Hi-Tech Lubricants Ltd.	52.4	87.6	67.3	Buy	0.9	4.7	7.0	-	4.00	4.00	11.2	7.5	7.6	7.6	1.7	1.5	15.7	21.3	KSEALL & KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	39.4	91.1	131.3	Buy	9.5	21.6	21.4	4.00	6.00	6.00	1.8	1.8	15.2	15.2	0.7	0.5	49.7	49.7	KSE100 & KMI	
Automobile Assemblers and Parts																					
PSMC	Pak Suzuki Motor Co.	228.0	416.5	82.7	Buy	(19.3)	42.1	53.7	-	17.00	22.00	5.4	4.2	7.5	9.6	0.7	0.6	13.6	16.0	KSE100 & KMI	
INDU	Indus Motor Co.	1,175.0	1,524.5	29.7	Buy	64.7	163.2	165.7	30.00	103.50	109.00	7.2	7.1	8.8	9.3	1.9	1.9	28.7	26.7	KSE100	
HCAR	Honda Atlas Cars (Pak)	235.0	362.7	54.3	Buy	4.8	12.6	34.5	1.00	4.52	14.00	18.7	6.8	1.9	6.0	1.9	1.6	10.5	25.7	KSE100 & KMI	
MTL	Millat Tractors Ltd.	891.5	1,182.8	32.7	Buy	32.0	85.9	101.5	40.00	100.00	136.00	10.4	8.8	11.2	15.3	14.3	14.2	140.0	162.2	KSE100, KMI & MSCI	
PTL	Panther Tyres Ltd.	42.0	78.9	87.9	Buy	1.5	5.1	7.6	-	2.00	2.50	8.3	5.5	4.8	6.0	1.3	1.1	18.7	21.4	KSEALL & KMI	
Power Generation & Distribution**																					
HUBC	Hub Power Company*	76.3	144.6	89.5	Buy	19.3	26.0	27.8	-	12.00	12.75	2.9	2.7	15.7	16.7	0.9	0.8	34.8	30.1	KSE100, KSE30, KMI & MSCI	
NCPL	Nishat Chu. Power Ltd.	12.0	25.2	109.6	Buy	12.5	6.8	4.5	-	-	3.00	1.8	2.7	-	24.9	0.2	0.2	12.5	7.6	KSEALL	
NPL	Nishat Power Limited	17.7	35.0	97.5	Buy	13.8	7.6	5.0	2.00	1.50	9.00	2.3	3.5	8.5	50.8	0.2	0.2	10.8	6.7	KSEALL	
KAPCO	Kot Addu Power Co.	28.1	50.7	80.1	Buy	26.8	11.6	13.3	1.50	10.00	10.00	2.4	2.1	35.5	35.5	0.4	0.4	16.3	19.1	KSE100 & KSE30	
Textile Composite																					
NML	Nishat Mills Ltd.	90.5	162.3	79.4	Buy	10.0	16.8	22.5	3.00	4.00	7.00	5.4	4.0	4.4	7.7	0.4	0.4	8.0	10.0	KSE100 & KMI	
NCL	Nishat (Chunian) Ltd.	47.4	57.7	21.8	Buy	1.1	23.3	14.2	1.00	5.00	4.00	2.0	3.3	10.5	8.4	0.6	0.6	35.9	18.1	KSE100	
FML	Feroze 1888 Mills Ltd.	101.0	144.9	43.5	Buy	7.8	11.4	17.5	2.34	3.43	6.98	8.8	5.8	3.4	6.9	1.5	1.3	18.6	24.2	KSE100 & KMI	
ILP	Interloop Ltd.	75.0	95.4	27.1	Buy	2.0	7.0	10.4	2.00	2.50	5.50	10.7	7.2	3.3	7.3	3.3	2.7	33.4	41.4	KSE100 & KMI	
Chemicals																					
LOTCHEM	Lotte Chemical Pak Ltd.	13.8	15.4	11.5	Buy	1.4	2.9	2.2	0.75	1.50	1.00	4.8	6.3	10.9	7.2	1.2	1.0	24.4	17.5	KSE100	
EPCL	Engro Polymer & Chem.	59.2	81.1	37.0	Buy	6.3	15.3	16.6	1.25	3.00	5.00	3.9	3.6	5.1	8.4	1.5	1.1	44.0	35.9	KSE100, KSE30 & KMI	
ICI	ICI Pakistan Ltd.*	805.0	1,040.3	29.2	Buy	28.1	60.3	90.4	16.00	40.00	40.00	13.3	8.9	5.0	5.0	2.9	2.5	23.2	30.1	KSE100 & KMI	
Engineering																					
ASTL	Amreli Steels Ltd.	40.3	47.9	19.0	Buy	(4.2)	4.6	2.9	-	-	0.50	8.7	13.7	-	1.2	1.0	1.0	12.1	7.3	KSEALL	
ITTEFAQ	Ittefaq Iron Industries Ltd.	14.4	25.5	77.2	Buy	(1.7)	1.8	2.7	-	-	-	7.8	5.3	-	-	0.5	0.4	6.5	8.8	KSEALL & KMI	
AGHA	Agha Steel Industries Ltd.	28.7	48.7	69.8	Buy	2.0	3.4	5.3	-	-	1.00	8.5	5.4	-	3.5	1.3	1.1	18.5	21.2	KMI	
Food & Personal Care Product																					
UNITY	Unity Foods Ltd.	28.5	54.4	90.9	Buy	0.2	3.4	4.7	-	0.50	1.00	8.5	6.0	1.8	3.5	2.1	1.6	34.3	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

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
ASTL	40.3	9.5	2.4	(16.9)	46.5	36.5	47.7	36.5	51.9	36.5
LUCK	772.0	9.0	6.9	11.0	886.5	641.4	940.7	641.4	940.7	641.4
INDU	1,175.0	8.8	2.0	7.9	1,333.4	1,095.0	1,333.4	1,025.4	1,333.4	914.4
MLCF	38.4	8.7	9.3	(14.5)	46.2	31.1	49.3	31.1	49.3	31.1
FCCL	19.3	8.7	11.6	(7.5)	22.3	16.2	24.5	16.2	27.2	16.2
DGKC	88.1	7.5	0.7	(22.3)	112.6	77.4	129.5	77.4	139.7	77.4
FFBL	24.6	6.8	9.5	(2.7)	26.7	20.2	28.0	20.2	29.2	19.7
AGHA	28.7	6.6	7.9	(24.7)	31.1	25.8	34.3	25.3	39.5	25.3
NML	90.5	5.8	4.4	(6.8)	95.2	81.8	100.2	76.3	117.4	76.3
ITTEFAQ	14.4	5.8	(2.7)	(13.6)	18.0	13.4	21.9	13.4	21.9	13.4
FML	101.0	5.2	14.6	5.5	102.5	87.6	105.3	87.6	122.8	87.6
FABL	27.5	5.2	7.2	66.6	28.2	17.9	28.2	15.4	28.2	15.4
NCL	47.4	4.3	7.1	26.0	48.0	41.0	49.3	39.1	49.3	31.1
ACPL	139.5	4.3	3.4	(2.9)	166.7	123.4	175.6	123.4	185.2	123.4
HTL	52.4	3.8	4.8	52.3	66.8	45.8	66.8	45.8	74.9	29.7
KOHC	190.0	3.8	11.2	(12.8)	225.4	152.9	234.4	152.9	246.7	152.9
FFC	103.0	3.6	0.7	3.6	106.4	96.1	106.8	96.1	106.8	91.5
HCAR	235.0	3.0	(10.6)	(27.3)	366.0	220.7	388.4	220.7	388.4	220.7
PSO	190.5	3.0	(0.2)	(4.6)	219.4	182.7	230.7	182.7	240.3	172.7
MCB	164.0	2.6	8.8	2.1	164.0	148.3	164.0	148.2	173.0	140.6
KEL	3.5	2.3	(12.8)	(10.7)	4.0	3.2	4.7	3.2	4.7	3.2
AHCL	36.0	1.8	9.6	(2.2)	37.7	32.6	37.7	32.5	39.1	31.7
LOTCHEM	13.8	1.5	9.5	6.5	14.8	12.0	15.3	12.0	15.6	9.5
EFERT	71.5	1.5	6.7	40.7	71.9	65.7	71.9	57.2	71.9	47.8
POWER	7.4	1.5	4.8	(25.5)	9.3	6.5	10.6	6.5	11.8	6.5
NCPL	12.0	1.3	(2.4)	(19.5)	14.6	11.7	17.5	11.7	20.6	11.7
UBL	140.7	1.3	21.5	31.4	140.0	111.2	140.0	111.2	140.0	90.1
BOP	8.8	1.1	8.0	6.6	8.9	7.9	8.9	7.7	8.9	7.7
OGDC	85.5	1.0	3.5	(13.4)	91.8	79.6	98.4	79.6	109.9	79.6
FATIMA	30.3	0.8	1.8	13.7	30.3	28.1	30.3	26.0	30.3	24.7
ICI	805.0	0.8	1.3	11.0	875.6	757.0	897.6	757.0	897.6	647.5
MTL	891.5	0.5	4.3	19.8	897.2	847.5	903.4	831.0	903.4	599.8
ABL	79.0	0.3	16.2	5.9	79.6	68.0	79.6	65.3	79.6	65.3
POL	380.0	(0.0)	2.0	10.0	385.5	352.1	385.5	325.2	390.5	277.7
APL	326.0	(0.1)	13.7	6.9	329.8	288.9	329.8	288.9	354.9	283.6
BAFL	35.7	(0.3)	12.4	16.1	36.8	30.2	36.8	27.1	36.8	27.1
EPCL	59.2	(0.5)	12.9	52.8	60.4	47.6	60.4	39.6	60.4	33.1
ENGRO	282.0	(0.6)	3.9	(1.1)	295.0	266.3	300.0	266.3	300.0	254.4
PSMC	228.0	(1.0)	(16.2)	(7.3)	364.5	202.9	364.5	202.9	364.5	179.3
PPL	76.5	(1.0)	4.1	(12.2)	80.4	69.8	92.3	69.8	97.7	69.8
HUBC	76.3	(1.2)	3.4	6.2	78.0	69.6	78.0	69.0	82.4	67.2
HBL	123.1	(1.4)	17.0	2.0	127.9	106.3	132.9	106.3	133.9	106.3
SNGP	39.4	(1.5)	(9.2)	0.1	50.5	38.7	50.5	33.4	52.1	32.4
ILP	75.0	(2.1)	10.2	17.5	76.8	68.2	76.8	60.8	76.8	50.4
NPL	17.7	(2.4)	(3.6)	(18.6)	18.6	16.9	20.6	16.9	27.3	16.9
UNITY	28.5	(2.7)	(8.6)	(11.0)	41.0	26.5	49.4	26.5	49.4	22.4
MEBL	136.0	(2.7)	(3.7)	54.6	145.1	110.4	145.1	89.9	145.1	68.9
NBP	34.2	(2.8)	2.7	(20.1)	36.0	32.5	37.8	32.5	43.9	30.5
MARI	1,695.0	(4.4)	14.3	38.3	1,779.2	1,417.6	1,779.2	1,417.6	1,779.2	1,129.5
AKBL	23.0	(4.5)	1.9	13.0	24.6	20.2	24.6	19.6	24.6	16.1
PTL	42.0	(7.4)	(14.1)	-	63.0	42.5	63.1	42.5	63.1	42.5
AVN	104.8	(7.6)	(15.8)	35.7	139.8	103.9	139.8	65.3	139.8	48.6

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	238.21	239.26	SELL	-1.05	Individuals	211.10	210.57	BUY	0.53
Companies	28.36	28.26	BUY	0.10	Companies	19.64	18.64	BUY	1.00
Banks / DFIs	3.07	3.44	SELL	-0.37	Banks / DFIs	8.18	8.73	SELL	-0.55
NBFC	0.34	0.20	BUY	0.15	NBFC	0.58	0.19	BUY	0.39
Mutual Funds	34.25	34.08	BUY	0.17	Mutual Funds	18.62	20.51	SELL	-1.88
Other Organizations	5.99	4.29	BUY	1.70	Other Organizations	4.73	2.26	BUY	2.46
Broker Proprietary Trading	54.53	53.86	BUY	0.67	Broker Proprietary Trading	47.89	47.08	BUY	0.81
Insurance Companies	14.03	12.72	BUY	1.32	Insurance Companies	14.59	10.00	BUY	4.59
Total	378.79	376.10	BUY	2.69	Total	325.33	317.99	BUY	7.34

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	18.56	16.04	BUY	2.53	Commercial Banks	37.88	34.06	BUY	3.83
Fertilizer	7.64	5.99	BUY	1.65	Fertilizer	14.64	10.15	BUY	4.49
Cement	49.24	48.69	BUY	0.55	Cement	36.14	36.53	SELL	-0.39
Power Generation & Distribution	4.80	4.56	BUY	0.24	Power Generation & Distribution	4.03	4.37	SELL	-0.34
Exploration & Production	10.15	10.49	SELL	-0.34	Exploration & Production	13.39	14.46	SELL	-1.07
Oil & Gas Marketing Companies	12.91	12.86	BUY	0.05	Oil & Gas Marketing Companies	7.41	7.40	BUY	0.01
Food and Personal Care Products	33.39	32.30	BUY	1.10	Food and Personal Care Products	29.56	29.52	BUY	0.04
Textile Composite	14.61	14.93	SELL	-0.32	Textile Composite	8.14	7.26	BUY	0.88
Technology and Communication	128.68	129.10	SELL	-0.42	Technology and Communication	99.12	99.68	SELL	-0.55
All other Sectors	98.65	101.00	SELL	-2.35	All other Sectors	74.60	74.15	BUY	0.45
Total	378.64	375.95	BUY	2.69	Total	324.91	317.57	BUY	7.34

FIPI Normal
Current Week

Category	Current Week				Last Week				
	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.02	0.01	BUY	0.01	Foreign Individuals	0.05	0.01	BUY	0.05
Foreign Corporates	9.66	12.11	SELL	-2.45	Foreign Corporates	8.13	16.79	SELL	-8.66
Overseas Pakistani	17.60	17.84	SELL	-0.24	Overseas Pakistani	13.33	12.06	BUY	1.28
Total	27.27	29.96	SELL	-2.69	Total	21.52	28.86	SELL	-7.34

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	1.90	4.43	SELL	-2.53	Commercial Banks	4.07	7.90	SELL	-3.83
Fertilizer	0.34	1.99	SELL	-1.65	Fertilizer	0.72	5.21	SELL	-4.49
Cement	4.92	5.47	SELL	-0.55	Cement	3.26	2.87	BUY	0.39
Power Generation & Distribution	0.43	0.67	SELL	-0.24	Power Generation & Distribution	0.66	0.32	BUY	0.34
Exploration & Production	0.82	0.49	BUY	0.34	Exploration & Production	2.06	0.99	BUY	1.07
Oil & Gas Marketing Companies	1.18	1.23	SELL	-0.05	Oil & Gas Marketing Companies	0.62	0.63	SELL	-0.01
Food and Personal Care Products	1.59	2.68	SELL	-1.10	Food and Personal Care Products	1.56	1.60	SELL	-0.04
Textile Composite	0.88	0.56	BUY	0.32	Textile Composite	0.48	1.36	SELL	-0.88
Technology and Communication	6.27	5.85	BUY	0.42	Technology and Communication	4.51	3.95	BUY	0.55
All other Sectors	8.94	6.59	BUY	2.35	All other Sectors	3.57	4.02	SELL	-0.45
Total	27.27	29.96	SELL	-2.69	Total	21.52	28.86	SELL	-7.34

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	1.3	1.3	1.7	2.4	2.8	2.6	3.9	1.9	2.2	8.1	-72.3%
P/E (x)	15.7	21.6	13.7	16.3	12.2	16.4	11.4	13.6	10.7	14.6	5.3	-63.6%
P/B (x)	2.0	3.2	2.4	1.6	8.7	1.7	1.4	2.2	1.1	2.7	0.8	-68.6%

Source: Bloomberg, AHL Research

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

Country	Index	Index Closing*	WTD (%)	CY21TD (%)	Country	Index	Index Closing*	WTD (%)	CY21TD (%)
Vietnam	VNIndex Index	1,444	4.0	32.8	Uae	ADSMI Index	7,873	(0.0)	56.0
Turkey	XU100 Index	1,522	3.7	(19.6)	Mauritius	SEMDEX Index	2,124	(0.1)	18.8
Egypt	EGX30 Index	11,507	3.3	6.3	Japan	NKY Index	28,893	(0.1)	(4.6)
Pakistan	KSE100 Index	46,219	2.8	(1.6)	Czech Republic	PX Index	1,330	(0.1)	25.1
USA	NDX Index	15,778	2.8	22.4	Hungary	BUX Index	54,518	(0.2)	24.3
Sri Lanka	CSEALL Index	10,163	2.6	38.4	Singapore	FSSTI Index	3,198	(0.2)	10.2
Iceland	ICEXI Index	2,583	2.3	35.0	Kazakhstan	KZKAK Index	3,752	(0.2)	38.1
Morocco	MOSEMDX Index	11,043	2.2	18.3	Bangladesh	DSEX Index	7,062	(0.2)	29.2
Oman	MSM30 Index	4,062	2.0	11.0	Qatar	DSM Index	11,807	(0.4)	14.0
Denmark	KFX Index	1,856	1.7	19.9	Serbia	BELEX15 Index	795	(0.5)	1.0
Belgium	BEL20 Index	4,284	1.5	12.5	Kenya	NSEASI Index	178	(0.5)	14.7
Chile	IPSA Index	4,106	1.2	(13.6)	Australia	AS51 Index	7,324	(0.5)	8.7
Bulgaria	SOFIX Index	582	1.2	23.1	Croatia	CRO Index	2,038	(0.6)	11.2
Spain	IBEX Index	9,017	1.2	6.2	Romania	BET Index	12,755	(0.6)	21.02
USA	SPX Index	4,596	1.1	22.4	Lithuania	VILSE Index	952	(0.7)	10.3
Bahrain	BHSEASI Index	1,742	1.0	16.9	Portugal	PSI20 Index	5,736	(0.7)	11.3
Luxembourg	LUXXX Index	1,726	1.0	21.9	Austria	ATX Index	3,753	(0.8)	27.7
Brazil	IBOV Index	105,707	0.8	(18.4)	Slovenia	SBITOP Index	1,183	(0.8)	24.3
Taiwan	TWSE Index	16,987	0.8	16.5	South Korea	KOSPI Index	2,971	(0.9)	(4.1)
Tunisia	TUSISE Index	7,047	0.7	(2.4)	Indonesia	JCI Index	6,591	(1.0)	8.7
Nigeria	NGSEINDX Index	42,019	0.7	0.9	Netherland	AEX Index	805	(1.0)	22.6
Estonia	TALSE Index	1,959	0.6	37.9	Thailand	SET Index	1,623	(1.0)	0.7
France	CAC Index	6,779	0.6	16.1	Mongolia	MSETOP Index	39,841	(1.0)	106.7
Switzerland	SMI Index	12,071	0.59	9.1	Poland	WIG20 Index	2,400	(1.1)	13.4
Italy	FTSEMIB Index	26,742	0.6	13.8	Greece	ASE Index	895	(1.2)	5.2
Europe	SX5E Index	4,216	0.6	12.8	China	SHSZ300 Index	4,909	(1.3)	(3.9)
Jordan	JOSMGNFF Index	2,121	0.4	28.0	Argentina	MERVAL Index	86,034	(1.3)	41.7
Germany	DAX Index	15,603	0.3	7.6	Malaysia	FBMKLCl Index	1,562	(1.4)	(6.7)
UK	UKX Index	7,225	0.3	12.7	Saudi Arabia	SASEIDX Index	11,759	(1.5)	35.4
Latvia	RIGSE Index	1,298	0.3	8.0	Russia	RTSI\$ Index	1,841	(2.0)	32.7
Lebanon	BLOM Index	1,004	0.3	52.6	Russia	IMOEX Index	4,131	(2.1)	32.3
Ghana	GGSECI Index	2,864	0.3	42.2	Mexico	MEXBOL Index	51,249	(2.2)	13.8
Ireland	ISEQ Index	8,479	0.2	9.3	South Africa	JALSH Index	67,491	(2.3)	9.4
USA	INDU Index	35,730	0.1	16.7	Sweden	OMX Index	2,282	(2.4)	16.8
Dubai	DFMGI Index	2,861	0.1	14.8	India	SENSEX Index	59,307	(2.4)	21.1
Ukraine	PFTS Index	526	0.0	13.6	Finland	HEX Index	12,574	(2.4)	9.4
Canada	SPTSX Index	21,198	0.0	25.6	Philippines	PCOMP Index	7,055	(2.6)	(5.9)
New Zealand	NZSE Index	2,120	(0.0)	(2.2)					

Source: Bloomberg, AHL Research, * Last Closing

Key Economic Data & Commodities Prices

Month end	Units	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Current*
Money Market Data																
03-M T-Bill	%	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	7.6	8.2
06-M T-Bill	%	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	8.0	8.8
12-M T-Bill	%	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	8.7	9.1
03-Y PIB	%	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	9.7	9.9
05-Y PIB	%	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	10.0	10.2
10-Y PIB	%	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	10.5	11.0
06-M KIBOR	%	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	8.2	8.8
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	7.25	7.25
Inflation (YoY)																
Headline (CPI New Base)	%	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	9.0	9.0
Monetary Sector																
M1	PKR bn	17,128	17,232	17,317	17,541	17,951	17,930	18,186	18,403	18,723	18,935	19,824	19,888	19,802	na	19,802
M2	PKR bn	20,519	20,743	20,811	21,063	21,604	21,429	21,683	21,985	22,213	22,476	23,722	23,576	23,519	na	23,519
M3	PKR bn	24,853	25,083	25,163	25,419	25,970	25,708	25,935	26,228	26,441	26,606	27,731	27,563	27,476	na	27,476
Banking Sector																
Deposits	PKR bn	16,327	16,886	16,664	16,841	17,876	17,086	17,257	17,906	17,561	17,955	19,796	18,839	19,208	19,829	19,829
Advances	PKR bn	8,053	8,094	8,116	8,166	8,497	8,467	8,527	8,600	8,665	8,811	8,996	8,878	8,936	9,290	9,290
Investment	PKR bn	10,869	11,090	10,942	11,071	11,552	11,421	11,612	12,553	12,418	13,068	13,742	14,102	13,902	14,096	14,096
WALR	%	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	7.7	7.7
WADR	%	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	3.6	3.6
Spread	%	4.9	4.6	4.7	4.5	4.4	4.4	4.4	4.3	4.5	4.5	4.5	4.2	4.3	4.1	4.1
External Sector																
Forex Reserves	USD bn	19.9	19.4	19.4	20.3	20.5	20.1	20.1	20.6	22.7	23.3	23.3	24.9	27.2	26.0	23.9
With SBP	USD bn	12.7	12.2	12.2	13.1	13.4	13.0	13.0	13.5	15.6	16.1	16.1	17.8	20.1	19.3	17.1
With Banks	USD bn	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.2	7.2	7.0	7.1	6.7	6.8
Exchange rate	PKR/USD	166.24	165.70	160.26	159.42	160.28	159.83	160.22	152.76	153.45	154.40	157.54	162.43	166.39	170.66	171.65
C/A Balance	USD mn	255	27	448	563	(629)	(219)	(34)	(364)	(188)	(650)	(1,619)	(814)	(1,473)	(1,113)	(1,113)
Exports	USD bn	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	2.6	2.6
Imports	USD bn	3.2	3.8	3.5	4.1	5.0	4.4	4.5	5.2	5.0	5.0	6.3	5.4	6.0	6.1	6.1
Trade Balance	USD bn	(1.6)	(1.9)	(1.5)	(1.8)	(2.8)	(2.3)	(2.3)	(2.6)	(2.7)	(2.8)	(3.8)	(3.4)	(3.7)	(3.4)	(3.4)
Remittances	USD bn	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	2.7	2.7
Key Commodities Prices																
International																
Coal	USD/ton	59.2	62.3	59.4	83.7	87.7	87.1	83.3	96.9	93.2	108.3	114.9	123.0	146.8	200.5	220.4
Steel (HRC)	USD/ton	582.9	567.4	580.2	629.0	699.5	700.9	697.1	818.6	888.4	886.2	836.9	918.7	887.4	900.1	845.5
PTA	USD/ton	450.0	440.0	455.0	465.0	510.0	510.0	585.0	690.0	695.0	695.0	745.0	750.0	745.0	745.0	780.0
Gold	USD/oz	1,968	1,886	1,868	1,777	1,894	1,899	1,861	1,708	1,769	1,907	1,770	1,814	1,814	1,757	1,799
Cotton (COTLOOK A)	USd/lb	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	110.2	118.2
Crude oil (WTI)	USD/bbl	42.6	40.2	36.2	45.3	48.4	48.5	53.6	59.2	63.6	66.3	73.5	74.0	68.5	75.0	82.8
Crude oil (Arab Light)	USD/bbl	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	79.0	83.5
Crude oil (Brent)	USD/bbl	45.3	41.0	37.7	47.6	51.3	51.8	56.4	63.5	67.3	69.3	75.1	76.3	73.0	78.5	84.3
Local																
Cotton	PKR/maund	8,600	8,950	10,100	9,450	10,000	10,200	10,800	11,500	11,300	12,300	12,600	13,000	14,200	14,100	15,300
Cement	PKR/bag	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	678.1	722.6
Gold	PKR/10 grms	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	97,310	102,450

*Current Price

Disclaimer

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Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'21 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 (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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